



Nestlé

Good food, Good life

# Creating Shared Value at Nestlé

2024

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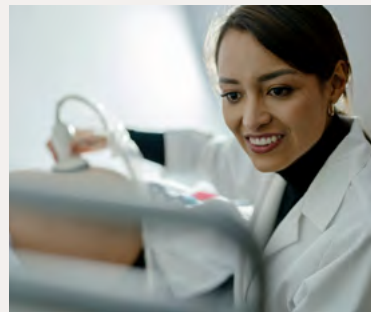
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## A MESSAGE FROM OUR CEO AND OUR CHAIRMAN



Nestlé is the Nutrition, Health and Wellness company. Our purpose is to unlock the power of food to enhance quality of life for everyone, today and for generations to come. This is both a responsibility and an opportunity for Nestlé. There is no higher priority for our company than enhancing the quality of people's lives and playing a unique role in the diets of everyone, everywhere at all stages of life. We continue in the footsteps of Henri Nestlé, who championed scientific research as the bedrock of product development that fostered health and wellness. Across the world people are living longer. They want to enjoy healthy longevity, and eating a balanced diet is a key part of that. We recognize that as a food, beverage and nutrition company we have a vital role to play supporting these aspirations.

Creating Shared Value is how we do business. Let us set out how and why it is important for Nestlé to create value for society as well as for our shareholders. That's what we mean by *shared* value. Doing business in ways that address global and local issues is our priority today, as it has been for generations. We have been in business for nearly 160 years. Over that time, we have established strong bonds with the hundreds of thousands of farmers we work with directly, and the many thousands more we work with indirectly across our value chain. Together with our suppliers, we are striving to have a positive impact on the environment, on the communities where our ingredients come from and beyond.

Nestlé's strength is that we are both a global and a local company. In many countries where we operate, people think of us as local because of a century or more of local presence and because of our real understanding of people's preferences and needs. Nestlé brands are well-known and well-loved. People expect a Nestlé product to be high-quality, safe and made from ingredients which have been carefully produced—and it should also taste great. This is how we earn people's trust every day. Trust is a competitive advantage in a world that is increasingly fragmented, unstable and uncertain.

Our business is founded on respect—for those who work for us, for those we work with, and for those we encounter in bringing our products to market. We need to make our company more resilient to ensure we can continue to thrive in an increasingly volatile world. In doing so, we aim to contribute to the resilience of the communities we serve by providing secure employment, reliable and sustainable supplies of food and beverages, and support for local, regional and global efforts to evolve and strengthen the food systems we all rely on. Each year since 2007, we have communicated clear goals,

measures and progress in Creating Shared Value reports. This year, our statutory non-financial reporting format has changed. This ensures we meet regulatory requirements in Switzerland and anticipates our future obligation to report following the European Sustainability Reporting Standards (ESRS). The new non-financial statement is published with the *Annual Report* and contains all the data previously published in our *Creating Shared Value & Sustainability Report*.

This publication should be read along with our statutory reporting to give concrete examples on how we support *people, planet and communities* and how this differentiates Nestlé as a company. We hope that you will find it useful and informative. To be successful, we cannot work alone. We hope this document will encourage others to partner with us, advise us and guide us so we can maximize the positive impact that Nestlé achieves through Creating Shared Value across our business and around the world.

Laurent Freixe, Chief Executive Officer

Paul Bulcke, Chairman



## CREATING SHARED VALUE: A FRAMEWORK TO ADDRESS ISSUES IN TODAY'S FOOD SYSTEM

Creating Shared Value as a concept is based on our strong conviction that a company should create value both for its shareholders and for society at large.

This is how Nestlé has done business since the company was founded nearly 160 years ago. Twenty years ago, the concept was articulated when Nestlé worked with FSG, a social impact consulting firm led by Michael Porter and Mark Kramer, on a report documenting Nestlé's contribution to society in Latin America. Creating Shared Value was the suggested name for this new approach. Subsequently, the concept was defined more rigorously and the term adopted company-wide.

Creating Shared Value was about seeking out ways to connect business strategy and opportunities for the growth and progress of society. Where this could be achieved, there was considerable potential for companies to contribute more strongly to sustainable global growth. Over the years, Porter and Kramer continued to develop the concept further and give it a life of its own.

### Creating Shared Value: meeting global challenges

Today, Creating Shared Value is as relevant as it has ever been. The challenges that the company has to navigate are no easier now than they were at the start of the century. The global food system is at a critical juncture. The effects of a warming planet, the resulting nature and biodiversity loss and extreme weather events are more and more evident. Climate change is speeding up the

Launched in May 2024, the Nescafé Gold refill paper pack is fully recyclable and uses 97% less packaging weight compared to our *Nescafé Gold Blend* 200g jars. Designed with consumer convenience in mind, the paper packs can be used to refill the glass jar, giving it a longer life, while maintaining the same great taste and aroma.



depletion of natural resources and damaging the natural ecosystems we rely on to produce food.

Obesity rates have risen dramatically over recent decades, leading to numerous health issues that significantly impact quality of life. We see considerable economic inequality within societies and between countries. The world has made little progress in addressing disparities in income and opportunity for the most vulnerable.

### Building resilience

One company cannot solve all these problems alone, but we can contribute to the wider efforts to address them. In the face of this volatility, it becomes more important than ever that large multinational companies like Nestlé are resilient and stable. Resilience not only benefits their shareholders but also other stakeholders: employees, suppliers, partners, customers and, of course, the people who buy their products.

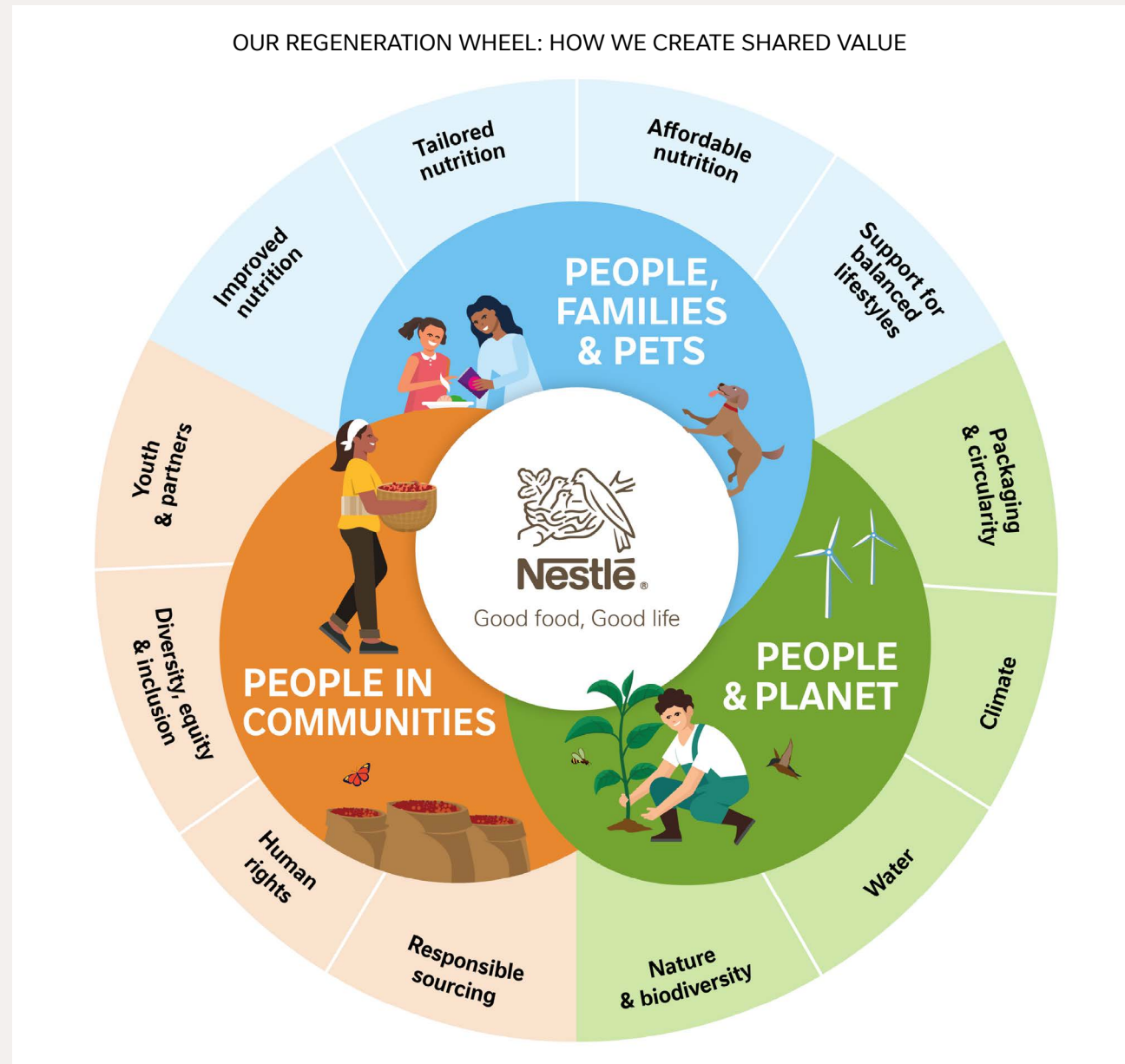
This is the Creating Shared Value approach. All of these issues affect our business. Developing solutions to address them can create opportunities for faster growth and lower costs for Nestlé. Creating Shared Value is a strategy for improving corporate returns as well as addressing society's problems. It also helps to build trust. Trust is paramount for a fast-moving consumer goods company of our size and our scale. We need to earn the trust of consumers and other stakeholders every day.

The challenges listed above are all interconnected. Nestlé's efforts to help address them are holistic. We use what we call our regeneration wheel to show how the different areas where we work on Creating Shared Value are interconnected. It reflects our aim to deliver value for people and pets, communities and the planet while ensuring our long-term business success.

The chapters in this book follow the same logic. Although each covers a different area—*People, families and pets*, *People and planet* and *People in communities*—they can be read together as part of one narrative, reflecting the holistic approach we take. Our Creating Shared Value principles are key to building a food system that meets the needs of people, while aiming to safeguard our planet for future generations.

### Sound governance

We want to be the trusted leader in our sector. Building our business on clear principles and sound governance helps maintain trust in the Nestlé brand and reduce risk throughout our value chain. You can read more about our sustainability governance structure in the [Non-Financial Statement 2024](#). In 2009, Nestlé created an external advisory council to help ensure the development of long-term sustainability and positive social and economic impacts



of our Creating Shared Value approach. Chaired by Janet Voûte, the Creating Shared Value Council comprises ten members whose expertise spans strategy, sustainability, nutrition, water, nature and biodiversity, food systems and rural development.

The expertise of our external advisors helps us on our transformation journey. We aim to inspire the rest of our industry, collaborate where it matters with our peers and encourage consumers to make choices that help in the shift toward regenerative food systems. Creating Shared Value is the framework that helps ensure that we do so in a way that makes sense for our business.

## CREATING SHARED VALUE FOR NEARLY 20 YEARS

Almost 20 years ago, Nestlé codified its way of doing business in the concept of creating shared value—delivering shareholder value by advancing the well-being of all stakeholders. Today, this commitment continues to drive innovation and competitive advantage across all of Nestlé's business segments. Consider just a few examples:

- Aiming to address nutritional deficiencies and inadequacies in emerging markets through infant cereals and affordable Maggi bouillon cubes, fortified with essential micronutrients
- Improving livelihoods and the environmental impact of smallholder farmers who supply Nestlé with coffee, cocoa and milk through improved plant stock, financing, training and technical advice
- Partnering with other major corporations to create career opportunities for youth
- Working with partners across the industry to improve packaging solutions and infrastructure for collection
- Innovating with plant-based foods to help address health, affordability and climate challenges.

It is essential to report data and hold the company accountable for meeting its ambitious social and environmental goals. Data alone, however, cannot show the deep commitment across all of Nestlé's 277 000 employees to use the company's resources and capabilities to develop products and conduct business in ways that promote nutrition, health and wellness. Nor can that data show the vision of a regenerative food system that sustains

people, families, pets and communities that is at the core of Nestlé's strategy. Nestlé's commitment to Creating Shared Value is a key differentiator from its competitors and the primary source of its enduring competitive advantage.

Mark Kramer  
Co-founder & Director of FSG  
Former Faculty of Harvard Business School  
and Co-author of Creating Shared Value  
Member of Nestlé's Creating Shared Value Council



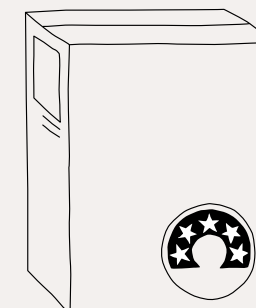


# Our progress at a glance\*



## 59%

of net sales that have  
Health Star Rating  
(HSR) 3.5 or above\*\*



## 132

**billion servings  
of micronutrient-fortified  
affordable nutrition**

\* For information on our progress, see our [Non-Financial Statement 2024](#).

\*\*Includes specialized nutrition, for which HSR does not apply. Calculations are based on the recipe for each product. 73% of net sales covered, excludes PetCare and non-food items and some entities where the recipes were not available this year. Specialized nutrition includes products sold by our Nutrition and Nestlé Health Science (NHS), which provide nutritional benefits and for which the HSR system generally does not apply.

Nestlé is the Nutrition, Health and Wellness company, enhancing the quality of people's lives with food, nutrition and beverages, backed by science-based innovation to address key consumer needs. Good food, good life – this is what we stand for.

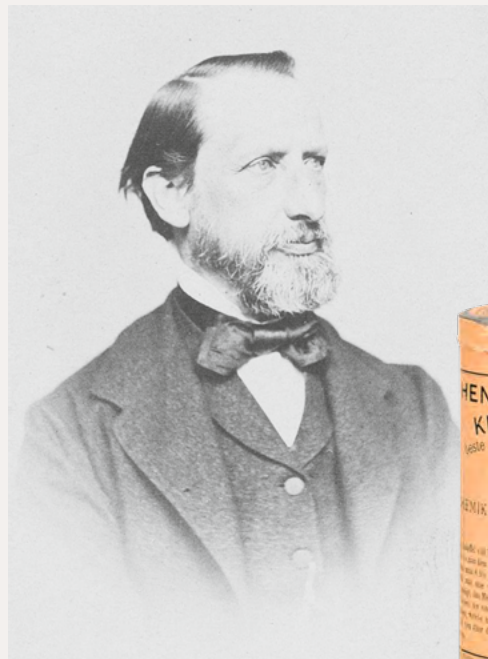


Our *Good for You* strategy is how we deliver Nutrition Health and Wellness. Every day, everywhere, people are doing their best to eat well, and through deep consumer insights we understand the barriers that get in their way. This can be access to affordable nutrition, a need for convenience, or finding products and support for specific needs such as healthy longevity and weight management. As a trusted partner, present in 185

countries worldwide, our ambition is to help bring tasty and balanced diets within reach for billions. We deliver this through our portfolio and products, and through communication and services. We aim to grow sales of our more nutritious products by CHF 20-25 billion by 2030\* and provide transparent information and support to help consumers make informed choices.

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\* The target assumes constant foreign exchange rates. Should any material acquisitions or divestitures take place, the target may be adjusted accordingly.



Since the very beginning, Nestlé has been developing products to support better nutrition. For example, Henri Nestlé's 'farine lactée' (flour with milk) product was created for infants who couldn't be breastfed, to tackle high mortality rates.



### Our values: a strong commitment to better nutrition

Good nutrition is not merely a choice—it is the cornerstone of health and wellbeing for everyone. Nearly 160 years ago, Henri Nestlé established our company with a commitment to improving infant nutrition. His groundbreaking development of a milk-based infant cereal in the late 19th century met a critical need: providing safe and nutritious feeding options for infants unable to be breastfed. This innovation became the foundation for Nestlé's focus on nutrition. Henri Nestlé championed

scientific research as the bedrock of product development that fostered health and wellness. This approach, building a deep understanding of the nutritional needs of consumers, has been a guiding principle for Nestlé throughout our history.

Our founder used high-quality ingredients and pioneered safe food production practices which set the standard for the company. His philosophy is reflected in Nestlé's ongoing efforts to promote healthy eating habits and lifestyles. Our strategy today is the result of the values he established. With our strong research and development

organization, we are uniquely positioned to deliver differentiating, science-based solutions and enable millions of people to access affordable and nutritious food and beverages.

Access to food and beverages, coupled with sound nutrition, is fundamental to supporting good health, wellbeing and quality of life for all. The consequences of nutritional imbalance, whether excess or deficiency, can be detrimental. A balanced approach to nutrition is more than just avoidance of excess—it ensures that people receive the essential nutrients their bodies require for growth, development and optimal functioning, tailored to their life stages and lifestyles. Access to nutritious food and beverages also has an impact on social and economic stability. Food insecurity leads to increased healthcare costs, diminished productivity and greater reliance on social services. By helping to support access to high-quality, safe food and beverages, we aim to foster healthier communities.

### Growing and evolving our portfolio

Nestlé offers an extensive array of products and services across multiple categories, including Powdered and Liquid Beverages, PetCare, Nutrition and Health Science, Prepared dishes and cooking aids, Milk products and Ice cream, Confectionery and Water. We cater to every stage of life, from pre-conception to old age, and every meal occasion in the day, from breakfast to dinner to the indulgence of a late-night snack. With 31 billionaire brands, we have established strong businesses in both developed and developing markets, leading the way in the categories we serve. Our success is rooted in our dedication to tailor our offerings to local tastes and preferences, forging strong connections with communities around the globe.

The breadth of products we offer is our strength, providing value to consumers and investors alike. Many of our products are designed to accompany a meal and to be consumed with plenty of fresh foods.

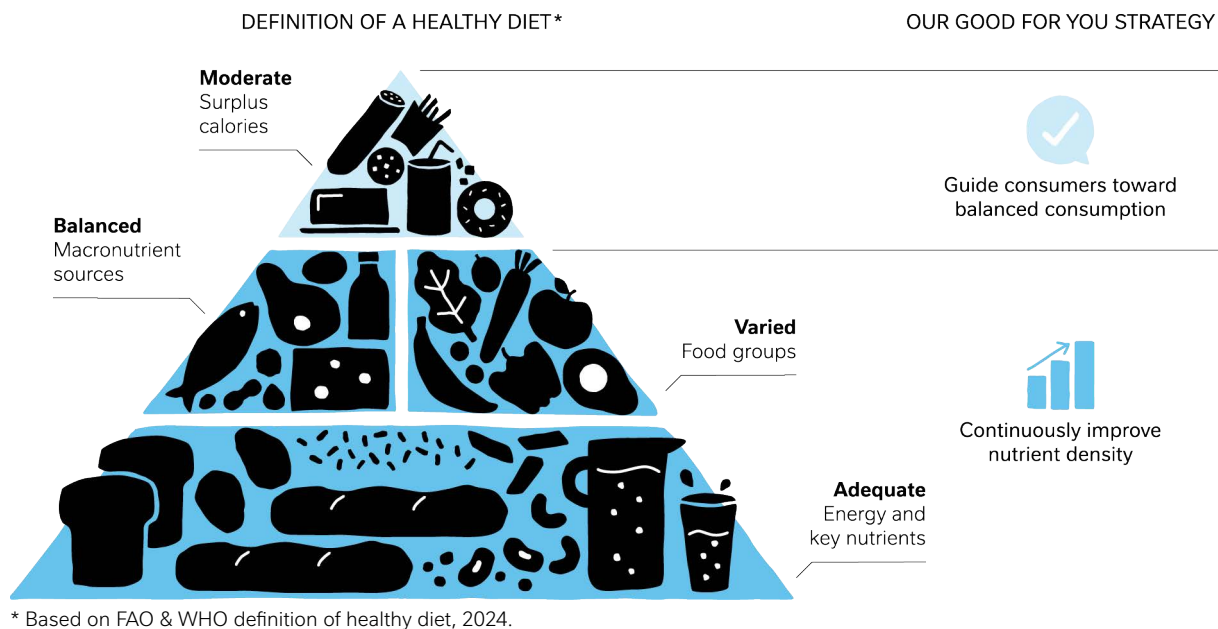
In our pursuit of better products, we seek to enhance positive nutrients, minimize public health-sensitive nutrients and elevate taste. Nutrient profiling systems are used to steer both new product development and the reformulation of existing products, with the aim of improving nutrient density where possible. This can involve reducing sugar, sodium or saturated fat, or increasing protein, fiber and food groups like fruit, nuts, legumes and vegetables. Taste, texture, cost and sustainability are all important as we consider local dietary habits, population and individual needs and cultural contexts.

#### Guiding people toward tasty and balanced diets

Navigating the complexities of what constitutes a balanced diet, based on individual needs and access to food, is not easy: people find themselves falling short of where they would like to be, or wishing for clear guidance.

With our global scale and reach, Nestlé is uniquely positioned to help people understand more about balanced diets and healthy lifestyles. Supporting a balanced approach to nutrition—one that delivers the essential nutrients our bodies need to thrive—is a catalyst for encouraging healthier individuals, families and communities. Our *Good for You* strategy shapes the evolution of our product portfolio while equipping people with the tools, transparency and information necessary to make informed decisions, helping to foster responsible consumption and nutritious choices. This is a critical part of our Creating Shared Value approach.

### PROGRESSIVELY IMPROVING OUR PRODUCTS BASED ON THEIR ROLE IN A BALANCED DIET



Transparency begins with the product packaging, the critical touchpoint for information. We champion transparent nutrition labeling and intuitive consumption guidance, including appropriate portion sizes. Where regulations permit, we enhance this with front-of-pack labeling that clearly communicates the nutritional profile of the product in store. We also provide recipes and serving

suggestions, illustrating how our products can be paired with salads, vegetables or proteins for a balanced meal.

We understand that people are unwilling to compromise on taste, especially in indulgent categories like confectionery and ice cream. For these products, in addition to making sure they offer great taste and value for money,



Children learn about the importance of a balanced diet in a Nestlé for Healthier Kids cooking class in Hungary.

nutritional support, and rewards, empowering families to maintain a balanced diet. In the Philippines, the Nestlé Goodnes website supports people on their journey to healthier eating and balanced diets, providing information about nutrition and an array of tools designed to tackle common challenges.

We also want to help children and young people understand the importance of a balanced diet, good hygiene and physical activity. The *Nestlé for Healthier Kids* program is a useful resource for parents and caregivers, promoting balanced diets and healthy lifestyles through engaging educational programs and digital resources. The program incorporates storytelling, physical activities and practical tips that involve children in shopping and meal preparation. Our goal is to guide consumers toward making informed choices for a healthy and balanced lifestyle, while simultaneously simplifying these choices by expanding our portfolio with more nutritious products.

### Affordable nutrition: improving food access and strengthening communities

For millions of people, the fundamental human right to a nutritionally adequate diet at a price they can afford remains out of reach. This reality is devastating, leading to lifelong consequences such as wasting and stunting, while heightening the risks of illness and infectious diseases. The toll is not only personal—it weakens communities and cripples economies. The World Health Organization estimates that over two billion people suffer from some form of micronutrient deficiency, with iron, vitamin A and zinc among the most prevalent.

Nestlé helps address this pressing global health crisis by delivering accessible, affordable nutrition to those on lower incomes, helping to close nutrient gaps, particularly

we aim to indicate appropriate portion sizes and clear guidance on the pack. Our R&D teams have developed an algorithm that considers typical consumption patterns, dietary guidelines and regulated serving sizes from over ninety countries to ensure we calculate credible portion sizes during product development, enabling clear communication on-pack where possible.

We have committed to responsible portion sizes for our confectionery and ice cream products where local regulations allow. For instance, we are working to cap all

children's portions at 110 kcal by the end of 2026, and all our multi-serve products in these categories also feature clear front-of-pack portion guidance. Our commitment to responsible marketing is unwavering; we are among the few companies that have restricted the marketing of indulgent products to children under 16.

Beyond the packaging, we are revolutionizing our digital services across different markets. Our online platforms featuring Nestlé brands offer consumers informative recipes, weekly meal plans, lifestyle tips, personalized

in emerging markets. To maximize our positive impact, we create products that not only aim to address locally relevant nutritional deficiencies but are also consumed regularly by a large proportion of the population. These offerings can contribute to a balanced and varied diet and are affordable for those most in need. With this approach, we address critical societal needs and also create lasting value for the Nestlé business.

In 2024 alone, we provided 132 billion servings of affordable micronutrient-fortified foods. We have decades of experience in fortifying foods and beverages with essential micronutrients such as iron, zinc and iodine, backed by rigorous scientific research and consumer insights.

We leverage data from international and national health authorities to pinpoint specific micronutrient deficiencies prevalent in various populations. We set stringent limits on fortification per serving to mitigate the risks of excessive consumption and always comply with local regulations. We provide clear and accessible information about the nutritional benefits of our fortified products, while promoting healthy lifestyles in the communities we serve.

Affordable nutrition is also becoming a topic beyond emerging markets as families try to manage in inflationary environments. We are expanding our range of products to meet the evolving needs of those consumers and help them balance their budgets by providing good quality products in varied formats and with a variety of options and offers. As we support the evolution of food systems, we are committed to introducing more affordable protein options and ensuring we produce our products sustainably.

## ENSURING ACCESS TO HIGH-QUALITY, AFFORDABLE PROTEIN

by Elena Gall, R&D Specialist, Affordable Nutrition, Nestlé Product Technology Center, Singen, Germany

Protein is an essential nutrient the body needs for healthy growth and development.

In many countries, people struggle to access good-quality and nutritious food that is affordable. Storing food and maintaining the quality and freshness of meat, for example, can also be a challenge in some regions.

To address this, we have been working on developing a range of solutions—from plant-based alternatives to meat extenders. These solutions are high-quality,

affordable, shelf-stable and, importantly, have a taste and texture profile that fits into local diet and cuisine. Our *Maggi Soya Chunks* are providing people in Central and West Africa with a tasty, soy-based alternative to meat. The similarity to meat in taste, texture and versatility make the soya chunks a flexible protein source for a variety of family meals, at a lower cost than comparable meat alternatives.

In Chile, we launched the plant-based alternative *Maggi Rindecarne*. The mix of soy and spices allows consumers to prepare a dish combining meat and plant-based proteins, thereby doubling the number of servings at an affordable price and retaining the nutritional value without compromising on taste.

Affordability is key to reaching broader communities all over the world. By expanding our affordable nutrition offerings, using our iconic brands like *Maggi*, we are making a real difference in the everyday lives of people, helping them achieve a balanced diet within their budget.



Maggi Soya Chunks are an affordable meat-alternative that can be used in local recipes providing families with a valuable source of protein in Nigeria.

### Nestlé Research and Development: driving innovation to enhance nutrition, health and wellness

Our Research and Development stands at the forefront of the food industry, powered by a dedicated team of over 4 000 employees across a network of twenty-three research and development sites worldwide. Nestlé Research and Development provides the scientific foundations for our innovations—from food safety to nutrition and health research to agriculture and packaging—and translates scientific discoveries into product and technology solutions for people and pets.

The strength of our science and technology capabilities empowers us to harness the latest advancements in nutritional science, giving us a decisive edge in the creation of new products. Our commitment to research and development does not merely enhance the health of individuals today—it propels us into the future, continually redefining the boundaries of nutrition science and dietary research.

### The life-long nutrition approach

Life stages are fundamental determinants of nutritional needs. Infants need higher intakes of fats to support brain development, children require more protein and calcium for bone growth, pregnant women need folic acid to support fetal development, while older adults require higher intakes of calcium, vitamin D and fiber to maintain bone health and digestive function, as well as protein to maintain muscle mass. Nutritional requirements are not uniform—they are significantly influenced by lifestyle, culture, socioeconomic factors, or by medical conditions that necessitate specialized nutrition.

N3 Milk is made from cow's milk and contains essential nutrients found in milk, such as proteins and vitamins, but it is low in lactose and contains beneficial prebiotic fibers. To support Chinese consumers, many of whom are sensitive to lactose, N3 Milk uses specialized enzymes to convert the lactose naturally present in cow's milk into prebiotic fibers that can deliver gut microbiome benefits in healthy adults.



Nestlé is committed to addressing these diverse and evolving nutritional needs through a tailored approach that combines our extensive knowledge of nutrition science, industry-leading research and development, and profound consumer insights. For some, this means innovative food solutions that promote gut health; for others, it entails providing the essential protein that active aging adults require, options for people with food allergies or intolerances, or tailored support for women embarking on the transformative journey of motherhood.

Our aim is to enhance quality of life across all life stages, focusing on the well-being of mothers to support the health and development of future generations. There is an urgent need to elevate awareness of women's health issues while expanding the range of solutions available. The health of infants—extending beyond birth into adulthood—is irrevocably linked to maternal nutrition; the dietary choices women make before, during and after pregnancy have profound implications both for their health and that of their children.

This represents a significant social imperative and an opportunity for Nestlé, leveraging our deep-rooted expertise in optimal infant nutrition. Nestlé aims to support good nutrition for mothers, addressing every stage: preparing for pregnancy, ensuring a healthy gestation, supporting postpartum recovery and promoting lactation.

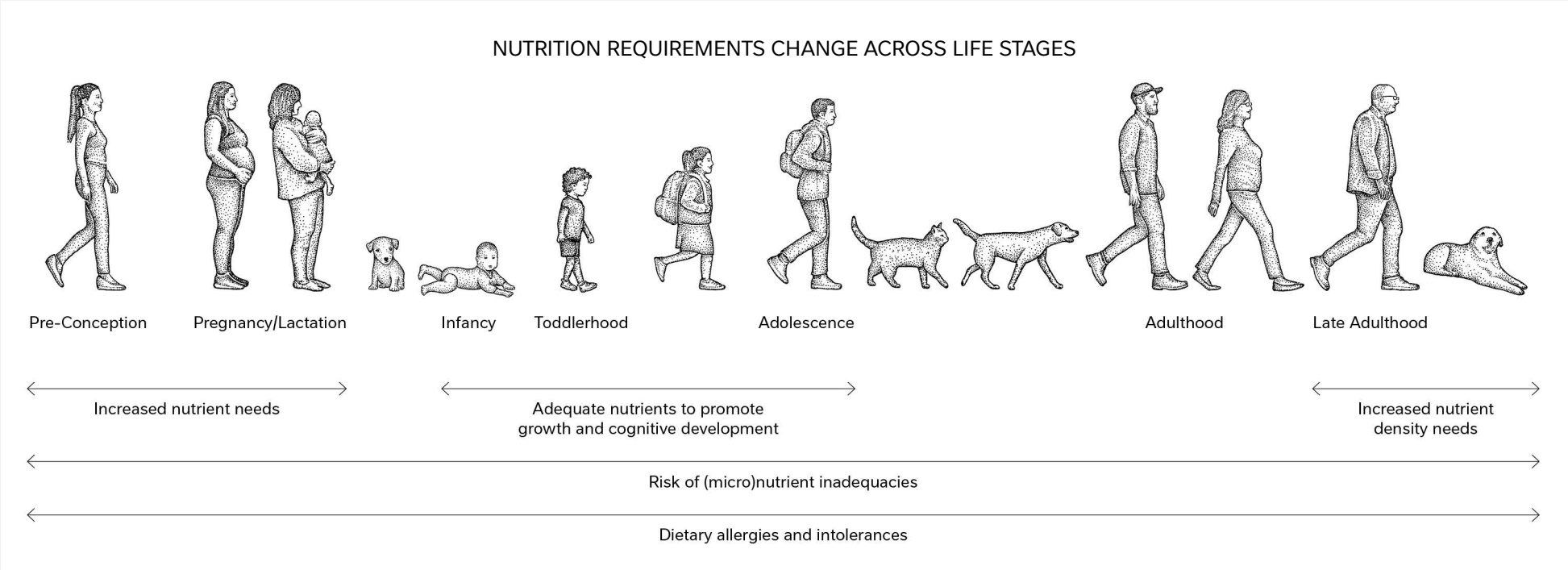
Supporting newborns and infants is crucial for laying the groundwork for healthy growth and development. Nutrient-dense foods during early childhood are vital, as small stomachs struggle to accommodate large volumes of food; thus, fortified infant cereals and milk formulas play a key role in delivering critical nutrients like iron. We

steadfastly advocate for breastfeeding as the optimal start in life, while also responsibly providing alternatives for mothers or caregivers who choose a different path and those obliged to use infant formula for medical reasons. Breastfeeding provides the best nutritional start in life for babies. That is why we do not promote infant formula for babies under six months, as a minimum, anywhere.

As life expectancy rises, individuals increasingly seek to enhance their quality of life—considering not just lifespan, but health span. We provide nutritional support for active lifestyles at every life stage with vitamins, minerals and supplements. Addressing the challenges of healthy aging is imperative, both for individuals and for societies

striving to meet the needs of aging populations. Our nutritional solutions empower people to lead more active lives as they get older.

Beloved pets also experience changes throughout their life cycles. Our dedicated team of Purina nutritionists, behaviorists, veterinarians and specialists is relentlessly innovating to shape the future of pet care, crafting products precisely formulated for optimal nutrient absorption and targeted benefits at every life stage. We strive to strengthen the bond between pets and their owners, such as by developing pet food that minimizes allergens in cats, allowing families to enjoy a harmonious relationship with their pets.



Our Nestlé Health Science business delivers specialized medical nutrition for individuals facing illness, disease, allergies and genetic conditions. We are also pioneering new foods designed to support those on GLP-1 weight loss medication, focusing on high-protein options that are a good source of fiber for consumers who are trying to manage or lose weight. We complement this initiative with a tailored online platform that responds dynamically to consumer needs, reinforcing our long-standing commitment to effective weight management solutions.

### Building trust: ensuring food safety and quality across the business

Ensuring the quality and safety of our food and beverages, our nutrition products and our products for pets is of paramount importance. Our consumers demand and deserve the highest standards of quality and safety, alongside strict adherence to food safety regulations. This requires relentless focus, day in, day out, at every Nestlé manufacturing site, logistics hub and distribution center. We review the results of our actions in this area regularly, and where necessary use the findings to further strengthen our understanding of how to keep our products safe. We are constantly seeking to fortify our competencies and improve our performance.

Quality assurance and product safety is one of our *Corporate Business Principles*, guiding every facet of our operations. We adopt a comprehensive, end-to-end perspective that encompasses product design, delivery and the consumer experience. We are evolving our systems continually to be more predictive and interconnected, enhancing food safety at every stage of our process.

Our dedication to food safety across our organization also creates value for the broader food industry through

## TRANSFORMING THE LIVES OF PEOPLE LIVING WITH PHENYLKETONURIA (PKU)

by Richard Farquhar, patient living with PKU

I've been living with Phenylketonuria my entire life. Phenylketonuria, or PKU, is a rare genetic disorder. For most people, protein in foods is broken down during digestion into amino acids, which are the 'building blocks' of protein that our bodies use for various functions, like maintaining muscles or repairing tissues. People with PKU cannot break down one of the amino acids, which means there's a risk that it builds up in their body with serious health effects, like brain damage. For me, to manage my condition, I need to follow a strict low-protein diet. It's a constant challenge.



Richard, who has been diagnosed with PKU, is part of the Vitafriends PKU community. After finding that many gym programs were designed around protein, he decided to share videos and fitness tips for others with PKU or on low-protein diets.

The *Vitaflo Live Life Well* program, part of Nestlé Health Science, has made a huge difference. I first came across the program via a social media post and it immediately caught my attention. The initiative has given me valuable insights on various aspects of managing my health—not just my diet, but also sleep, fitness and mental well-being, which were often overlooked in my usual medical appointments. I joined the program's virtual sessions, where I learned directly from experts in the field and could connect with other people who share the same struggles and experiences with PKU.

It has been a transformative experience because the program has improved my overall mindset and lifestyle. For instance, after a session on sleep and recovery, I invested in a sleep tracker, and that decision changed my entire approach to wellness. I became more conscious of how in addition to a well-managed protein diet, different factors like exercise and even stress, impacted my sleep and, in turn, my health.

Through *Vitaflo Live Life Well*, I've not only gained practical tools to help me manage on a day-to-day basis but also a sense of community, which has been invaluable. Today, I feel more empowered, more informed, and better equipped to live my life to the fullest, despite PKU.

pioneering research spearheaded by the Nestlé Institute of Food Safety and Analytical Sciences. The insights gained from this research are applied across specific product categories in R&D centers and factories around the globe. Our commitment to food safety is unwavering. The field is dynamic, and evolving with emerging technologies that empower us to anticipate and prevent potential issues. We have introduced a new Food Safety Assessment program designed to verify our food safety practices, ensuring the highest standards are consistently met.

Our Quality Management System begins at the source of many of our ingredients—on the farms. We collaborate with farmers in rural communities, empowering them to enhance the quality of their materials and adopt environmentally sustainable practices. This not only secures our access to premium raw materials but also supports the livelihoods of farmers, fostering prosperity in their communities.

Our rigorous supplier qualification and onboarding process ensures food safety and compliance at every level. Through comprehensive audits and inspections, we ensure adherence to our stringent internal standards, regulatory requirements and international guidelines. We provide guidance and resources to cultivate a robust understanding of our rigorous food safety protocols, ensuring their effective implementation.

### Reporting transparently: strengthening trust with clear information

Two years ago, Nestlé became one of the first food and beverage companies to transparently report the nutritional value of our global portfolio, basing our reporting on a government approved system: the Health Star Rating.

Since then, we have been reporting the percentage of our products with Health Star Rating, as well as local, government-endorsed nutrient profiling systems, where available. You can review the data for our whole portfolio in our [Non-Financial Statement 2024](#). We continue to explore how to evolve our reporting.

We are closely watching the science around the links between ingredients, processing and health, understanding that the debate around food processing leaves many people confused or concerned. When it comes to health-sensitive nutrients like fat, sugar and salt, we have over many years taken steps to reformulate products while maintaining quality, food safety and—importantly—great taste, helping address concerns about ‘health-sensitive nutrients’ or certain additives. As the debate continues, we will carry on providing consumers with clear, transparent information about how our products are made and how we are improving the nutritional value of our portfolio, and we seek to answer any concerns people might have.

### A CUTTING-EDGE AI TOOL TO IDENTIFY FOOD SAFETY RISKS AT THE EARLIEST OPPORTUNITY

by Raquel Medeiros,  
Head of Global Food Safety Issue Round Table, Nestlé



Nestlé’s Food Safety Early Warning process uses a cutting-edge solution to detect potential food safety risks. The tool, [SGS-Digicomply](#), co-created with our partner SGS, uses AI-powered algorithms to monitor more than 10 000 trusted web sources, including scientific literature and regulatory alerts translated from 90 different languages. It scans them in real-time for any relevant data on existing or emerging food safety hazards. This helps the teams to identify emerging risks, such as new contaminants which can then be assessed and prioritized for the implementation of appropriate risk management activities.

Importantly, the tool has been made commercially available more widely, giving small and medium-sized food companies access to the same insights. This democratization of food safety data reflects our belief that food safety is a shared responsibility within the industry.

### Balancing nutrition and sustainability

In the next chapter, we outline Nestlé's proactive efforts to confront the environmental challenges facing the food system. Our strategies for nutrition and environmental regeneration are inextricably linked, forming a holistic framework that integrates responsible consumption, innovative practices, regenerative sourcing, waste reduction, circularity and active consumer engagement. We are resolute in our mission to empower consumers to enjoy balanced diets while simultaneously nurturing the

health of our planet. For instance, our nutritious plant-based foods that not only enhance individual diets but also significantly reduce the environmental footprint of food production.

We are proud to be the Nutrition, Health and Wellness company. Central to our strategy is the conviction that Nestlé can empower people by helping them to eat well, offering a diverse portfolio of products while guiding them toward balanced consumption. Our strategy is driven by the wants, needs and expectations of our consumers.

We believe we are on the right trajectory, leveraging our global reach, expertise and innovative capabilities to drive economic growth, enhance the relevance of our portfolio to consumers and create a positive impact in the communities we serve. Across all products, services and more, Nestlé's approach to innovation for people and pets is a growth engine of which we are proud.



We are driving innovation in nutrition science to develop options for healthier diets and to meet diverse global needs.

## ADDRESSING GAPS IN SUPPORT, RESOURCES AND EDUCATION FOR MATERNAL HEALTH

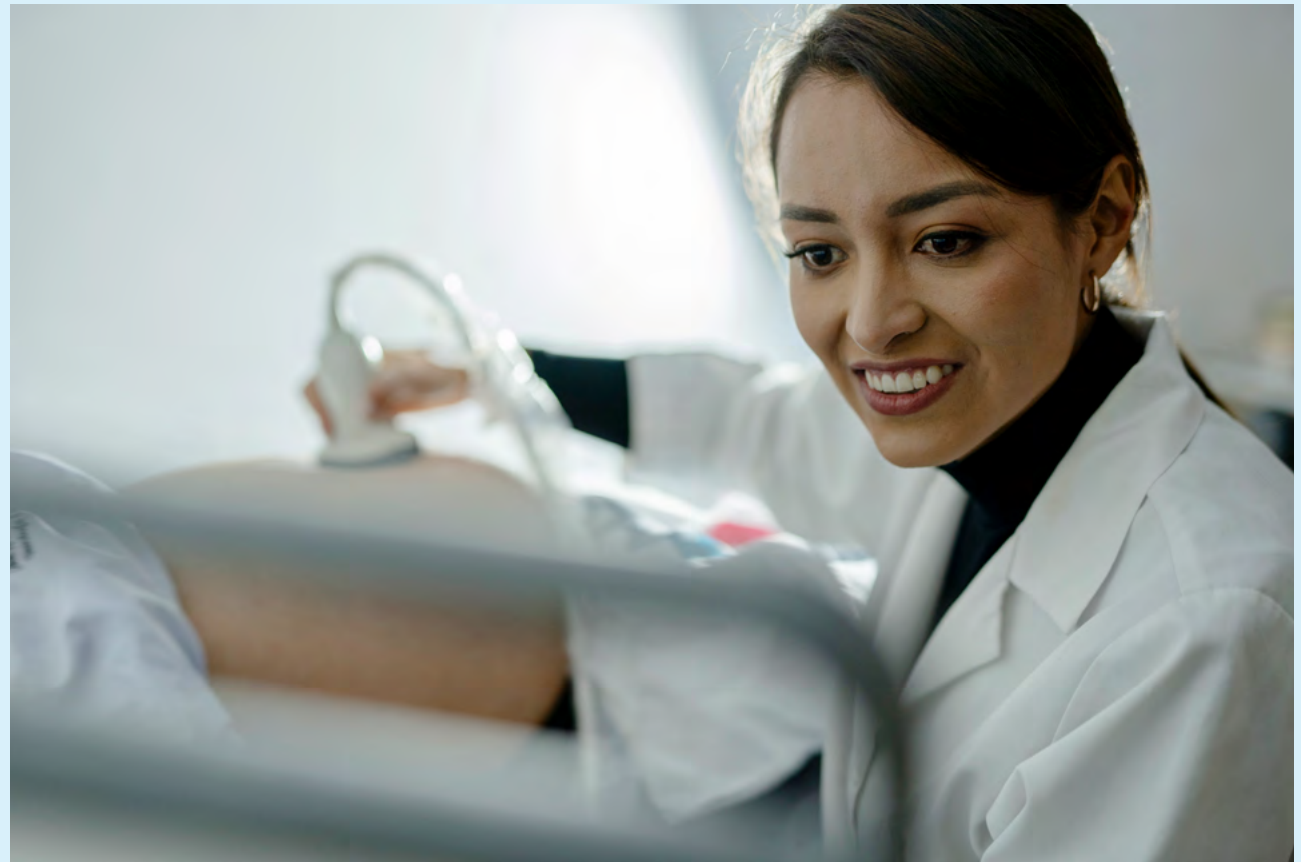
by Dr. Andrea Cevallos, Gynecologist, based in Quito, Ecuador

Here in Ecuador, maternal mortality rates remain heart-breakingly high. With every 100 000 babies born, 43.5 mothers die. These are deaths that are often caused by preventable conditions like hypertension or sepsis.

I've been a gynecologist for the last three years. From my practice in Quito, I see these challenges firsthand. Many women arrive at consultations with pre-existing conditions such as obesity, diabetes or hypertension—conditions that could be managed or prevented with the right care before pregnancy. But for many, the culture of routine medical check-ups simply doesn't exist, and our health-care system is often reactive rather than proactive.

The new maternal health program—endorsed by PREIS School and Meyer University in Florence, and supported by Nestlé Nutrition Institute (NNI)—has been a transformative tool in helping to address these issues. It launched in 2023 to provide healthcare practitioners with a structured digital curriculum focused on maternal nutrition and early childhood development. For me, it was a game-changer. I access the modules via my mobile phone, and they are designed to fit around our demanding schedules, enabling us to learn anywhere, anytime. Topics like prenatal nutrition and breastfeeding practices are tailored to local contexts, offering insights we can immediately apply to patient care. By including input from renowned experts, the curriculum ensures we're learning from the best minds in the field, even if we're geographically remote.

What sets this program apart is its emphasis on practical, preventive measures. Before participating, I felt



With Nestlé's maternal health program, healthcare practitioners like Dr. Andrea Cevallos are empowered to provide life-changing, preventive care.



my training often focused more on solving problems in the emergency room rather than preventing them in the first place. Now, I can have deeper, more impactful conversations with patients, encouraging them to adopt healthier lifestyles and understand how nutrition impacts their pregnancies.

My patients have responded brilliantly. I've seen how empowered and informed mothers can change not just their own lives but also the well-being of their families and communities.

**“This program isn’t just about education—it’s a partnership. By collaborating with international universities, local ministries and healthcare organizations, the program can be adapted for anywhere in the world. In fact, the initiative is set to expand to Asia, Africa and the Middle East in 2025, creating a global network of empowered practitioners.”**

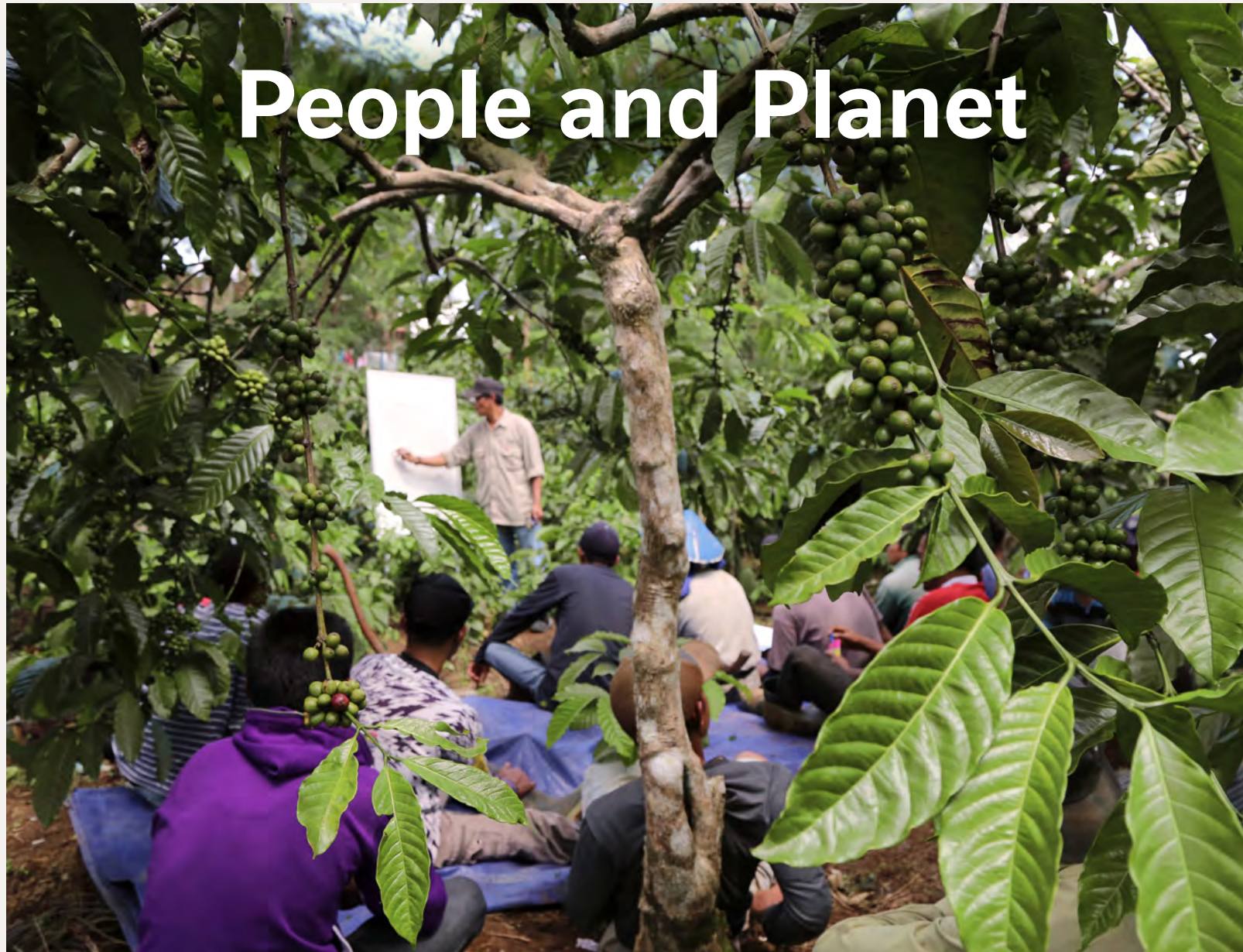
Heba Azer, Maternal Program lead at Nestlé Nutrition Institute (NNI)

Also, because the program content has been developed by academic partners, its focus remains on empowering healthcare practitioners.

Programs like this are vital in building healthier, stronger communities—and I am proud to be part of this journey.

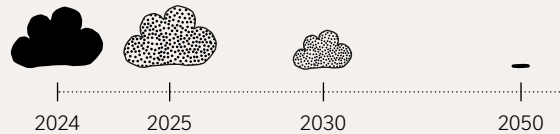


Together, we're improving outcomes for mothers, families and communities, one informed conversation at a time.



# Our progress at a glance\*

**20.38%** net GHG emission reduction vs. 2018 baseline



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

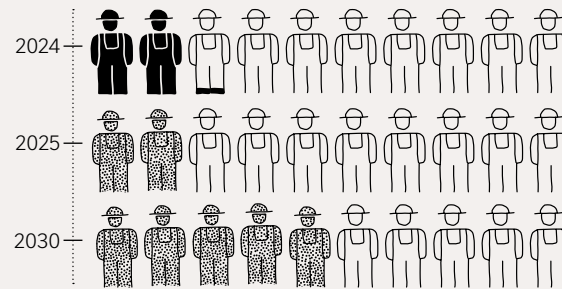


**8.2** million m<sup>3</sup> volumetric water benefits delivered by implementing local water stewardship projects

The *Nestlé Waters Regeneration Pledge* aims to help nature retain more water than the business uses in all its operations by 2025

\* For information on our progress, see our [Non-Financial Statement 2024](#).

**21.3%** sourced from farmers adopting regenerative agricultural practices



By 2025, we aim for 20% of our key ingredients to be sourced from farmers adopting regenerative agricultural practices, and 50% by 2030

**93.5%** assessed deforestation-free

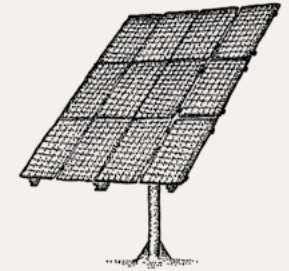


We aim to achieve and maintain 100% assessed deforestation-free primary supply chains: meat, palm oil, pulp and paper, soy, sugar, cocoa\*\* and coffee\*\*

\*\*by 2025

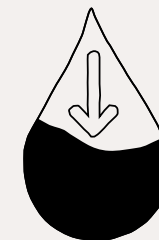
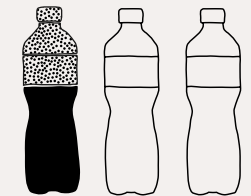
**95.3%** renewable electricity sourced in Nestlé's manufacturing sites

By 2025, we aim to source 100% renewable electricity in all our manufacturing sites



**21.3%** virgin plastic reduction vs. 2018 baseline

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



**2.72** million m<sup>3</sup> water use reduction in manufacturing sites in 2024

Nestlé intends to have a resilient business. To achieve this, we need to support the evolution of our food systems to operate within the limits of Earth's nine critical systems. These limits, known as Planetary Boundaries, were established by scientists at the Stockholm Resilience Centre. Earth's critical systems are essential to the future of food and agriculture and are also impacted by food and agricultural activities. We make efforts to operate within planetary boundaries while ensuring that we can successfully source the ingredients we need and supporting the communities we serve.

Our *Good for the Planet* strategy helps ensure we play our part in addressing key challenges like climate change, nature loss, water scarcity and plastic pollution and supports us in advancing regenerative food systems at scale. The strategy is key for our continuous growth, while ensuring we can serve future generations of consumers without running out of natural resources. This is a critical part of Creating Shared Value.

We collaborate closely with farmers, suppliers and partners to help create a more resilient food supply. The shift to the regenerative agriculture practices we champion must be accompanied with a just transition, and we

aim to ensure that all actors across our supply chain can benefit. We advocate for policies that support our approach at global, regional and local level, and seek partnerships with other organizations to scale up our efforts. We are sensitive to the impacts of food inflation on food access and actively look for efficiencies in our value chain.

To support the growing global population, the food system must evolve to protect, renew and restore Earth's natural resources. If not, humanity's future ability to feed itself is in doubt.



Butternut squash being harvested for Gerber at Karnemaat Farms, Fremont, Michigan, USA.

Addressing climate change:  
a business imperative

As a food, beverage and nutrition business, we are reliant on the natural environment for the supply of raw ingredients to make our products. It is in our interests to ensure that this supply chain is resilient to the impacts of climate change. The warming of the planet brings more frequent and erratic weather events, more pests and diseases, nature loss and other challenges. These have a negative impact on food-system productivity and on the well-being of farmers, producers and their communities. In a changing climate, we strive to ensure that the company can continue to grow sustainably, and that the communities we serve can thrive.

Nestlé has committed to reaching net zero GHG emissions by 2050. We are proud of the progress made so far,

while also recognizing that there is much work still to be done. By the end of last year we achieved a 20.38% net reduction of GHG emissions versus our 2018 baseline. When we talk about our GHG footprint, we are referring to the emissions within the scope of our commitment. You can learn more about this in the [Non-Financial Statement 2024](#). We are aiming for a reduction of 50% by the end of the decade.

We are tackling the GHG emissions Nestlé creates directly as a business (known as Scope 1), the emissions associated with the energy we buy and use (Scope 2) and those in our value chain (Scope 3). Almost all our GHG emissions (~95%) are from Scope 3 emissions. Dairy and livestock ingredients are the largest single source of our Scope 3 emissions, representing 30% of Nestlé’s GHG emissions.

Nestlé’s [Net Zero Roadmap](#) includes a series of GHG reduction targets across all three scopes of our GHG emissions. We have approved near- and long-term science-based emissions reduction targets with the Science Based Targets initiative (SBTi). The SBTi has validated Nestlé’s net zero science-based target by 2050. These targets include our specific Forest, Land and Agriculture (FLAG) sector objectives for 2030 and 2050.

By 2025, Nestlé aims to achieve 100% sourced renewable electricity in all manufacturing sites. By the end of 2024, we were at 95.3%. This reduces our reliance on fossil fuels, protecting us against volatility in the cost of buying energy and helps deliver a significant reduction in Nestlé’s Scope 2 emissions. We’re also identifying and progressively rolling out solutions to cut our self-generated Scope 1 emissions, aiming to scale these projects between 2025 and 2030.



While our Scope 3 emissions are outside of our direct control, they are not outside of our sphere of influence. Addressing them supports the transition to a low-carbon economy. Maximizing the value of our investments in climate and nature through targeted advocacy, partnership and unlocking co-financing opportunities is critical for addressing our Scope 3 footprint—particularly in the work we are doing on regenerative agriculture and forest restoration. It also helps strengthen our business, by making it more resilient.

**Regenerative agriculture:  
integrating nature-based solutions**

Agriculture can play a unique role in delivering emissions reductions and addressing nature loss. Our global population could reach 10 billion by 2050. Food production already accounts for up to a third of GHG emissions according to the UN Food and Agriculture Organization. So, the world's food and farming system must be transformed if it is to sustainably feed our growing communities within planetary boundaries. At Nestlé we believe that contributing to that transformation, helping to make it faster and more efficient, will generate both short- and long-term returns for our shareholders because the food industry will benefit from a more equitable food system that works better than it does today.

Around 90% of the world's food comes from farms. Climate change can affect the quality and availability of what the agricultural sector produces, so helping address the effects of a warming planet is strategically important to us as a business. To achieve this, it is vital that we create value for those working to supply us with ingredients. We are focused on enhancing traceability, enabling us to get better data about where our ingredients come from, which will allow us to measure and

## CREATING SHARED VALUE WITH REGENERATIVE AGRICULTURE

The Creating Shared Value (CSV) Council, an external advisory committee, is deeply committed to understanding and supporting what is required to be a food company in a dramatically changing world. Those changes include increased global heating, droughts, storms, fires and floods, events that challenge farmers throughout the world and Nestlé's supply chain. Underlying and informing the partnership between the CSV Council and Nestlé is the commitment to improving human well-being on our less stable planet.

Nestlé must ensure that its supply chain produces enough ingredients in the right places and grown the right way. This requires an emphasis on soil health, resilient food systems, human rights and personal well-being. The CSV Council is highly supportive of the large-scale implementation of regenerative agriculture in many, if not all, the countries in which Nestlé sources from. I believe that health below the ground determines the quality of food above the ground. Indeed, I believe that the emphasis on building soil health is directly related to nurturing children's health.

As increasing temperatures and volatile weather patterns continue to increase in number and impact, regenerative farming practices are ever more crucial. Weather patterns that challenge agriculture today will continue to worsen in unpredictable ways over time. Implementing regenerative agriculture benefits the company, the environment and customers in myriad ways. Healthy soil holds more water and does not easily erode. The issue of water is becoming paramount worldwide, and water leaving farms must not

pollute in or downstream. There is far more microbial activity when soil health is made paramount. Just as the human microbiome determines our health, plant health is determined by the soil microbiome. I strongly support the move away from soluble fertilizers, tillage, pesticides and fungicides. It will take time for farmers to change their practices, and for the soil ecosystem to be an increased source of vibrancy, nutrient density, minerals, water and resiliency. That is a goal that the CSV Council advocates and supports at Nestlé.

Paul Hawken, Founder of Project Regeneration and Project Drawdown Member of Nestlé Creating Shared Value Council



demonstrate the GHG reductions across the supply chain, as well as other benefits.

We champion adaptation and mitigation approaches, supporting our partners to manage the risks and vulnerabilities they face due to climate change, nature loss and extreme weather events. This has the expected benefits of building resilience in the food system to adapt to a warming climate in the medium-term, while reducing emissions to mitigate climate change in the long-term.

With less than 5% of farmers worldwide under 35, jobs in agriculture are attracting fewer young people at a time when the world’s population is rapidly growing. We’re helping to inspire, train and enable the next generation of ‘agripreneurs’–to give them the knowledge, skills and entrepreneurial spirit they need to develop and manage productive farms in the 21st century.










Providing long-term support for farmers

Our aim is to make regenerative agriculture practices the standard in the food industry–addressing environmental and social aspects holistically. Reforming the way the world grows food will take time. That’s why we’re investing heavily in supporting agricultural communities for the long term. The aim of our *Good for the Planet* strategy, to advance regenerative food systems at scale, is brought to life through our promotion of regenerative agricultural practices. We work closely with suppliers and farmers to encourage them to take up these ways of working, which is also expected to help us reach net zero and deliver benefits to nature and communities.

By 2025, we aim to source at least 20% of our key ingredients–such as coffee and cocoa–from farmers that have adopted regenerative agricultural practices–and

KEY EXPECTED BENEFITS OF REGENERATIVE AGRICULTURE APPROACHES

Regenerative agriculture interventions can deliver multiple benefits.

| Impact: ● Minor ●● Moderate ●●● Major   |  | Soil | Water | Biodiversity | GHG mitigation |
|---|--|------|-------|--------------|----------------|
|  | Minimum tillage                                    | ●●●  | ●●    | ●●           | ●●●            |
|  | Cover crops, mulching & crop residues cover        | ●●●  | ●●    | ●            | ●●●            |
|  | Diversified crop rotation                          | ●●●  | –     | ●●●          | ●●             |
|  | Intercropping                                      | ●●●  | ●     | ●●           | ●              |
|  | Integrated pasture management & grazing strategies | ●●●  | ●●    | ●            | ●●●            |
|  | Agroforestry & silvo-pastoral systems              | ●●●  | ●     | ●●●          | ●●●            |
|  | Hedgerows & green buffers                          | ●●●  | ●     | ●●●          | ●●●            |
|  | Water management                                   | ●    | ●●●   | –            | ●              |
|  | Organic fertilizers                                | ●●●  | ●●●   | ●●           | ●●●            |

\* Excerpt from [The Nestlé Agriculture Framework](#).

50% by 2030. By the end of 2024, we were sourcing 21.3%–surpassing our 2025 ambition one year early.

To support this ambition, our Institute of Agricultural Sciences focuses on the development, testing and validation of science-based, farm-level solutions. The Institute works with research, industry and civil society partners

to drive shared value creation through the mitigation of emissions and regenerative agricultural practices aimed at enhancing the resilience of our supply chains, ingredient quality and yields, along with farmers’ revenue. These learnings are operationalized through [The Nestlé Agriculture Framework](#), which sets out the strategies we have developed to provide support for suppliers

and farmers. It encourages them to adopt regenerative agricultural practices that make sense locally. These might include planting a more diverse range of crops on farms and implementing precision farming techniques to reduce the use of fossil fuel-based fertilizers and pesticides. The framework also covers water stewardship and environmental stewardship.

### Helping farmers create healthier soils

At the heart of our approach is helping farmers to improve soil health. Healthier soils have a greater ability to absorb and store carbon dioxide from the atmosphere, because they have higher levels of organic matter than degraded soils. In addition, soil with higher levels of organic matter can retain water more effectively. By holding on to water, soil can provide a buffer against the impacts of hotter weather or drought, contributing to the resilience of the farm.

There is a greater understanding today of the need to go beyond farm boundaries and to work at a landscape level to protect and restore natural environments. Adopting common approaches involving as many players as possible within a landscape is key to scaling up more quickly and effectively. For example, protecting genetic diversity can help crops become more resilient.

One of the levers of our Net Zero Roadmap is on nature-based solutions to both reduce our emissions and help safeguard nature. Several hundred Nestlé agronomists help and guide the farmers who supply us to find ways to reduce their reliance on chemical fertilizers and pesticides. This can improve the economic resilience of their farms, as the prices of these chemicals can be subject to some volatility. This is how we are creating shared value across the value chain, strengthening the

## REGENERATIVE AGRICULTURE BOOSTS SOIL HEALTH TO DELIVER QUALITY CROPS

by Kent Karnemaat, grower supplying Gerber, based in Fremont, Michigan, USA



Our family farm has been supplying vegetables to Nestlé's babyfood company *Gerber* for more than 50 years. We've seen first-hand how using regenerative agriculture practices can benefit our farm. It has transformed the way we manage our land.

**"The direct relationships we have with growers like Kent are helping our *Gerber* farmers lead in the adoption of regenerative agriculture practices and producing quality crops."**

Chris Falak, Category Manager and Agriculture Field Representative, *Gerber Products Company*

By introducing practices such as using cover crops and finding ways to minimize our use of synthetic inputs, we've lowered our production costs, increased our efficiency, and built richer, more fertile soil. Our standards for soil quality are high. The *Gerber* team helps us manage levels of nitrates, limit the uptake of heavy metals in line with federal regulations, and rigorously test to help ensure the best soil for growing safe, nutritious crops for baby food.

I'm a fourth-generation grower—the benefits we've experienced from regenerative agriculture practices keep us innovating, so we can enhance soil health and deliver high-quality crops, now and for years to come.



Kent Karnemaat, co-owner of Karnemaat Farms, walks with freshly picked carrots harvested for *Gerber* at Karnemaat Farms in Fremont.

economic resilience of the farms who supply Nestlé, and thereby helping to ensure they can supply us with high-quality raw materials today and in years to come.

We run training programs for farmers and suppliers of the ingredients we source—from cereals to dairy—to roll out the latest techniques, and we pilot new practices and technologies to track improvements in performance. For example, we use the Cool Farm Tool, which enables farmers to calculate their GHG emissions and then identify how and where they can reduce their carbon footprint. We also supported the creation of the Sustainable Agriculture Initiative (SAI) Platform's Regenerating Together tool, which we are trialling. This is part of the collective effort needed to define a robust and harmonized framework to help measure progress in scaling up regenerative agriculture across the industry.

We understand that shifting from traditional practices to new ways of farming can be difficult, which is why we follow a holistic approach that includes finance and incentives, training, and creating market demand for ingredients grown on farms that have adopted regenerative agriculture practices. This is especially important for smallholder farmers who may not have the financial resources to make these investments. We cannot do this alone. We need policymakers to work with the private sector to build strong ecosystems to encourage the adoption of regenerative approaches.

#### **Forest preservation: sustaining natural ecosystems, strengthening business**

Our sphere of influence extends beyond the farms that supply us with raw ingredients. Supporting biodiversity, restoring habitats and enhancing natural ecosystems should help make our value chain more resilient and in

Through regenerative agriculture practices, farmers are revitalizing their land, diversifying crops, improving yields and creating a lasting legacy for the next generation.



doing so support efforts to ensure there is a sustainable supply of the raw ingredients we rely on for our business. Forests are home to a diverse array of plant and animal species. Addressing deforestation helps preserve critical habitats, protect biodiversity and prevent the loss of species that are essential to healthy ecosystems. Forests help regulate water cycles, prevent soil erosion and maintain air quality. They play a role in regulating local and regional climates, influencing temperature, humidity and patterns of precipitation. They are also tremendous carbon sinks.

Protecting forests helps to ensure the continued provision of these vital services, providing value through

the benefits to the environment and to the people who live and work in and around them. Nestlé also benefits when we strengthen the natural ecosystems we depend on and build stronger relationships with the suppliers operating in these areas. This is because it leads to sourcing practices which support our carbon reduction and removal efforts.

Our Responsible Sourcing Core Requirements make clear there should be no expansion of or production on areas converted from natural forests and other natural ecosystems after December 31, 2020.

For many years, we have been addressing deforestation and promoting responsible forest stewardship within our value chain, helping to safeguard and restore forests and peatlands that also function as carbon sinks.

We work with local communities and Indigenous Peoples in our critical sourcing regions because they can be the best stewards of forests. We have implemented long-term forest conservation and restoration projects within our supply chain, which promote sustainable livelihoods in forest areas, respecting the rights of local people.

The strategy prioritizes commodities where in the past there has been a higher risk of deforestation. We continue to make significant progress toward our aim that our

primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee are assessed deforestation-free. At the end of last year, the figure was 93.5%. To achieve and maintain a deforestation-free supply chain of key ingredients, it is important to achieve traceability within our supply chain. We use farm assessments, certification and satellite monitoring to assess our progress.

Currently, we support 16 different landscape initiatives covering palm oil, pulp and paper, soy, cocoa and wheat. These are collaborative efforts to help tackle the drivers of deforestation, promote reforestation and implement sustainable land management across entire landscapes, rather than focusing on individual sites or isolated activities. These landscape initiatives are targeting conservation

## TAKING CLIMATE ACTION TO HELP PROTECT AND RESTORE COMMUNITY FORESTS

by Remi van Balen, Agroforestry and Environment Program Manager, Beyond Beans



Community forests are small but vital patches of land, often ranging from two to ten hectares. Steeped in local culture and rich in biodiversity, they act as important carbon sinks. Yet, unlike larger forests, they are usually unprotected, leaving them at risk of being logged, exploited and lost forever.

Across Côte d'Ivoire, together with Nestlé, we're not just helping to protect community forests, we're restoring what used to be vital ecosystems with innovative approaches to sequester carbon. We help put together management committees, and work closely with local chiefs and forest authorities to plant boundary trees. Using local tree species, we're creating clear boundaries that signal the forests are not to be exploited.

All of this impacts the local micro-climate, which has a range of benefits—from reducing heat and maintaining ground moisture to protecting crops and boosting biodiversity. By engaging local nurseries to supply saplings, financial benefits are being channelled directly into the community too.



Farmers Supardi and Zamzuri plant coffee seedlings that will be harvested next season.

and restoration of key natural ecosystems, supporting the people in these landscapes to secure their livelihoods, tenure or wider social benefits. You can read more about the impact of this work with communities in the next chapter.

### Promoting water sustainability in and around our operations

Nature-based solutions to tackle the water challenge are win-win, bringing multiple benefits for biodiversity and climate resilience. Healthy water ecosystems are essential for sustaining biodiversity and ensuring access to clean water for drinking and sanitation. In many parts of the world, human and ecological demands for fresh water remain unmet, with over two billion people lacking adequate supplies for health, hygiene and crop cultivation.

For Nestlé, water is vital for our product manufacturing, factory operations and crop cultivation. Water stewardship is paramount to safeguarding our ingredient supply and supporting the well-being of the communities we serve.

Our primary focus is on reducing water usage in water-stressed areas across our business. We are committed to supporting farmers in implementing water-reduction solutions for land management and expanding access to clean water in communities. Last year, we reduced 2.72 million tonnes of water in our facilities, building on incremental efforts over the last decade.

Our efforts extend beyond our factories and facilities to encompass the watersheds within our supply chain. We use different tools, such as World Resources Institute (WRI)'s Aqueduct, to assess present and future water risk in our supply chain, including assessing future water trends and risks. By tracking the water footprint of key

## HELPING TO RESTORE MARINE HABITATS TO PROTECT FUTURE FISH POPULATIONS

by Professor Laura Govers, Associate Professor, Marine Conservation Ecology, University of Groningen

The ocean is so important, providing food and livelihoods to billions of people across the world. That's why we're excited about Nestlé Purina PetCare Europe's *Ocean Restoration Program*, which was launched to help protect the health of marine habitats critical to fish populations.

**"By 2030, our program aims to restore 1500 hectares of marine habitats in European waters where we source fish ingredients; this includes restoring sea grass meadows, kelp forests and oyster reefs."**

Lisa Boulton, Ocean Regeneration Lead,  
Nestlé Purina PetCare Europe



Alongside seagrass meadow restoration, Purina Europe is also working on restoring lost kelp forests.

An important focus has been on restoring seagrass meadows. Since the mid-1700s, the global coverage of seagrasses has decreased by 29%. Seagrass captures carbon 35 times more efficiently than tropical rainforests, while providing habitat, food and nursery grounds for many marine species, stabilising coastal sediments and improving water quality.

Purina Europe is partnering with the Sea Ranger Service—one of the founding members of The Seagrass Consortium alongside the University of Groningen—to accelerate seagrass restoration at scale across Europe. We have identified sites in France and the Netherlands, and we are already hard at work in trialling innovative approaches to seagrass restoration. The program is also providing paid jobs to young people in European coastal areas.

This partnership gives us, as scientists, the opportunity to think big and have a bigger impact. We can scale up the deployment of successful solutions, sharing our learnings across communities that depend on the sea for their livelihoods.

By integrating scientific research and scalable solutions, together we can help revive our oceans, help fish populations recover, and create lasting environmental and economic benefits.

agricultural commodities, such as coffee, cocoa and dairy, we identify opportunities to enhance water management practices and promote regenerative agricultural techniques. The [Nestlé Responsible Sourcing Core Requirements](#) set out mandatory best practices on water use and management for our suppliers.

In many countries, improving access to safe water, sanitation and hygiene (WASH) is critical. We respect and promote the right to water and sanitation, closely monitoring our water use and the quality of water discharged from our sites to safeguard local water resources. Recycling and reusing water wherever feasible is a priority across our different sites, each of which has unique water requirements. We also require our suppliers to provide access to WASH to workers and communities within our value chain.

We have committed to helping create a positive water impact everywhere that our retail water business Nestlé Waters operates. More than 70 projects—either nature-based or technical—are already realized or underway with local partners. These include reforestation projects, wetlands or river restoration, rainwater harvesting, drip irrigation and water infrastructure improvement.

We are also committed to certifying our Nestlé Waters sites to the Alliance for Water Stewardship (AWS) Standard. This gives us a comprehensive framework to analyse local water challenges and to address these together with local water users to manage water sustainably within a catchment area. The certification process is rigorous and provides third-party verification for our water stewardship work.

Our chairman, Paul Bulcke is co-chair of the Governing Council of the 2030 Water Resources Group (WRG). WRG works with governments, corporations and civil society to address water risks affecting food, cities and ecosystems. By offering strategic insights, fostering collaboration and securing financing, they help scale solutions that deliver lasting impact. WRG is a public-private collaboration platform that is funded by partner contributions and operates as a multi-donor trust fund managed by the World Bank’s Global Department for Water. Nestlé was one of the founding partners of the organization.

We help create value for Nestlé and for the communities where we operate by conducting research to quantify the water benefits that can be achieved through regenerative agriculture and agroforestry. We are supporting efforts to develop a standardized methodology for implementing and validating water stewardship activities. As we learn more, we will share our findings with others to help promote the implementation of what we discover. It is important that we keep collaborating to find more effective solutions to address the different challenges of water stewardship.

**Packaging: progressing  
on our circular economy journey**

We recognize that the packaging we use to protect our food and beverage products ensures their quality and prevents food waste. It can also have an impact on the environment. Our vision is clear: none of Nestlé’s packaging, whether it is plastic or otherwise, should end up in landfill or as litter. So, we prioritize reducing waste, recovering packaging materials for reuse, increasing recycling and finding suitable alternatives to plastic.

We have identified five pillars of activity to make our packaging more sustainable (see illustration below).

Nestlé is reducing our use of virgin plastic for packaging, ensuring that as much packaging as possible is designed for recycling or reuse and promoting responsible waste management practices. We are pioneering the use of alternatives to plastic, novel technologies and innovative solutions to redesign our packaging. The Nestlé Institute of Packaging Sciences aims to balance performance and cost as it develops new materials and formats, reducing



environmental impacts while maintaining the barrier qualities of new packaging to ensure food and beverages are protected. Innovations being explored include high-performing paper barriers that could replace flexible plastics for some food types, as well as solutions to integrate more recycled content and to move from multi-material, to mono-material, which is easier to recycle.

Our efforts extend to increasing recycled content. Many of our brands now feature an increased amount of recycled polyethylene (PET) in their packaging. We strive to make packaging more lightweight, which not only reduces material use but also its environmental impact. We continue to phase out packaging items that are difficult to recycle. We are testing and scaling reusable packaging where it makes economic and environmental sense but acknowledge that there is yet to be widespread consumer acceptance of such options. We know there are expectations for manufacturers to develop options for packaging that go beyond single-use, and this is one of our focus areas.

### Advocacy: helping to drive change and collective action

While we continue to make strong progress in areas where we have direct influence, addressing the environmental impact of packaging waste remains a challenge that requires collective action. Stopping the leakage of mismanaged plastic packaging waste into the natural environment or landfills requires the improvement of waste management infrastructure. There are varying requirements in different countries. Nestlé is making a contribution to managing plastic packaging at the end of its useful life, collaborating with a wide range of stakeholders from the public and private sectors to achieve these ends.

## DEVELOPING LOCAL INFRASTRUCTURE TO ENABLE COMPOSTING

by Marina Sierra de Camargo, Founder and CEO, *Planta Feliz*, São Paulo, Brazil

The launch of Nestlé Dolce Gusto NEO compostable coffee pods in Brazil marked a step forward in encouraging composting—an innovation to support changing consumer habits and provide alternative disposal options for consumers.

To make composting easier, Nestlé has partnered with local companies to collect the used pods from their homes and compost them on an industrial scale.

Once collected, the NEO pods are mixed with other organic materials and enter our thermophilic composting process at our plant in São Paulo, where they break down within 45 days. Yes, we are dealing with waste, but the process also produces high-quality fertilizer that is used to improve soil health which in turn aids carbon sequestration. The fertilizer is sold via our website, in gardening stores or to local non-profit organizations that support organic agriculture.

Our facility can handle up to 272 tonnes of waste per month, and we aim to scale further as awareness around composting grows.

What sets us apart is our ability to operate decentralized composting facilities in urban areas without negatively impacting local communities in terms of noise and odour that is often associated with waste plants. We're acting as a pioneer in São Paulo, where our efforts complement public sector initiatives.



Adriano Sgarbi and Marina Sierra de Camargo, owners of the Planta Feliz Composting Center.

Partnership is at the heart of this initiative. With support from Nestlé, we've turned our composting facility into an educational hub, helping consumers understand the impact of proper waste disposal and the broader benefits of composting. Through educational campaigns and programs like Composting Week, we're creating long-term value for the local community by promoting awareness and access to services.

In the packaging sustainability space, we advocate for meaningful regulatory developments, support the process to agree a UN Plastics Treaty and well-drafted legislation to deliver Extended Producer Responsibility legislation, and welcome recent regulatory developments that promote the design and recyclability of packaging.

Helping to drive positive change and collective action in the environment involves advocating for regenerative agriculture, climate solutions and forest preservation, and we will continue to innovate, scale up solutions and collaborate with like-minded partners to multiply our impact.

As with the broader climate challenge, protecting nature and restoring ecosystems is not something that can be done in a silo by any one company or actor in the supply chain. It is a challenge that requires us to work together on solutions across multiple landscapes to provide value and benefit for everyone. We welcome others to partner with us to scale up solutions and increase our impact.

To succeed in any of the areas covered in this chapter, we need to work together across the value chain, and we are dedicated to advancing a climate-resilient regenerative food system that can effectively feed the global population and promotes the principles of circularity to help manage waste. The risks and costs of not doing enough will be significant.

Workers in a collection and sorting waste management site in Skardu, Pakistan, part of Nestlé's *Zero Impact* program in partnership with the Gilgit-Baltistan government.



NESTLÉ’S DAIRY CLIMATE PLAN

by Florence Henry, Global Head of Sustainability,  
Nutrition Business, Nestlé

Milk is an essential source of nutrition and livelihood for many farming families around the world. Dairy ingredients are widely used across our portfolio and are our largest source of GHG emissions. We’ve created a dedicated Dairy Climate Plan, as a part of our Net Zero Roadmap, to reduce our dairy-related emissions.

Working with more than 200 suppliers across 27 different countries, the plan aims to reduce the main sources of GHG emissions at farm level: feed production, enteric methane and manure. Since each of our dairy farmers is unique, there is no single solution that can be applied across the dairy industry; we need to take a farmer-centric approach.

Our plan includes five large-scale strategic initiatives: farmer engagement, low-carbon feed acceleration, manure management, digitalization and co-financing. The plan is supported by the Nestlé Institute of Agricultural Sciences and other external partnerships to help identify new, scientifically proven solutions which can help further accelerate the decarbonization of dairy in the future.



At Skimmelkrans farm in South Africa, the farm employs regenerative practices such as soil fertility management.

THE 5 PILLARS OF OUR DAIRY CLIMATE STRATEGY



**Farmer engagement**  
Reward farmers to implement sustainability practices and reduce greenhouse gases.



**Low-carbon feed acceleration**  
Partner with feed producers and dairy farmers to reduce a major source of on-farm emissions, with low-carbon feed and feed supplements.



**Manure management**  
Support circular economy models that convert agri-waste into profitable, low-emission byproducts.



**Digital services marketplace**  
Provide farmers with access to animal care and technical support.



**Collaborative financing engine**  
Unlock funding through multi-stakeholder financing.



Through innovative solutions like manure separators and precision feeding, farmers are cutting greenhouse gas emissions, improving productivity and creating additional revenue streams from organic fertilizer sales. Zhang Bo shovels organic fertilizer at a dairy farm in Qingdao, China.

## EMPOWERING DAIRY FARMERS FOR CLIMATE ACTION IN CHINA

by Liu Jianguo, Farm Management and Production Assessment  
System Manager of the Nestlé Qingdao Factory

In China, we're pioneering innovative solutions to improve animal productivity and efficiency via feed solutions such as precision feeding and optimized feed formula and manure management. The goal is to cut the associated GHGs, including methane, produced by livestock. Through the Nestlé Dairy Farming Institute in Greater China, we offer facilities to showcase sustainable, profitable agriculture, regenerative agricultural techniques and their corresponding emissions reductions.

Working with 36 farms across the country, we've introduced manure separators, a relatively simple but highly effective technology that separates solid from liquid manure. It is a process that allows farms to manage manure more efficiently and reduce methane.

We've also structured the financing in a novel way, with Nestlé, farmers and farm equipment suppliers each sharing a third of the cost of the separators. It is a partnership that not only minimizes costs but also ensures that the farms benefit from the byproducts. The solid manure can be used as fertilizer, creating an additional revenue stream.

We're not just focusing on a single technology or process. We're prioritizing scalable solutions and creating a comprehensive ecosystem that brings together farmers, suppliers and cutting-edge technologies. This allows us to scale faster and more sustainably than many of our peers, driving change from the ground up.

# People in Communities



# Our progress at a glance\*

**123953** households covered by the Child Labor Monitoring and Remediation System (CLMRS) to prevent and address child labor risks

**96580** children have received support through prevention and remediation actions as part of the CLMRS

**26857** children reported no longer engaging in potentially hazardous activities as part of the CLMRS



## 88.9%

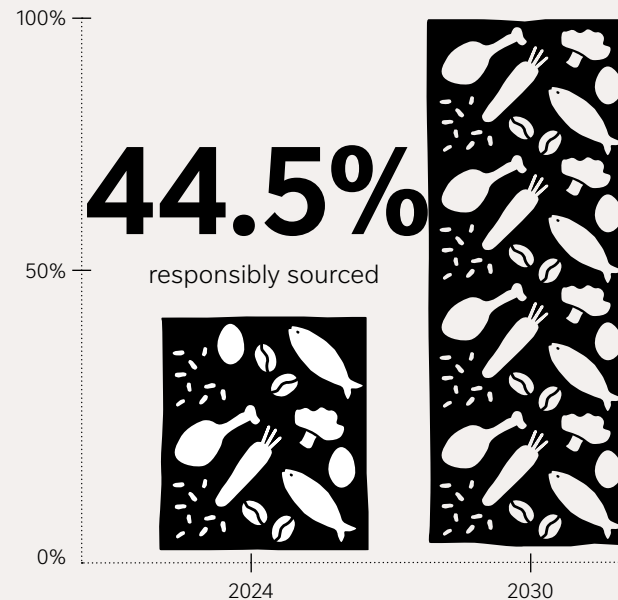
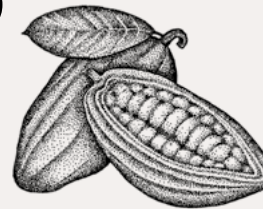
of cocoa covered by the CLMRS or other dedicated due diligence systems, including mass balance

\* For information on our progress, see our [Non-Financial Statement 2024](#).

## 88.9%

cocoa sourced through *Nestlé Cocoa Plan*

By end of 2025, we aim for 100% of cocoa to be sourced through the *Nestlé Cocoa Plan*

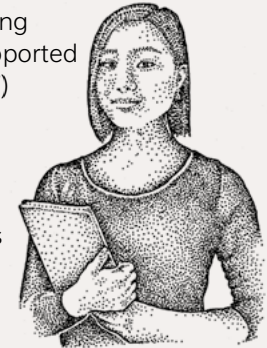


By 2030, we aim for 100% of key ingredient volumes to be responsibly sourced

## 10.2

million young people supported (since 2017)

By 2030, we aim to help 10 million young people around the world have access to economic opportunities through the *Nestlé Needs YOUTH* Initiative

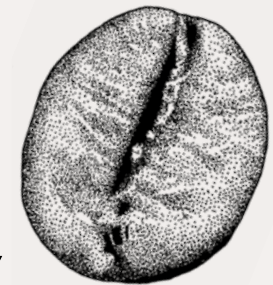


## 93.0%

of coffee supplies responsibly sourced (excluding *Nespresso*)

## 91.4%

of *Nespresso* coffee sourced through the *Nespresso AAA Sustainable Quality™ Program*



Nestlé believes that being firmly rooted in the communities around our factories and workplaces is essential for fostering mutual growth and trust. By actively engaging with local communities, we can better understand their needs and contribute to their well-being through various initiatives such as disaster relief, food access and measures to enhance community life. This approach not only helps us build lasting and meaningful relationships but also aligns with our approach of Creating Shared Value. This strong connection with the communities where we operate ensures that we remain a trusted partner and a good neighbor, ultimately benefiting both Nestlé and the communities we serve.



Tino Juliandi, a member of the Youth Coffee Farmer Association. He and his fellow members are trained to apply organic fertilizer on coffee plantations sustainably.

For almost 160 years, Nestlé has supported people who live and work in the communities where we operate. We strive to create value that can be shared across communities, working toward a future where everyone in our supply chain can achieve a sustainable livelihood. We can only secure a sustainable supply of raw materials if we have the support of all those in the supply chain, from farmers and workers to the community at large, and we strive to win their trust through inclusive and equitable practices.

We support all farmers, from smallholders to those with medium or large operations. We believe farmers are more likely to embrace innovation when they earn a decent income. As incomes rise, farmers become more able to invest in maintaining regenerative practices independently, reinforcing long-term sustainability and increasing the likelihood of maintaining the family farm now and in the future.

We aim to reward farmers not only for the quality of their ingredients, but for positive environmental and social impacts. This reflects our belief that improved incomes are essential to gaining farmer buy-in as we strive to reach net zero and reduce human rights risks.

Farming small pockets of land or having limited income sources means that not every farmer may reach a living income. However, by supporting smallholder farmers to reach their full income-earning potential, we can enable meaningful changes in their lives and better farming practices. In the years ahead, we aim for a living income to become a measure of development across more commodities, in order to ensure no one is left behind as the agricultural sector continues to develop and evolve.

For example, we have successfully completed the 'test at scale' phase for our [income accelerator program](#) for cocoa-farming families in West Africa. This program aims to improve their livelihoods, rewarding them not just for the quantity and quality of their cocoa beans, but also for practices that benefit the environment and the local community.

This builds on the work we have been doing for more than a decade through the [Nestlé Cocoa Plan](#). What we have learned through this program informs our current approach, focusing on initiatives already proven to positively impact farming families and reduce child labor risks.

We have also been invested in supporting livelihoods of coffee farming communities through the [Nescafé Plan 2030](#) and [Nespresso AAA Sustainable Quality™ Program](#) while facilitating a just transition to regenerative agriculture. These initiatives have empowered farmers with knowledge and resources, enabling them to implement regenerative agricultural practices and improve their



In Lampung province, Indonesia, Agus, a coffee farmer checks his crop as he waits to greet his daughter coming home from school.

livelihoods. These programs focus on training and technical assistance to improve coffee quality, farm productivity and preservation of natural ecosystems. By distributing improved coffee plantlets that are more resistant to disease and adverse weather conditions under the *Nescafé Plan 2030*, paying premiums for AAA-certified coffee and providing other financial services, farmers become more resilient and able to invest in their farms. Improving infrastructure and supporting development projects, like

building schools and healthcare facilities, supports the well-being of coffee farming communities we work with.

#### **Responsible sourcing: creating value for all value chain actors**

Globally, there are still many challenges in raw material agricultural supply chains, and Nestlé acting alone cannot address all of them. Issues such as inappropriate use of

land, deforestation, land rights for Indigenous People and unfair labor practices, to name a few, are often systemic and require collective action to tackle their root causes.

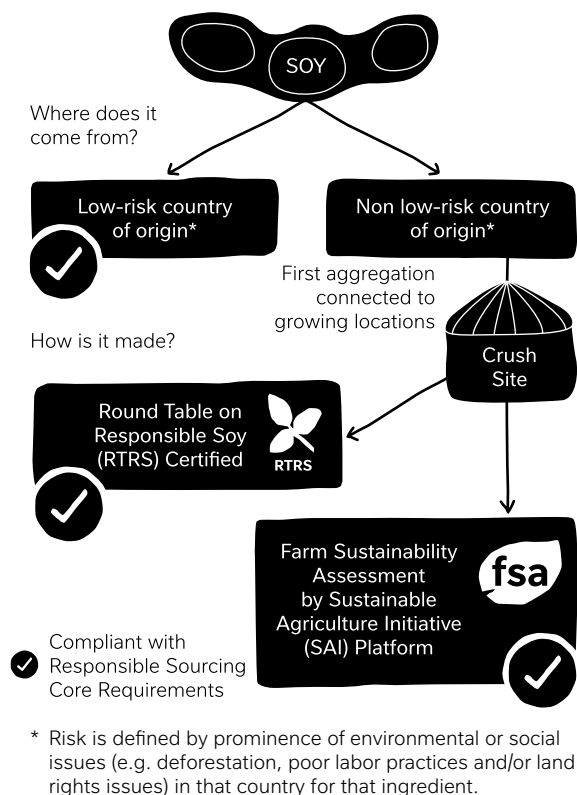
There are growing expectations for companies to implement robust due diligence processes to assess, address and report on their actual or potential impacts on human rights and the environment. Recent regulation in Europe and other jurisdictions is creating a solid framework of rules for us to work with.

Increasingly, consumers want to know more about where their food comes from. They want more information about the raw ingredients which have gone into their food and a better understanding of how the products have been produced. This includes improving the traceability of our ingredients and helping to address a range of social and environmental challenges affecting our agricultural supply chains through long-term, tailored interventions on farms, plantations and fishing vessels, for example. Rarely are these quick fixes. Most require long-term, tailored interventions.

Responsible sourcing helps us preserve natural resources and safeguard the environment for generations to come. It is how we empower our suppliers and their local communities, supporting them to improve their conditions so we can ensure a sustainable supply of ingredients for Nestlé over the long-term. Without healthy and resilient supply chains, we will not have a business.

Our size and scale mean we can drive significant positive impact. Nestlé buys more coffee than any other company in the world. We are in the top five purchasers of cocoa. We source fresh milk from 25 countries, with nearly four thousand collection centers offering chilling facilities.

## RESPONSIBLY SOURCED INGREDIENTS: HOW WE ASSESS SOY



Almost all our sourcing of raw materials (95%) comes from 14 key ingredients: coffee, cocoa, palm oil, dairy, soy, sugar, cereals and grains, hazelnuts, meat / poultry / eggs, fish and seafood, vegetables, spices, pulp and paper, and coconut. These supply chains are where we have the greatest opportunity for positive impact.

By the end of 2025, we aim to achieve 100% cocoa sourced through the *Nestlé Cocoa Plan* and 100% responsibly sourced coffee. Furthermore, we target to have 100% of the 14 key ingredient volumes responsibly sourced by 2030. Currently, we have achieved 44.5% of key ingredients responsibly sourced.

We are making progress through systematically putting our Responsible Sourcing Core Requirements into effect. This includes working with our suppliers and supporting them in their compliance journey. Our requirements address human rights, environmental due diligence, business ethics, compliance, transparency, labor standards, environmental conservation and more. They are designed to encourage a dynamic transformation of sourcing activities, emphasizing the importance of transparency and continuous improvement in operations and practices.

Our Responsible Sourcing Core Requirements are an integral part of our contract with suppliers, and we require them to cascade the ways of working down to the next tiers of the supply chain. Having a Human Rights and Environmental Due Diligence (HREDD) system in place is something we expect of all our direct suppliers.

### Ensuring compliance with our standards

To make sure our suppliers are compliant, we use different verification methods at different tiers of the supply chain. These include self-declaration, desk-based assessments, and second- or third-party site audits. The tools used to assess compliance depend on the supply chain tier, and the level of risk.

## AFFORDABLE CROP INSURANCE GIVES COFFEE FARMERS PROTECTION

by Julie Reneau, *Nespresso* Head of Coffee Sustainability and Regenerative Agriculture



Smallholder coffee farmers are directly affected by extreme weather. Periods of droughts or heavy rainfall can impact their crops, harvest and overall production yield. However, thanks to an innovative crop insurance

scheme—the result of a collaboration between *Nespresso*, Fairtrade International and, in some countries, Blue Marble Microinsurance—farms and their families are better protected.

Unlike traditional insurance programs, it's an affordable solution, tailored to the specific risks farmers face. The program uses satellite technology to track weather and trigger payouts in case of extreme rainfall or drought in a timely manner—directly to registered coffee growers in the impacted hectares.

We're now expanding into more countries, including Peru and Kenya. Having this safety net protects farmers, enables them to reinvest in their farms, and gives them confidence to continue growing coffee for *Nespresso*. We hope that, as a result, the next generation of farming families will be more likely to take up coffee farming, providing us with a sustainable supply of coffee for years to come.

Risk is assessed taking into consideration different criteria, such as the country of operation and of origin for materials and ingredients, the level of spending, and the type of goods or service supplied to Nestlé.

We also look at whether the source of the raw material or ingredients has been assessed by a certification scheme, such as Rainforest Alliance. We consider whether it is included in an industry scheme such as the Farm Sustainability Assessment by the SAI Platform. We can also explore whether the ingredient is part of a landscape project. These are projects that go beyond the boundaries of the farm we source from, engaging other actors in the community, including peer companies. A landscape approach involves taking a common approach to tackling issues such as deforestation, water use and stewardship or human rights concerns. We use our leverage to collaborate and actively support collective engagement, helping to address widespread, systemic environmental and social issues.

The Responsible Sourcing Core Requirements is only part of the solution. Investment in broader and deeper impact programs which focus on issues such as forced labour, land rights, regenerative agriculture and living income—as well as on measuring outcomes and impacts—is also necessary to achieve more substantial changes in environmental and social conditions.

Collective action and collaboration are crucial to addressing the root causes of such issues. We are using our voice to actively participate in developing new and improved industry-wide standards and methodologies that will help us create a more significant impact, especially in shared supply chains. We advocate for harmonized and proportionate rules that promote respect for human rights and the environment in business activities.

In the farming community of Tanggamus Regency in the Lampung region of Indonesia, Tri welcomes her two children home from school.



We aim for increased transparency, collaborative action and a level playing field, which supports our business in the communities where we operate.

#### **Human rights: building fair livelihoods and resilient communities**

Respecting and promoting human rights is critical to our business strategy. Through being fair and inclusive to everyone concerned and creating decent work opportunities, we aim to ensure no one is left behind in the

transformation to more regenerative food systems. Fair livelihoods and dignified work for people across the food value chain are crucial if we want to make regenerative food systems work. Investment in these efforts makes our business more resilient by making our supply chain stronger and more sustainable, and by reducing risk.

Unfortunately, human rights issues such as child labor and access to education, poor working conditions and forced labor are found all over the world. In 2024, we actively participated in the Child Labor in Cocoa Coordinating

Group, and supported the creation of a Framework of Action signed between the World Cocoa Foundation and the governments of Côte d'Ivoire, Ghana and the United States. The aim of the signatories is to work together to coordinate and accelerate actions to contribute to the prevention and progressive elimination of child labor in cocoa-growing communities. This builds on the work we have done on our income accelerator program and the other work carried out as part of the *Nestlé Cocoa Plan*.

Our business is founded on respect—for those who work for us, for those we work with, and for those we encounter in bringing our products to market. This includes Nestlé employees and on-site contractors, the farmers and workers in our supply chains, the communities living in and around our operations and supply chain, and our consumers. We are committed to respecting and advancing human rights in our operations and supply chains, using our size and our scale to raise awareness, build capacity among our colleagues and business partners, and empower communities and individuals.

### Human Rights Salient Issue Action Plans

We have embedded human rights in our company structures and in our policies to ensure that decision-making considers the human rights implications. We were early adopters of the United Nations Guiding Principles on Business and Human Rights which has guided much of our work in this area.

Our Human Rights Policy is operationalized through our Human Rights, Framework and Roadmap, which aim to enhance our positive impact on the ground, with due diligence at the heart of our approach. Ten Human Rights Salient Issue Action Plans articulate the strategy for assessing, addressing, monitoring and reporting on

each human rights-related issue identified as salient, defining what is needed across our value chain and what collective action can be taken. These plans have been published, and we will begin reporting on progress next year. Each salient issue is managed at the global level and addressed through dedicated actions implemented locally across Nestlé's operations and supply chain worldwide.

Preventing abuses of human rights starts with understanding the nature and scale of risks. We use global datasets and insights from stakeholders on specific raw

materials to select which countries to assess, which business activities, suppliers and raw materials to focus on, and how to support local teams. Right now, the biggest human rights risks lie in our upstream supply chain, particularly in coffee, cocoa, sugar and palm oil.

The action plans help us ensure our activities, programs and interventions are consistent and effective across different regions and parts of the value chain. Within our own operations, we use an auditing process to verify that all our employees and sites comply with local



In Cairo, Egypt, our voluntary waste collection partnership established an afterschool program, providing sports coaching and care for the workers' children.

legislation, our *Corporate Business Principles* and our *Code of Business Conduct*. For example, since 2013, Nestlé has been implementing a *Living Wage Program* to ensure that all our employees, including those on temporary contracts, earn a living wage.

We continuously enhance our due diligence systems to strengthen and protect our business and make it more resilient. It is important that the subject of human rights moves from being solely about risk to an approach that highlights the positive impacts of interventions, such as improving access to education, better pay and responsible recruitment. Collaboration across different parts of our business, supply chains, markets and stakeholders is essential. Systemwide change requires holistic strategies and information sharing to address both human rights and environmental concerns.

### Diversity, Equity and Inclusion (DE&I): building a stronger business

We believe that when people are treated fairly, trusted to deliver, and feel that they belong in the workplace, they do their jobs better. We see diversity as a strength. We aim to create a working environment where everybody is respected for who they are regardless of gender, ethnicity, sexuality, disability or other characteristics or backgrounds. We want all our people to have the same access to opportunities in a workplace that recognizes the unique needs and experiences they have, and the contribution they can make to Nestlé's success. Our approach should always be fair, inclusive and without prejudice.

If we are to continue to meet the evolving expectations of consumers, our teams must be innovative and challenge the status quo. Innovation thrives on diverse, out-of-the-

In Vila Velha, Brazil, our Garoto factory has had the position of Sign Language Interpreter since 2005 to support employees with hearing impairment. By working with an on-site translator and partnering with a translation company, all internal communications include sign language, all employees with hearing impairment receive special training and all other employees are encouraged to learn sign language, as well.



box thinking. Having people from diverse backgrounds, cultures and ethnicities, of all ages and experiences, enables us to better understand the reality of the world in which we operate.

Our ability to attract, develop and retain a diverse range of skilled people is critical to being competitive and growing our business. We are building (within the legal parameters of the countries where we operate) a gender-balanced workforce at all levels, including management. We have made strong progress, reaching 47.4% women in management positions. Mandatory training for all employees

on unconscious bias and sexual harassment prevention has been an important part of this progress.

Nestlé's DE&I strategy focuses on four pillars: gender balance, LGBTQI+ inclusion, race and ethnicity, and disability. This is supported by an action plan where we assess, address and report on potential risks and opportunities. Operating within the global framework, local teams are encouraged to adapt their plans to local circumstances, as the issues and challenges their employees might face will vary from country to country. As a minimum, we comply with all local legal and regulatory requirements.

Nestlé's Employee Resource Groups are key to improving workplace culture by fostering a sense of belonging and inclusion among employees. The groups provide a safe space for employees to share their experiences and support each other.

Achieving true and lasting diversity, equity and inclusion across our business is a journey. For many potential employees, it is a key value proposition that attracts them to companies like Nestlé. With diverse teams, we create value for the company and for groups within societies that have historically faced challenges to getting hired or holding down employment. We hope that through DE&I, Nestlé can continue to build a strong, diverse and talented workforce that delivers the innovative ideas we need to grow.

#### **Nestlé's commitment to youth: fostering future talent to maximize impact**

Eleven years ago, our CEO Laurent Freixe made a promise: to help address the needs of young people to access economic opportunities and empower them with the skills needed to start their careers. In launching *Nestlé needs YOUth*, a program focused on young people under the age of 30, we would help 10 million young people access economic opportunities by 2030.

Fast forward to 2024 and the target has been met six years early, thanks to the focus placed on the initiative by Nestlé Markets and Zones around the world.

This is another way in which Nestlé creates value for the societies we serve. Investing in the education, empowerment and well-being of young people is essential for building a skilled workforce, nurturing future leaders, and ensuring the continuity of progress and prosperity

for generations to come. For Nestlé, this is more than just creating jobs and giving people opportunities. It is about encouraging young people to embrace entrepreneurship, both within Nestlé and in communities all around the globe.

Now in its eleventh year, the *Nestlé needs YOUth* initiative is our vehicle to create opportunities for young people of all genders, races, beliefs and experiences. There are three pillars: employment and employability; agripreneurship; and entrepreneurship.

We support youth employment and employability through training, internships, apprenticeships and other work-based learning experiences that help young people thrive in the workplace. By fostering the skills required to help young people secure a job and progress, we are not simply motivated to ensure the future viability of our own talent pipeline, as important as that is. Where we can employ people directly, we do, but the scope goes beyond Nestlé. This is about creating opportunities for young people everywhere, as employment is a key ingredient of community advancement, particularly in developing economies. We empower and enable young people to share their ideas and connect them with others who can help turn their ideas into viable business propositions. We created the *Nestlé YOUth Entrepreneurship Platform* (YEP) to foster innovation and entrepreneurial thinking.

Since 2017, we have provided 10.2 million young people with access to economic opportunities, including 23 238 job opportunities and 10 612 apprenticeship and traineeship opportunities.

### **PILLARS OF SUPPORT FOR YOUTH**



#### **EMPLOYMENT & EMPLOYABILITY**

Providing young people with free employability training, access to first jobs and on-the-job opportunities (Traineeships, Internships, Apprenticeships)



#### **AGRIPRENEURSHIP**

Supporting and encouraging young agripreneurs to create livelihoods as farmers and run their farms as businesses, embedding regenerative agriculture methods.



#### **ENTREPRENEURSHIP**

Through our digital platform, we want to empower young people to learn new skills, test ideas or grow their businesses, to help shape the future of food.

An important part of the program is inspiring the farmers of the future, restoring their faith in farming as a career by encouraging a more professional and resilient approach. The average age of farmers in many parts of the world is 50 years old or over. We want to encourage young farmers to be agripreneurs, to take over their parents' farms, and run viable, resilient and successful businesses. Nurturing agripreneurship and equipping farmers with the skills and capacity to make the shift to more regenerative food systems is crucial if we are to have access to quality raw materials in the future.

Effectively engaging young people and expanding our programs to create more impact requires collaboration. We are a founding member of the European Alliance for Apprenticeships, and the Global Alliance for *Nestlé needs YOUth*. We have worked to facilitate the creation of apprenticeship programs through bringing together private companies and public bodies, and with our partners we have helped millions of young people find a job, thrive in the workplace or start a business.

In this chapter and through the case studies, we have detailed how Nestlé helps people living and working in the communities we serve to thrive in different ways. These projects are part of the holistic approach we favor for creating shared value, addressing environmental and social issues together, providing for people's nutritional needs, and collaborating with partners, suppliers, farmers, employees and the people who live and work around us for greater impact.

It can seem complicated and even daunting to try to address the challenges the world faces. However, this is Creating Shared Value. Our company was started by an inventor who created a product to meet an urgent need, an infant cereal that saved the lives of sick children. Henri

## SUPPORTING YOUTH WITH FOOD SCIENCE AND TECHNOLOGY COMPETENCIES TO STRENGTHEN FOOD SECURITY IN AFRICA

by Jennifer Amoakowaa Atuahene, Regulatory Officer, Food and Drugs Authority, Ghana

As a master's student in Food Science and Technology at Kwame Nkrumah University of Science and Technology, I set out to tackle a problem close to my heart: vitamin A deficiency in Ghana. This is an issue that affects many economically disadvantaged communities, and I knew that the solution needed to be both affordable and accessible. So, I focused my research on creating a nutritious product using locally sourced orange-flesh sweet potatoes—a practical and sustainable approach to addressing this widespread deficiency. Being part of Nestlé's academic partnership was a turning point in my journey. This is a program that sponsors numerous PhDs and master's theses in the field of affordable nutrition across nine universities across sub-Saharan Africa.



Jennifer's work has included tackling vitamin A deficiency in Ghana with sustainable, local solutions through Nestlé's academic partnership.

**"Capability building of youth leads to stronger, more resilient communities and an environment where we can source local raw materials, produce and commercialize products with strong local value-propositions."**

Celine Worth, R&D Program Manager for Affordable Nutrition, Nestlé

Not only did it provide financial support, but it also gave me the chance to bring my ideas to life on an industrial scale. After being invited to join the Nestlé R&D Centre in Côte d'Ivoire, I had the opportunity to work alongside experts and learn firsthand how to take a product from the initial concept to a larger setting. It was challenging, but it opened my eyes to the real-world applications of my work.

The experience has taught me resilience, sharpened my analytical skills, and pushed me beyond the boundaries of academic research. I learned that real change requires a mix of scientific knowledge, practical experience and the courage to innovate.

Today, as a Regulatory Officer for Ghana's Food and Drugs Authority, I carry forward the insights and skills I gained, driven by the hope that my work can contribute to lasting nutritional solutions in my community.

Nestlé was confident he could build and maintain trust through consistently delivering high-quality products. We continue to be inspired by his example as we work on creating shared value across our value chain for Nestlé and for society at large.

## COMMUNITY SUPPORT FOR LASTING IMPACT

by Nina Kruchten, Global Community Giving, Nestlé

Our approach to community giving reflects the integration of both our business strengths and commitment to addressing societal needs. We focus on areas where Nestlé is present and where we can make a meaningful impact, including disaster relief and food access.

Nestlé's community giving involves substantial product donations, 72% of contributions, alongside financial support. Our food access efforts are primarily channeled through partnerships with local foodbanks and global networks—Global Food Banking Network, Feeding America, and the European Food Bank Federation. Our work to support food-insecurity and food waste has grown significantly, supporting these organizations throughout the year.

Our partnerships with global disaster relief organizations—the International Federation of Red Cross

and Red Crescent Societies and World Central Kitchen—channel funding, products and logistical support during emergencies to help tackle immediate needs and hunger. Our close relationship with these partners enables rapid response to climate-related crises, such as hurricanes and floods, or humanitarian disasters.

Beyond immediate needs, Nestlé also invests in fostering community vibrancy. This includes supporting cultural and sporting events, particularly in our home region of Switzerland. We also integrate employees into community giving, engaging our people to volunteer with our community partners, such as supporting local food banks and clean-ups. This approach not only enhances impact but also fosters a sense of purpose among our employees. By targeting our efforts, Nestlé creates value for communities while reinforcing its role as an engaged corporate citizen.



We help support food banks like FoodCycle in Indonesia.

Nestlé responded to the crisis in Valencia following the flooding in 2024.

## SUPPORTING INDONESIA'S FARMERS TO IMPROVE LIVELIHOODS

by Agus Wahyudi, coffee farmer, Indonesia

As a coffee farmer in the Tanggamus Regency in the Lampung region of Indonesia for the last 12 years, I have been facing increasing challenges due to extreme weather. Long periods of drought, unexpected heavy rains and rising input costs have made it difficult to maintain a stable income.

For the past two and a half years, I have taken part in *Nestlé's RegenTa* initiative, which is part of the Nescafé Plan. It was introduced to help farmers like me adopt regenerative agriculture practices that make the farm more resilient to droughts and heavy rains, and to improve soil fertility, which also enhances our income and livelihood overall.

The program has opened my eyes to what is possible. I adopted intercropping, which involves planting crops such as chili, java long chili, pepper, odot grass, taro, and avocado trees alongside my coffee farm. This practice optimizes the use of my limited land and helps to prevent pests and diseases from spreading throughout my fields. It also increases soil fertility and reduces soil erosion. Cultivating diverse crops provides better conditions for pollinators and natural predators, which keep my farm productive and healthy. Additionally, with the support of the German Government Development Agency GIZ\* as a partner through the Farmer Business School, I have been able to improve my entrepreneurial knowledge, further enhancing my farming practices and overall business acumen.

The cash crops also provide additional income throughout the year. Previously, I only relied on coffee harvesting, which



Left: Members of the Sidodadi Farm Group use goat manure to make organic fertilizer—a crucial part of their approach to regenerative agriculture.

Below: Tri Wahyuni shows off the recent nutmeg harvest.



The bees help pollinate Agus' coffee plants, while the honey they produce is used as an additional food source for his family.



Farmer Agus checks the goats he has raised in his demonstration plot. He uses their manure to help grow crops and sells the meat for additional income.

occurs once a year, making cashflow difficult to manage. The program also introduced me to goat farming and beekeeping. Goats produce manure, which we then use as material for organic fertilizer, reducing my reliance on expensive chemical inputs. Bees increase biodiversity and contribute to better coffee yields from pollination. We consume the honey, which improves the health of my family.

**“The *RegenTa* program has now reached more than 2000 farmers, offering both technical and financial assistance to apply regenerative agriculture in ways that suit local conditions. And we will extend the initiative to benefit more smallholder farmers across Indonesia and beyond.”**

Id Syahrudi, Head of Corporate Sustainable Agriculture at Nestlé Indonesia

I also apply the cover crop, *Arachis pinto*, which helps to maintain soil moisture, reduce weed growth and provide feed for livestock. I also plant shading trees that produce pepper and java long chili. In dry season conditions, shade helps to prevent coffee plants from wilting.

The *RegenTa* project has had a major impact on me and my family. I can optimize my income from my coffee farm because I have implemented intercropping and sustainable farming practices. The changes I’ve made on my small farm have made me more resilient to face future challenges, even with unpredictable weather.

\* Nescafé and GIZ cooperate in Indonesia, Thailand, the Philippines and Côte d'Ivoire with the aim of improving the resilience and income of smallholder coffee farmers.



Farmers in Indonesia, like those in the Tanggamus Regency, are transforming their livelihoods with support from Nestlé’s *RegenTa* initiative. By adopting sustainable practices like intercropping, organic fertilization and beekeeping, they are enhancing soil health, boosting biodiversity and securing additional income streams.



## DELIVERING ON OUR PROMISE OF CREATING SHARED VALUE

Our approach to Creating Shared Value is not just about meeting the needs of today. It is about building a foundation for tomorrow. Through relentless innovation, scalable solutions and transformative partnerships, Nestlé aims to ensure that businesses, communities and the planet prosper together.

Creating Shared Value requires us to leverage our expertise, resources and global reach to address the world's most pressing challenges while at the same time making our business more resilient. From advancing nutrition with options for healthier diets to implementing regenerative agricultural practices to help protect our planet, and from strengthening livelihoods in our supply chains to fostering innovation in waste reduction and water stewardship—Nestlé is a catalyst for change.

By working hand in hand with farmers, suppliers, scientists, policymakers and communities, we are not just participants but leaders in helping to create an equitable and regenerative food system. This collaborative spirit seeks to ensure that the steps we take are amplified, solutions are scalable, and innovations deliver lasting value.

The scale of the challenges we face as a global community—from climate change to malnutrition—can seem daunting. But we view these challenges as opportunities to innovate, to lead and to add value to our business. Our work is far from done, but we are emboldened by the progress we've made and the partnerships we've forged. The future is ours to shape, and we're more determined than ever to work for a future where everyone can thrive. As you reflect on the insights and stories shared in this

book, we hope you see a business deeply committed to making a difference. Nestlé is more than a food, beverage and nutrition company—we are a champion of resilience and progress. Together, we are proving that shared value is not just a concept but a tangible reality.



Bags of coffee beans stored in the coffee cooperative's warehouse, the result of a fruitful harvest, are ready to be sold.