



Nestlé

Good food, Good life

2025
Creating Shared Value
Our impact



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and our Chair**
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A message from our CEO and our Chair

Pablo Isla, Chair,
and Philipp Navratil,
CEO of Nestlé.

This publication, designed to be read alongside Nestlé's Non-Financial Statement, illustrates the impact of our Creating Shared Value approach across the globe in 2025. This year, we place a particular emphasis on impact, demonstrating how we translate our commitments into tangible benefits for society while strengthening long-term resilience for our company, our suppliers and our partners. The stories you will find here bring to life the performance data and the analysis of risks and opportunities presented in the Non-Financial Statement. Together, these two documents offer a comprehensive review of what progress looks like when a company integrates positive social and environmental outcomes into its definition of business success.

In today's world, trust is earned through meaningful action. For Nestlé, Creating Shared Value is far more than just a guiding principle. It is a standard we uphold every day across the organization. It is a strategy that connects societal progress and business growth; an approach we know resonates with consumers, employees and stakeholders alike. By helping to address real world challenges we go beyond philanthropy or traditional corporate social responsibility. We create value for communities as well as for shareholders, and in doing so strengthen our brands—aligning long-term business success with meaningful impact for people, communities and the planet. This is what we mean by shared value: delivering sustainable, inclusive and profitable growth that enhances the well-being of all stakeholders.

Nestlé is the world's leading food and beverages company. Our purpose is to unlock the power of food and beverages to enhance quality of life for everyone, today and for generations to come. We embrace this responsibility and opportunity with urgency and determination every day across the world. Everyone here at Nestlé plays a role. Together we are shaping a company that leads with purpose, acts with integrity and wins through performance.



"Together we are shaping a company that leads with purpose, acts with integrity and wins through performance."

Good nutrition is the cornerstone of health and well-being. Consumers demand and deserve the highest standards of quality and safety. They want our products to offer superior taste and value. Investors expect the same rigor in how we run our business and deliver sustainable growth. Meeting these expectations is fundamental to strengthening our leadership in a rapidly changing world.

We set ourselves high nutritional, social and environmental standards, operating with transparency and integrity. From helping consumers enjoy tasty and balanced diets and supporting farmers in improving soil health and yields, to respecting and promoting human rights across our supply chain and helping to equip young people with the skills they need to thrive within our company and beyond—these actions contribute to Nestlé's resilience and help prepare us for the future. Our efforts extend beyond our walls, creating positive impacts across the value chain as we use resources more efficiently, help our suppliers and partners to manage risks and develop new opportunities with innovation and collaboration.

Creating Shared Value is an ongoing commitment, and one we take seriously. It has been at the heart of how Nestlé does business for 160 years. This approach builds trust, and trust is essential to our success. We must earn it every single day. In today's volatile world, that matters more than ever.

Pablo Isla
Chair

Philipp Navratil
Chief Executive Officer

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Creating Shared Value

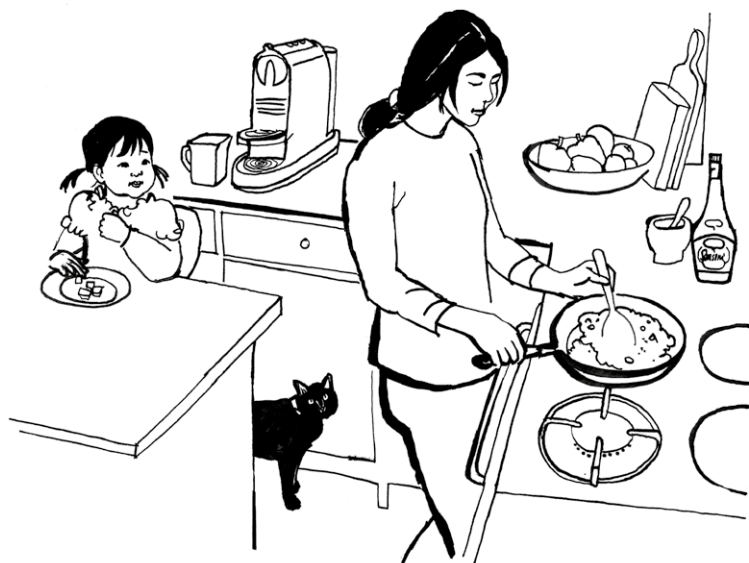
Building long-term resilience through impact

Creating Shared Value is at the core of how we operate. Aligning long-term business success with meaningful impact for people, communities and the planet, we focus on the areas where we can drive change. Long-term success in the food industry is sustainable when we help people access the nutrition they need to live well, contribute to the well-being of those who grow and make our food, and support the regeneration of the ecosystems our business depends on. At Nestlé, we call this approach Creating Shared Value.

Where value for society and business align

At the heart of this approach is a simple idea: when the people and systems we rely on are strong, our business is strong. Creating Shared Value means directing our investments towards solutions that improve livelihoods, restore nature, support good nutrition and build resilience across the food system – recognizing that progress in one area reinforces progress in others.

Our approach is built on three interconnected focus areas: supporting families and their pets through safe, nutritious and affordable products; sustaining the planet and advancing resilient food systems; and strengthening communities by improving livelihoods across our value chain. Together, these focus areas shape how we align societal impact with long-term business value and



ensure our efforts address the needs of the stakeholders who depend on us – and whom we depend on in return.

Creating Shared Value is about finding the places where tackling real-world problems creates business opportunities by addressing consumer needs; opening new markets, attracting the talent we need to evolve and grow our company; addressing risks and building resilience in our supply chains for the future. It is a strategic choice. By focusing on the areas where we can have maximum impact, we aim to deliver both benefits for society and long-term returns for shareholders.

Helping feed populations around the world at scale is both an opportunity and a responsibility. To do this effectively, we source high-quality ingredients at the right price point, drive packaging circularity and transparently communicate about what goes into our products and how they can contribute to a balanced diet. We uphold rigorous standards from farm to consumer that build trust with consumers, stakeholders and shareholders. These efforts directly support people, families and pets by ensuring access to safe, nutritious and affordable products that meet evolving needs.

The food industry sits where many global challenges converge, from climate change and water stress to malnutrition and

inequality. These challenges are interconnected and require a systemic response. Climate-related events such as droughts can reduce agricultural yields, disrupt supply chains and increase food prices, limiting access to essential nutrition for vulnerable communities. At the same time, consumers seek healthier diets and longer, more active lives, yet affordability and availability remain significant barriers. Transforming food systems to address these issues requires a shift towards regenerative agriculture, which in turn requires new skills, knowledge and investment.

Our approach is holistic: we support regenerative agriculture practices and circular business models; we work to strengthen resilience across key ingredient supply chains; we promote biodiversity; and we equip farmers – especially the next generation – with training and resources to succeed. We deliver affordable and accessible nutrition to help close nutrient gaps in populations that face key nutrient shortfalls. By connecting these priorities, we want to help to create a food system that is sustainable, inclusive and resilient for the future. There is a compelling business case for this approach. Addressing social and environmental problems can help Nestlé meet the expectations of consumers and stakeholders – as well as the requirements of regulators. This is where value for society and value for our business overlap.

We recognize that we cannot achieve the scale of change needed on our own. That is why we continue to work in partnership with farmers and suppliers, scientists and NGOs, governments and industry peers to enable shared progress across our value chain. We support collaboration, advocate for sensible regulation and partner with others wherever our combined influence can accelerate shared outcomes.

Our focus is on creating real impact. We have built a strong foundation through decades of investment in our supply chains, our people and our products. We are committed to delivering measurable results: improved farmer livelihoods, lower greenhouse gas emissions, more servings of micronutrient fortified food and beverages. We want to be recognized for doing things right.

Across the next seven chapters of this publication you will discover how we are helping to transform the food system through our three pillars – *People, families and pets*, *People and planet*, and *People in communities*. Each chapter shares the progress we are making, the challenges we face and the partnerships that make it possible. Together, these stories reflect our determination to create value that is shared and lasting for people and for the planet; to strengthen Nestlé and support the communities we serve.



This illustration showcases the case studies featured in this publication, highlighting the global breadth of our efforts. These are just a selection of our programs and activities worldwide.

People, families and pets

- 1 Helping fight malnutrition in the Philippines
- 2 Supporting healthier weight management through nutrition science (Global)
- 3 Nutrition in medicine – insights from Spain

People and planet

- 1 Bringing land back to health in India with Nescafé Plan
- 2 Nestlé UK's Milk Plan
- 3 Earthworm power in California (United States)
- 4 From reduction to resilience in Mexico

- 5 Recycling Nespresso capsules in France
- 6 A circular breakthrough in Ecuador

People in communities

- 1 Redefining what success means in cocoa farming in Côte d'Ivoire
- 2 Working together to reach communities in need in Malaysia
- 3 Why the future of farming depends on new skills in Hungary

- 4 Growing opportunities for women in South Africa, from the ground up
- 5 Sowing the seeds of a future for young agripreneurs in Venezuela

**Inspiring
change
A healthy
business:
a healthy
ecosystem**

Anna Manz,
CFO, Nestlé

"We have a huge 'ask' of us at Nestlé to do the right thing for today, tomorrow and the day after. When people talk about 'environmental, social and governance' (ESG), they often focus only on sustainability. I like to take one step back: our business operates within a much broader ecosystem.

My starting point is a very simple philosophy: the only way to create sustainable value at Nestlé is to make sure it sits within a healthy and growing ecosystem. That ecosystem involves multiple stakeholders: consumers and retailers, employees, shareholders, suppliers and their value chains, and civil society.

We need to understand the whole ecosystem and ensure that we are working to strengthen, not weaken it. A healthy ecosystem is one where all participants get stronger over time. For example, Nestlé can't thrive if the farming industry that supplies us isn't flourishing.

This 'systems thinking' underpins our strategy. Our scale enables us to support the changes needed across our value chain. Farming is evolving rapidly, driven by factors such as climate change and technology. This requires a big skills shift, which can be challenging because the sector is naturally quite fragmented, with skills passed down within families over generations. While formal training is available, there isn't the same level of formal structure as in other sectors.



"A healthy ecosystem is one where all participants get stronger over time."

We can support this skills shift through our experience of capability building, both within the company and within our supply chains. We need to commit to be part of the change rather than waiting for someone else to make it happen and to create something that is genuinely 'win-win.'

By making our supply chains more efficient, and sourcing from farmers who adopt regenerative agriculture practices, we can create products that are preferred by consumers and create real economic value.

Of course, we must take the consumer with us on this journey. Our job is building brands. If Nestlé can't take the consumer with them on this journey, who can?"

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Food and nutrition

Unlocking the power of nutrition at every stage of life

Good food is the core of our business. Our scale means we are uniquely placed to offer what consumers want – convenience, taste and quality, affordability, healthy options and sustainability. We are inspired by families and driven by our purpose to unlock the power of food and beverages to enhance quality of life for everyone, today and for generations to come.

Helping fight malnutrition in the Philippines

In the Philippines, Rowena Baltazar's market stall in the Guadalupe Public Market in Makati is stacked from floor to ceiling with everyday essentials—powdered milk, instant noodles, biscuits, sachets of coffee, seasonings and condiments. For millions of low-income families these small community shops offer more than just convenience. They are where most people buy food, drinks and household staples; a vital link in the daily challenge of putting nourishing meals on the table. For many households though, the barrier is not just distance or availability. It is cost.

Small-format packs are crucial in the Philippines. "When a mother walks into a public market or neighborhood sari-sari store, she often has just enough money for today's food. If we only offer big packs, she might walk away without buying anything," says Babylyn Cayabyab, who leads Nestlé's work on affordable nutrition in the country. Keeping fortified products available in single-serving formats means families can afford them.

According to the City Government of Manila and United Nations Food and Agriculture Organization (FAO) data, the cost of an adequate diet in the Philippines is among the highest in Southeast Asia relative to income, putting even the most basic nutrition out of reach for those on the lowest wages. "People here buy in small amounts, but they still want good quality food they can trust," says

Community stores are a vital access point for affordable, fortified food and beverages across the Philippines helping families meet their daily nutrition needs. Single-serve sachets of fortified *Bear Brand* milk provide essential nutrients, including 100% of children's daily vitamin D requirements.



Babylyn. "That's why making fortified, nutritious options available in community stores is so important. It's meeting people where they are, with formats they can afford."

Nestlé has a long history in the Philippines of fortifying products with micronutrients, particularly milk powders and powdered beverages. This can help contribute to closing the country's persistent nutrient gaps. We conducted a study in partnership with the Philippine government's

Department of Science and Technology's Food and Nutrition Research Institute to determine the vitamin D status and food sources of vitamin D of schoolchildren. It showed 6 in 10 Filipino children have insufficient vitamin D in their diet. We reformulated our *Bear Brand* milk to provide 100% of the recommended daily intake of vitamin D per glass, helping close that nutritional gap for Filipino kids.

The country faces other public health issues too: iron deficiency, vitamin A deficiency and

inadequate protein intake. “If you look at anemia rates among children here, it’s still around one in three who suffer from the condition,” says Babylyn. “Fortification is a proven cost-efficient way to help fight micronutrient deficiencies. Fortifying food and beverages that are widely accessible and regularly consumed can contribute to closing the nutrient gaps.” Nestlé R&D and local nutrition teams have been working closely to fortify brands well-loved by consumers such as *Bear Brand Fortified Powdered Milk*, *Milo* and *Maggi* with essential micronutrients, like iron, zinc and vitamins A, C and D, in formats that are economically accessible.

Partnership with the Government of the Philippines and public health agencies is another important piece of the puzzle. “It’s not enough just to make the products available,” adds Babylyn. “People

need to know why essential nutrients, like vitamin D, iron, zinc and vitamin A matter for their children’s growth. That means collaborating with health workers, schools and policymakers.” The trust built through this approach requires long-term commitment. Store owners tell us that mothers often ask for fortified brands by name because they know exactly what is in them, and why it matters. “That trust comes from decades of Nestlé presence in communities,” she says.

From the busy streets of Manila to far-flung island villages, affordable nutrition is contributing to the fight against malnutrition; making good nutrition a daily reality, not a privilege. For Nestlé, that strategy not only contributes to improving public health outcomes but also makes business sense by strengthening the long-term resilience of our brands and markets.



Well-loved Nestlé brands, like *Milo* and *Maggi*, provide key micronutrients, helping make good nutrition a daily reality for Filipino families.

Continuous progress Making breakfast better with more whole grain



By Ece Nevra Göncü,
Head of Nutrition,
Regulatory and
Scientific Affairs,
Cereal Partners
Worldwide

When a child pours a bowl of cereal in the morning, they shouldn’t have to think about whether it’s good for them—it just should be. For me, our work is about more than recipes and reformulation. It’s about making lasting change, where better nutrition becomes the norm.

I work for Cereal Partners Worldwide (CPW), a global partnership between Nestlé and General Mills. We have more than 40 brands catering to all ages and lifestyles. We have always believed breakfast should be convenient, tasty and nutritious.

Twenty years ago at CPW we set ourselves a clear goal: to put whole grain at the heart of our portfolio. At that time, most breakfast cereals were made from refined grains. We knew we could do better. So, step by step, we began increasing the amount of whole grain and fiber in our products, while steadily reducing sugar, salt and fat.

Today, more than 90% of our breakfast cereals contain whole grain as the number one ingredient—and that figure rises to 99% for products intended for children and teens. As a result, more than 99% of our products are a source of fiber, with many being high in fiber.

This didn’t happen overnight. Reformulating familiar, well-loved products takes time. We made small changes continuously that consumers could accept without

noticing significant loss in taste or enjoyment.

The numbers tell the story. Between 2003 and 2025, in our popular children’s cereal Nesquik, we increased whole grain content by 120% and fiber by 288%, while cutting sugar by 42%. Crucially, when we reduce sugar, we put back something better—more whole grains.

We’ve also made it easier for consumers to see these improvements. Over 90% of our portfolio has whole grain as the number one ingredient and every pack carrying our green banner delivers at least 8 g of whole grain per 30 g serving. This transparency helps shoppers make informed choices.

Our ambition doesn’t stop at our own brands. We’re proud to be a founding member of the Whole Grain Initiative, launched in 2017, which brings together more than 50 organizations from academia, industry and government. Its vision is to drive a global shift from refined to whole grains, unlocking health benefits, reducing the burden of diet-related disease and promoting balanced diets. Every year, we support International Whole Grain Day to raise awareness, influence public health policy and encourage more people to make whole grains part of their daily diets.

Nestlé's journey to 100% natural colors

Nestlé has been working to remove artificial colors from its global portfolio—a process shaped by evolving consumer expectations. This has become a long-term ingredient innovation program involving technical problem-solving and careful recipe design. “Consumers increasingly want ingredients they recognize and understand,” says Alistair Burton, R&D Ingredient Expert at Nestlé. “Our work on colors has always been about responding to that, without compromising on quality.”

One of the earliest and most influential milestones in our journey was with *Smarties*. The decision was driven by a clear consumer insight: parents wanted to give their children a treat, but were growing more concerned about artificial colors. With a rainbow of colors, *Smarties* became a proving ground for the business. Replacing them demanded more than a simple swap. The team worked with a palette of ingredients of natural origin including beetroot, radish, safflower, turmeric, carotenes, spirulina and malted barley. Each pigment behaved differently under heat, light and processing, and had to perform consistently across batches, lasting from the grocery shelf through to the moment of consumer use. “*Smarties* taught us that natural colors behave like the living materials they come from—plants, fruits, vegetables and spices,” says Alistair. “You can’t just switch one color with another and expect the same result. You need to understand the food and its properties.”



Rooted in nature, ingredients from plant-based foods like turmeric and beetroot help ensure our recipes meet rising consumer expectations for natural, trusted ingredients.

That learning shaped the approach that followed. As we expanded the removal of artificial colors into other categories, it became clear that solutions were not simply copy and paste—each recipe and its ingredients had to be evaluated. “Artificial colors, like red and yellow for example, pose a complex challenge,” says Alistair, “Artificial colors are highly stable and intense, while natural alternatives tend to have lower color intensity and greater sensitivity to light, acid and temperature.” The replacement journey begins with extensive screening of natural ingredients. Our teams test multiple sources and formats, working closely with suppliers to assess stability, taste and performance over time, before selecting ingredients from natural sources, such as orange annatto from achiote seeds.

Today, when we create recipes, we embed this discipline from the beginning. Products are designed using natural ingredients from the outset, balancing flavor, color and cooking performance. In other innovations, like *Maggi Air Fryer* recipes in Europe, spices are key natural ingredients used to bring both taste and visual appeal.

Our transition away from artificial colors has been a story of persistence, collaboration and accumulated learning. Above all, it reflects a commitment to earning consumer trust through ingredients and great recipes.

Supporting healthier weight management through nutrition science

Weight management is being reshaped by the rapid uptake of GLP-1 Receptor Agonist drugs and other weight management medicines. As appetite is suppressed and food intake falls, new questions are emerging about nutritional needs, muscle health and long-term health outcomes. For Nestlé, this shift has elevated the role of nutrition as a practical, evidence-based support for people managing their weight.

Nestlé Health Science has long worked at the intersection of medical nutrition and real-life consumer nutritional needs. Today, that experience is being applied to help individuals using weight loss drugs maintain muscle mass, support gut health and establish habits that last beyond medication. “We’re seeing a fundamental change in how people using GLP-1 drugs relate to food,” says Dr. Krysa Araujo Torres, Head of Medical, Scientific and Regulatory Affairs at Nestlé Health Science. “When people eat less, the quality and composition of what they consume becomes even more important.”

One of the most pressing risks during rapid weight loss is the loss of lean muscle mass. Muscle supports strength, mobility, physical function and overall health, yet it is rarely considered when success is measured only by kilograms lost. “Muscle has a motor function and a role in regulating metabolism,” explains Dr. Araujo Torres. “This plays a role in healthy aging. During weight loss, the key focus is to



Nutrition and physical activity both play important roles in healthy weight management. Our science-based solutions, such as Boost Advanced Nutritional Shake, help people maintain muscle mass and meet nutritional needs in their weight management journey.

significantly reduce fat mass and preserve muscle.” This insight underpins our product development. *Boost Advanced Nutritional Shake*, for example, delivers high-quality protein alongside prebiotic fiber, vitamins and minerals to help support muscle maintenance and overall nutritional adequacy for people managing their weight.

Gut health is another key focus. In many countries, dietary intake surveys show that adults are not consuming enough fiber. For people using weight loss medications, this may be exacerbated simply by lower food consumption, potentially impacting gut health. Dr. Araujo

Torres adds, “There is growing appreciation for the role prebiotic fiber plays in the gut microbiome, including both weight maintenance and metabolic health.”

Nestlé’s research capability and expertise in protein innovation strengthens this work. We recently published findings on a whey protein microgel designed to deliver differentiated nutrition solutions for consumers focused on weight management. Further research supported by Nestlé Health Science reinforces that nutrition is essential not only during pharmacological treatment, but also before and after. Importantly, Nestlé does not see nutrition and medication as competing solutions. “Weight management drugs create an opportunity to re-establish lifestyle habits, like nutrition and physical activity, working hand-in-hand with healthcare professionals,” said Dr. Araujo Torres. “Nutrition is never one-size-fits-all. Our responsibility is to be accurate, evidence-based and helpful, while contributing to healthier lives for people.” Looking ahead, we have an opportunity to apply rigorous science at scale, while remaining realistic about individual needs.

Nutrition in medicine –insights from Spain

In oncology, malnutrition is often a hidden enemy. Up to one in three cancer patients in Spain are at risk, with profound consequences: weight loss, reduced muscle strength and fatigue. These contribute to a diminished quality of life that undermines a patient's ability to tolerate treatment. The Onavida study, conducted in partnership with Nestlé Health Science, was one of the first nationwide studies of its kind in Spain, led by 18 hospitals and involving more than 230 patients, focused on addressing this challenge.

Onavida tested the impact of Meritene Clinical Extra Protein, a high-protein, high-calorie oral nutritional supplement (ONS) enriched with leucine. Meritene is tailored to help patients with cancer-related malnutrition improve nutritional status, preserve muscle mass and maintain energy levels during treatment.

The study was a clinical trial designed to reflect real-world conditions. Patients were monitored over a 12-week period



Meritene Clinical Extra Protein – available in more than 20 global markets under names such as *Clinutren Ultra* and *Resource Ultra+* – is the oral nutritional supplement used in Spain's pioneering Onavida study.

to assess nutritional outcomes, physical performance, adherence, tolerance and quality of life. The results were clear: nearly a quarter of patients were no longer malnourished, almost half stopped losing weight, and 40% no longer showed signs of inflammation. On average, patients gained 1.7 kg of muscle mass, and most of them stuck with the treatment—a critical factor in the effectiveness of any oral nutrition therapy.

Collaborating with doctors in clinical trials like this enables Nestlé to demonstrate that nutritional therapy can deliver measurable benefits alongside medicine. The study underscores the principle that nutrition is a key contributor to the overall treatment.

Another study in Valencia, the RobustNes study tackled a different, but related challenge: the decline in strength and mobility among older adults with frailty. Led by Professor José Viña, the trial focused on countering frailty through targeted nutrition and physical exercise. “In geriatrics, muscle is life,” he explains. “When you lose muscle, you lose independence. But with the right nutrition, we can slow or even reverse that loss.”

Patients were given Meritene Fuerza y Vitalidad, a supplement with high-quality protein from Nestlé Health Science. Over the weeks, doctors saw visible changes: improved grip strength, steadier walking, fewer falls.

One man, frail and unsteady when admitted, was able to walk unaided by the end of the program. “These moments matter,” says Professor Viña. “They mean a person can return home instead of going to long-term care. They mean dignity, autonomy and hope.”

He believes that nutrition is often overlooked in clinical care and sometimes treated as an afterthought rather than an integral part of recovery. “We wouldn’t expect a patient to heal from surgery without pain relief. So, why do we expect them to heal without the nutrients their body needs to rebuild?”

For Nestlé Health Science, these studies are about more than proving a product works. They are about shifting mindsets—among doctors, patients and health systems—to see nutrition as a core part of treatment. The learnings from Spain are now informing work in other countries, exploring how targeted oral nutritional supplements can help people recover faster, stay stronger for longer and improve quality of life.

Innovative solutions Bringing scientific synergy to infant nutrition



By Mishelle Khalil,
Global Category Lead,
Nestlé

Breastfeeding undeniably provides the best start in life for babies when it comes to infant nutrition. It delivers the right balance of nutrients, bioactive compounds and protective factors to support a baby’s healthy development from birth. At Nestlé, we support and promote exclusive breastfeeding in the first six months of life with the gradual introduction of appropriate complementary foods as advised by healthcare professionals. However, we understand that breastfeeding is not always possible and, in such cases, infant formula is the only suitable and recognized alternative. When breastfeeding is not an option, we are here to offer our support through science-based solutions that are designed to meet the specific nutritional needs of infants and young children.

This goal has guided our work on *Synergity*, the most advanced infant formula in our *NAN* range. What makes *Synergity* unique is its proprietary blend of two key elements found in breast milk: human milk oligosaccharides (HMOs) and probiotics. HMOs are special types of carbohydrates found naturally in breast milk, that help protect against infection and support the development of a healthy gut. Probiotics are beneficial bacteria that play a vital role in digestion and the immune system.

NAN Synergity is the first and only formula in the world with six HMOs and two probiotic strains, *B. infantis* and *B. lactis*. This blend was designed not just to include

these components, but to reflect how they interact in nature. We call this idea “synergistic nutrition.” Instead of adding ingredients in isolation, we focused on their interdependencies—how they work together. HMOs feed the beneficial bacteria, helping them thrive in the gut environment. In turn, the bacteria support a stronger immune function, digestion and overall well-being. Together, they contribute to what we describe as “six-in-one” benefits, supporting immunity, gut health, brain development, physical growth and the development of bones and muscles.

Creating this formula has taken nearly a decade. Ingredients were selected based on scientific evidence and the final formulation has been studied in a clinical trial. These studies have shown promising results, including what researchers call “immune imprinting”—the idea that good nutrition in the first year of life helps shape a baby’s immune system in lasting ways.

Today, *Synergity* is being introduced in markets around the world. We continue to gather feedback from healthcare professionals and families as we monitor it in real-world settings. For me, this work is about making sure babies have the best possible start, even when breastfeeding isn’t an option. *Synergity* is not a replacement for breast milk, but a reflection of what we’ve learned from it.

Nestlé's Nutrition, Health and Wellness strategy

135.4 billion

servings of affordable nutrition with micronutrient fortification

As these examples show, understanding the needs of different groups of people, applying scientific expertise and working with communities and health professionals can lead to measurable improvements in health and well-being. Our strategy for Nutrition, Health and Wellness is inspired by the families that we serve and guided by our purpose: *we unlock the power of food and beverages to enhance quality of life for everyone, today and for generations to come.* Consumers and their pets are always at the center of what we do.

Through our brands, we are helping consumers address the challenges they face. Their expectations are evolving fast, shaped by global and local trends. Increasingly, people want diets that are healthy, tasty, affordable and made with simple, natural ingredients. They're also seeking variety and personalization, with products that fit their lifestyles: from the rising popularity of cold coffee and instant noodles to the spread of air-fryer cooking. What starts as a local trend today now travels quickly across borders, and consumers expect it to be available, convenient and ready when they are.

Science is at the core of all we do, from pioneering food and nutritional solutions for all life stages, to continually evolving and expanding our portfolio to address consumers' needs. To have the greatest impact, our food, beverages and specialized

nutrition products must taste great, contribute to nutritional needs and be both affordable and widely accessible.

Affordable, accessible nutrition is key. While the need is greatest in emerging markets, affordability is increasingly relevant in developed economies. Our work in the Philippines shows how combining fortification with everyday staples can help create nutrient-dense food and beverages that are accessible to lower-income households. We are also innovating with lower carbon approaches, such as blending plant protein with dairy, to provide a good source of protein at an affordable price point. We are reaching more people in more places by focusing on formats suitable for storage without refrigeration, extending the benefits of good nutrition to those who might otherwise be left behind. In 2025, we provided 135.4 billion servings of affordable micronutrient-fortified foods.

To see our progress on affordable nutrition and portfolio evolution, please consult our 2025 Non-Financial Statement.

We also recognize that nutrition is not one-size-fits-all. Our tailored nutrition approach addresses needs across different life stages—from maternal and infant nutrition to healthy aging. It can help support specific health outcomes, such as metabolic health, muscle regeneration and cognitive health. One example is our research into bioactive

Six interconnected pillars deliver our Nutrition, Health and Wellness strategy



● Expanding affordable, accessible nutrition products, which appeal and taste good, making them available to as many people as possible, in developing and developed countries.



● Harnessing science and technology to improve nutritional value through innovation and recipe reformulation.



● Using familiar, trusted ingredients that consumers have in their own kitchen.



● Offering more “balanced choices” for those looking to consume “less of” some ingredients or nutrients and “more of” others.



● Supporting specific health needs or goals with tasty, accessible nutrition, focusing on strengthening medical nutrition, women's health, and expanding personalized nutrition.



● Promoting guidance for balanced diets, by leading in responsible consumer communication and education on nutrition.

solutions to support healthy longevity. Our scientists have discovered a unique blend of vitamin B-related nutrients that help muscles regenerate faster during recovery after exercise and for those who are aging. This led to the launch of a nutritional supplement clinically shown to enhance muscle repair and regeneration. By applying the right mix of science, technology and clinical insight, we can deliver precision nutrition solutions for individuals and families, including their pets.

Our work is grounded both in science and the knowledge we have developed about what consumers want and need. The Nestlé Institute of Health Sciences, which is part of our R&D network, is developing precision nutrition platforms, microbiome research and biomarker science, as well as drawing on emerging artificial intelligence tools, to inform

future innovations. Future growth opportunities—from healthy longevity to women's health and weight management—will build on this strong scientific foundation, ensuring we stay at the forefront of nutrition innovation.

Our relentless focus on quality, safety and delivering superior taste and value helps us build trust. By setting high standards for transparency around the ingredients we use and the nutritional value of our products, we are creating shared value for consumers, customers and investors. We will continue to collaborate with a broad range of partners across the industry—including regulators and civil society—to drive meaningful change. Our Nutrition, Health and Wellness strategy will future-fit our portfolio to better meet the needs and expectations of families and their pets.



Innovative solutions Longer, healthier lives for pets through the power of nutrition



By Sheri Smitley,
Global Head of Nestlé
Purina PetCare R&D

At Nestlé Purina PetCare we have always believed nutrition plays a uniquely powerful role when it comes to managing pet health and longevity. Our landmark longevity study showed maintaining dogs in a lean body condition from puppyhood and throughout life could extend their lifespan by up to 15% and help delay the onset of age-related diseases, like osteoarthritis.

A nine-year study of older cats found feeding a specific blend of nutrients could significantly improve health parameters and extend a healthy lifespan. This blend now features as *Longevity* in our *Pro Plan* senior cat portfolio and delivers proven benefits to older cats.

Unlike human diets, which can be varied and inconsistent, pets typically eat complete and balanced foods. This consistency means diet can have a significant impact in supporting overall health—and especially in managing long-term conditions.

Our portfolio includes a range of therapeutic diets, each carefully developed to support veterinarians in their overall treatment protocol for nutritionally responsive conditions, including obesity, kidney disease, diabetes and gastrointestinal and urinary tract issues. These diets, which are backed by decades of research and formulated by veterinary nutrition experts, provide targeted nutritional support that can help manage symptoms and improve quality of life for pets living with chronic conditions.

We are also looking beyond the bowl to find solutions to support pet owners and veterinarians in managing pet health. Our *Petivity Smart Litterbox Monitor* uses AI to transform data about a cat's weight and litterbox activity into meaningful insights. Cats are naturally private and often hide signs of illness. Changes in behavior—such as how often they use the litter box and for how long, can indicate early signs that something may be wrong. Petivity monitors these patterns discreetly using a smart scale under the litter box and an AI-powered app. This builds a baseline of what is typical for an individual cat, and when something shifts, it flags the change. This is not to diagnose, but gives owners and veterinarians valuable, personalized data that supports earlier conversations and improves decision-making. If the cat requires nutritional intervention, our obesity, urinary, or kidney therapeutic diets may provide the solution.

Behind the system is more than a decade of R&D by Purina scientists, feline behaviorists and data experts. After training AI with 300 000 videos of cats using a litter box, 39 behavior types, and more than 750 000 real cat behaviors, our tool brings together deep animal knowledge and cutting-edge technology to provide a more proactive approach to pet care.

Every pet owner wants their companion to live the healthiest and longest life possible. We're committed to enabling that through science-based nutritional solutions, and an R&D team deeply passionate about pets.

Inspiring Change Better health using nutrition and technology

Anna Mohl,
CEO, Nestlé
Health Science

"We have built Nestlé Health Science on the premise that good nutrition can change people's health for the better. Whether you are a healthy consumer looking for a nutritional boost, or someone living with a specific medical condition, good nourishment can contribute to a better health outcome.

And yet, nutrition is often overlooked—significantly—in healthcare and medical treatment plans. We want to change that. We conduct scientific research to discover and develop breakthroughs in nutrition. We work with healthcare professionals to understand what their needs are—how our products work for their patients, what's missing, and what else they need. Are they seeing improved outcomes? Are their patients, our consumers, seeing a noticeable difference in their strength, their stamina, their skin, or their digestion? And, importantly, how do we help clinicians have the latest scientific evidence and information they need?

We have products that you take before surgery to support your recovery after the procedure. These are shown to help improve clinical outcomes, to reduce complications and to reduce the time spent in hospital.

We also focus on more general 'unmet' consumer or patient needs—problems people are having that could be related to difficulties with sleeping, or to stress, or to falling energy levels, or related to aging.



"We are only
successful as
a business if
our products
can help make
a difference in
people's lives."

AI and technology are changing the game here, providing people with more individualized or customized information. For example, we have a mirror that 'reads' the blood in your face and can use this information to help you learn about and choose products or nutritional supplements that could help improve your health.

Today, we can benefit people by identifying specific solutions more quickly and getting them on the shelves of stores, or available to purchase online. But we're only successful as a business if our products can help make a difference in people's lives—in their health and well-being, or that of their family members.

Successful products are valuable to consumers and patients, but there is also an economic value for the hospital that treats patients, the local pharmacy or the retailers who sell the product, as well as for us at Nestlé. We don't have a business unless we create shared value."

3

Regenerative agriculture

Growing the future

Farmers are facing growing pressure as the planet warms up—from poorer quality soils, unpredictable weather and rising costs. Regenerative agriculture can help address these challenges, conserving and restoring soil health, managing water resources and supporting biodiversity—helping make farms more resilient to climate change. If ingredients we rely on become scarcer because of the effects of climate change, our business will suffer.

Regenerative agriculture is a core strategy to future-proof the sourcing of key ingredients, supporting farmer livelihoods and reducing our environmental footprint.

Bringing land back to health in India with Nescafé Plan



Geetha Thekkeurubil Kumaran tends to her crops on land she has rebuilt from the ground up incorporating regenerative agriculture practices to restore soil, save water and boost biodiversity.

“That’s when I realized: we were feeding the plants, not the soil.”

Geetha Thekkeurubil Kumaran is a third-generation farmer in Kushalnagar in Karnataka State in South Western India. She took over the family farm when rain patterns had become erratic and yields were declining. The soil, once rich and loamy, had turned dry and brittle. “We were doing what our parents had done,” she says. “But something had changed. The land wasn’t responding anymore. It tells you things, if you pay attention.”

Today, the soil that was once cracked and clumpy is now soft underfoot. Birds and bees are back, and the trees on the farm are

growing strong. Seven years ago she was offered the chance to join the *Nescafé Plan*. “I was curious,” Geetha TK remembers. “They offered to test my soil. No one had ever done that before.” The results were eye-opening. Her soil was depleted and compacted, low in organic matter. “That’s when I realized: we were feeding the plants, not the soil,” she says.

The *Nescafé Plan* is Nestlé’s coffee sustainability program that encompasses contracting responsibly sourced coffee at a premium price, as well as engaging coffee farmers with

training and advice on regenerative agriculture practices.

In collaboration with partners, and with guidance from Nestlé’s agronomists, Geetha TK began a transformation. She replaced synthetic fertilizers with compost she made herself. She cut out pesticides. She shifted from traditional surface irrigation to a controlled sprinkler irrigation system and planted shade trees to regulate temperature and boost biodiversity. “It was not easy,” she admits. “Composting takes time. Sprinkler irrigation costs money. And some neighbors laughed

at me when I stopped spraying chemicals. But I wanted to see if the land could come back.”

It did. Her plants grew stronger, her soil turned dark and spongy, and birds returned – a sign of renewal of biodiversity. Since adopting regenerative agriculture practices, the amount of coffee Geetha TK has grown has increased by one-fifth, her costs have dropped, and she has diversified with pepper and banana crops. “I’m no longer just responding to crises; I’m not just growing coffee. I’m growing soil. I’m growing trees.”

Nestlé UK's Milk Plan

“That’s the essence of regeneration – not just changing practices but changing mindsets.”

Nestlé works with approximately
150 000
dairy farmers globally

The challenges faced by farmers in India are not isolated; they reflect global issues that affect supply chains worldwide. That’s why, in the UK, Nestlé and its partner First Milk have joined forces to help dairy farmers move to regenerative agriculture. Their shared goal: support real change on farms and boost impact across dairy supply chains.

“It started as a pure milk-supply relationship,” says Lee Truelove, head of regenerative farming at First Milk, a 700-member farmer-owned dairy co-operative that has been working with Nestlé for more than two decades. “But it’s grown into something far more impactful.” Since 2021, these two organizations have partnered to roll out the *Nestlé UK Milk Plan*, an initiative grounded in soil health, biodiversity preservation and carbon reduction. Seventy-five First Milk farmers, supplying milk for Nestlé’s chocolate and coffee products, have now adopted regenerative agriculture practices. “It is about mimicking nature,” he adds. “We’re using rotational grazing, growing diverse species in pasture, reducing artificial fertilizers, planting trees and hedgerows on farms and prioritizing animal welfare.”

The results are tangible. The farmers’ cows are producing more milk, forage grazing has increased, antibiotic use has reduced and costs have been lowered. “Implementing regenerative agriculture practices has made these farms more resilient,”



In Cumbria, a First Milk farmer has seen stronger soils, lower costs and more resilient pastures with the *UK Milk Plan*. By adopting regenerative agriculture practices, farmers have also seen wildlife return to the farms, a sign of increased biodiversity.

adds Lee. “They’re reducing their dependence on imported feed ingredients, such as soy, and replacing them with local ingredients. Rotational grazing and no-tillage farming are contributing to healthier soil structures, which in turn increases the soil’s capacity to withstand climate shocks and store more carbon.”

Like the *Nescafé Plan* in India, the success of the initiative hinges on trust. “Nestlé has supported these farmers through challenging

times,” says Sobia Naheed, Nestlé UK’s Responsible Sourcing lead. “In return, they’ve committed to long-term change, which has accelerated the implementation of our *Milk Plan*. This isn’t a short-term transaction. It’s a shared vision.”

Importantly, Nestlé’s financial incentive, paid to farmers who make the transition to regenerative agriculture practices, has helped them trial new farming methods that might once have seemed too risky. “That’s the essence of regeneration—not just changing practices but changing mindsets,” says Lee. Having made the investments and identified what works and what doesn’t, the 75 farmers committed to the *Nestlé UK Milk Plan* are now seeing clear benefits compared to their peers. Now, First Milk is preparing to launch a second phase of the plan.

The shift to regenerative farming practices takes time and commitment, but the benefits are becoming clear. While some farmers experience short-term dips in yield during the transition, many see improvements as systems stabilize, bringing benefit back to them and Nestlé.

Farming is inherently local—farmers in each region must account for unique physical and cultural conditions, and every crop has specific needs to thrive. The key is to place the farmer at the heart of the approach—engaging with them to understand their needs, challenges and insights. “It’s not just about land and animals. It’s about people,” says Lee. “There’s a renewed sense of purpose. Some farmers who once told their children to find work elsewhere are now seeing the next generation return to the farm.”

Milk from the UK Milk First program is used as an ingredient in Nestlé products, such as *Kit Kat*.



Innovative solutions Tracking regeneration from the sky



By Ryan McNeill,
Sustainability Lead,
Nestlé R&D for
Confectionery

When you work in cocoa, especially in places like West Africa, some farms take a full day to reach. When your goal is to plant millions of trees across hundreds of thousands of smallholder farms, the question becomes: how do you track progress?

A couple of years ago, we went looking for answers in the sky.

We wanted to measure above-ground biomass—the plants you can see growing—to understand whether the shift from monoculture cocoa to more diverse agroforestry systems was delivering results. To truly understand the carbon impact, we needed to capture canopy density, diversity and volume over time. We needed to do it without physically visiting every farm.

So, we began testing satellite technologies, working with more than ten technology companies. To validate their estimates, we had to create a baseline of data. That meant training local agronomists to measure biomass manually across 200 cocoa plots, each 30 by 30 meters. It was hard work. To create detailed digital canopies of those same farms, we also commissioned drone flights using Light Detection and Ranging (LiDAR), a remote sensing method that uses laser light to measure distances. That data became our gold standard.

Today, three promising satellite providers are using AI and super-resolution algorithms to match

data from our drones—essentially enhancing 10-meter resolution imagery to 1-meter detail. That’s crucial if we want accuracy at scale.

We’re sharing learnings with the World Cocoa Foundation and exploring how this could serve the broader industry. This could become a low-cost, repeatable solution for tracking biomass growth more widely. If we get this right, it could help us track carbon gains and forest health more efficiently, transparently and affordably.

However, biomass is just one piece of the puzzle. We are also looking at how to measure soil health and biodiversity remotely. If we can build credible, scalable monitoring, reporting and verification systems, we can invest more where we have the greatest impact.

Our goal is to develop innovative methods that measure the impact of regenerative agriculture in an affordable and scalable way. What excites me most is the pace of change. Today, I’m part of a growing team that’s redefining what’s possible through tech, AI and collaboration. We’re not just planting trees. We’re building tools to track the change they bring—from the ground, and from space.

A global movement, grounded in local soil

Climate disruption is no longer a distant threat; many farmers are already experiencing its effects through more frequent droughts, floods and unpredictable seasons. These challenges not only impact farming but also pose risks to Nestlé's supply chains, making resilience across farms, communities and ecosystems a business priority.

That is why regenerative agriculture is central to our sustainability strategy. It helps restore ecosystems and build resilience, enabling farmers to adapt to a warming planet while helping to ensure ingredient supply reliability. Practices such as cover cropping, agroforestry, reduced tillage and lower chemical inputs help rebuild soil and improve water retention and biodiversity, laying the foundation for long-term business growth. By 2030, we aim to source 50% of our key ingredients from farmers adopting regenerative agriculture practices.

Regenerative agriculture is a key lever in our Net Zero Roadmap. We have seen promising results, for example with our *Nescafé Plan*, where regenerative agriculture practices help lower greenhouse gas emissions. They can also gradually rebuild natural carbon sinks, as healthier soils store carbon over time.

Scaling this work means working with farmers and meeting them where they are. Some are just starting with one or two practices.

Others, like Geetha TK, are leading the way and inspiring others. In regenerative agriculture, progress is grounded in science, driven by data and designed for lasting transformation.

To read more about our progress on sourcing key ingredients from farmers adopting regenerative agriculture practices, please see our 2025 Non-Financial Statement.

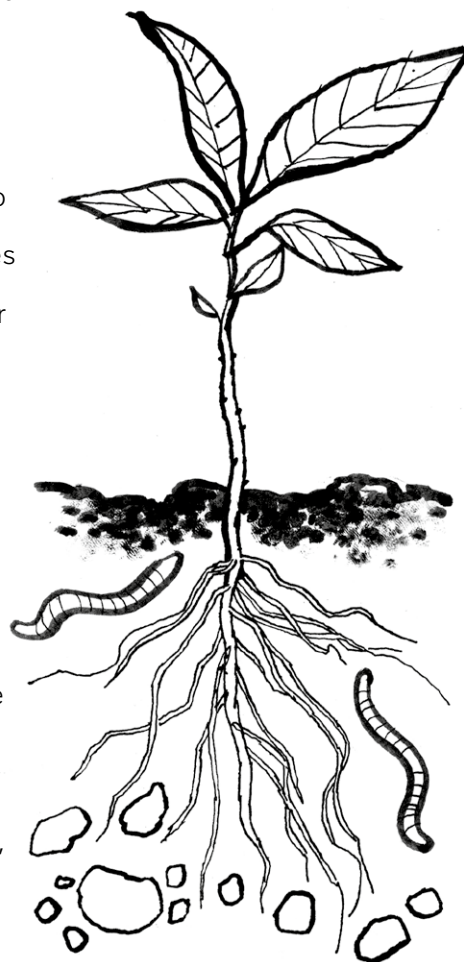
We believe regenerative agriculture should be scaled. This means going beyond isolated practices towards a consistent, outcome-based approach. To make this a reality, we advocate for:

- Farmer training and upskilling so they have the know-how to adopt regenerative agriculture techniques
- Incentives and funding, whether public- or private sector-led, to share the cost of transition and reward ecosystem services
- Clear, harmonized frameworks and data standards to track progress efficiently and credibly
- Investment in science-based innovation to develop and scale locally relevant solutions
- Consumer education, so people can make informed, trust-based decisions
- Policy shifts to incentivize regenerative agriculture practices, disincentivize environmentally harmful practices and support transformation at scale

We want an established framework for regenerative agriculture that is adopted and used by all players in the industry—from farmers in the supply chain to manufacturers. We support the industry-leading SAI Platform initiative, Regenerating Together, which aims to foster convergence behind a common definition and a framework. Having a consistent understanding helps everyone—farmers, companies, policymakers and consumers—work towards the same outcomes.

At the same time, implementation must be practical and adaptable. That's why the global framework should focus on outcomes rather than rigid practices, allowing farmers to tailor solutions to local conditions, share what works and innovate as they go.

The aim is that regenerative agriculture becomes more than a sustainability initiative; it becomes a system reset, which strengthens supply chains, restores ecosystems and creates long-term value for farmers, businesses and the planet.



27.6%

key ingredient volumes sourced from farmers adopting regenerative agriculture practices

4



Climate and nature

Reducing and removing greenhouse gas (GHG) emissions through nature-based solutions

The degradation of nature accelerates climate change and disrupts ecosystems. The feedback loop is undeniable. Healthy, natural ecosystems help store carbon, maintain water sources and sustain food production. By investing in nature-based approaches such as watershed restoration and regenerative agriculture, we can build resilience in our operations and our supply chains, cut emissions and support livelihoods. It is not just about reducing harm; it is about unlocking nature's ability to drive renewal.

Earthworm power in California

At Alberto Dairy, a third-generation dairy farm in California, something unusual is happening, powered not by high-tech machinery, but by millions of earthworms.

Anthony Agueda helps on the farm with his father, uncle and grandfather. Their family has supplied milk to Nestlé's Carnation brand for more than 50 years. Recently, they partnered with Nestlé and the climate-tech company BioFiltro to install a unique system that filters manure-rich water through long beds filled with woodchips, microbes and worms. Spanning 360 000 square feet, it is one of the largest of its kind in the United States.

This is a nature-based solution that treats 200 000 gallons of water a day, turning waste into something usable and reducing greenhouse gas emissions like methane and nitrous oxide. Solids are separated and composted while the liquid manure runs through the BioFiltro system. As it moves through the worm beds, the organic matter is broken down, nitrogen is stripped out and the cleaned water can be reused on the farm.

The environmental benefits are clear for Alberto Dairy and for Nestlé. The system aims to cut Alberto Dairy's greenhouse gas emissions by up to an estimated 35%, and these savings are recognized as a reduction in Nestlé's supply chain. About 80% of the nitrogen that would otherwise have entered the atmosphere is captured. The



The filtration system at Alberto Dairy where earthworms turn manure into a resource, cutting their farm emissions by an estimated 35%.

farm's water use is more efficient because of new monitoring tools installed. By turning manure into a resource, the system supports one of the core pillars of Nestlé's climate action in dairy: improving manure management to cut methane and nitrous oxide emissions while enhancing soil and water quality.

These improvements strengthen the farm's long-term viability and Nestlé's milk supply in a changing climate. A more efficient, lower-emissions farm is a more resilient partner, capable of producing high-quality milk while adapting to

environmental pressures. What stands out most is the simplicity. The system runs on gravity, using simple biology. "Anyone who comes out here is amazed by how basic it is," says Anthony. "But that's what makes it powerful; it's easy to understand, easy to run and it works."

For Anthony, the project has changed his future. He wasn't sure if he'd return to the farm after college. "I didn't really have something of my own here," he says. "This project gave me that. It gave me a role, a purpose, and made my grandpa proud."

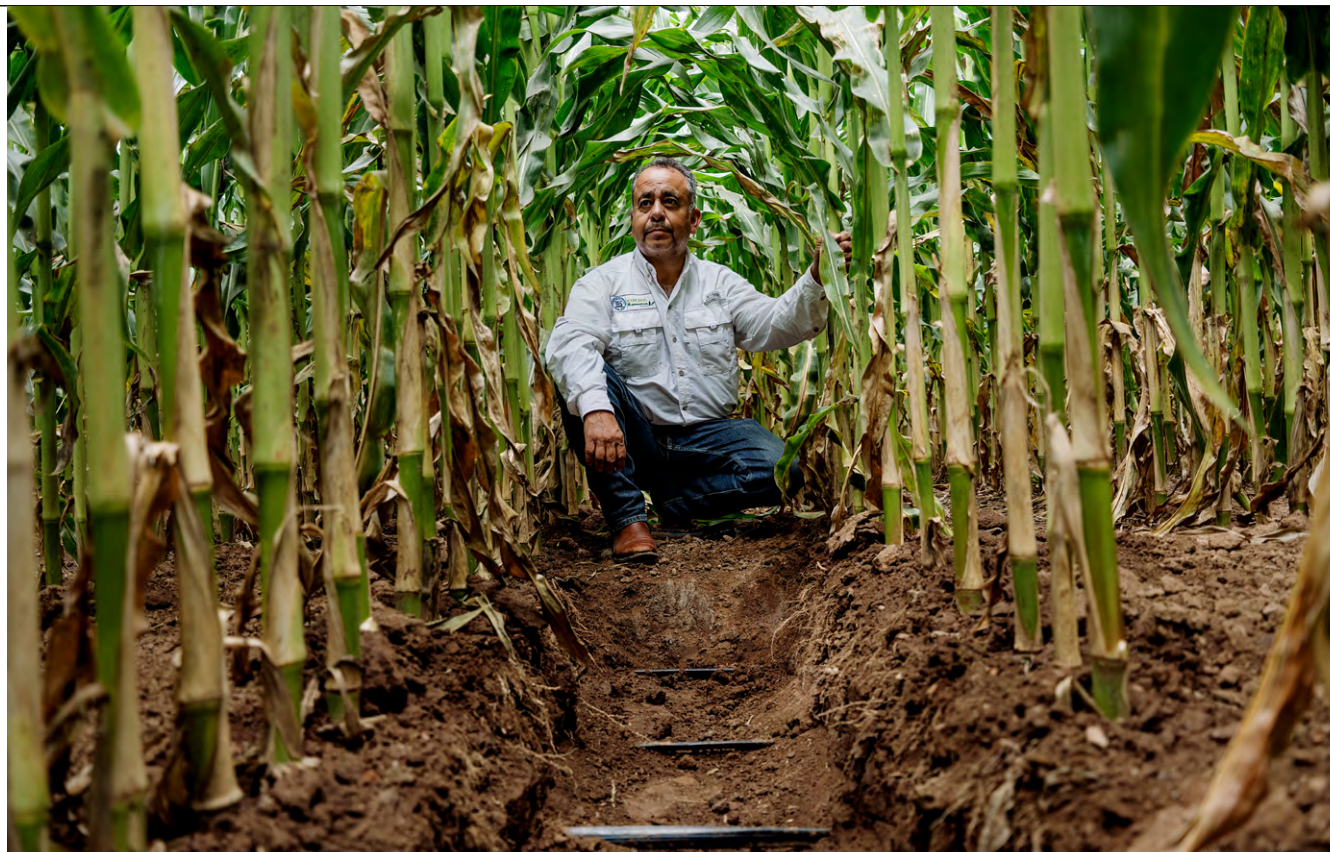
"This project gave me that. It gave me a role, a purpose, and made my grandpa proud."

From reduction to resilience in Mexico

Further south, in the arid heart of north-central Mexico, dairy farmer Hugo Guerrero is quietly transforming how water is used on his land. His farm, which has been in the family for 75 years, now operates at the cutting edge of agriculture. “The climate is changing,” says Hugo. “There’s more heat, less water and the winters are no longer what they used to be.” For a farmer producing forage crops like alfalfa, maize silage, oats and the grain triticale to feed his dairy herd, water scarcity isn’t an abstract issue; it is a daily constraint. It is something he is tackling on two fronts: through precision irrigation to manage water input and through soil-building practices that help improve water retention and quality.

“We’re now irrigating more than 90% of our fields with sub-surface drip systems. It’s not new technology, but we’re constantly renewing it to stay efficient.” By delivering water directly to the root zone, the system minimizes evaporation and runoff, making it far more targeted and water-efficient than conventional water-intensive methods.

Through Nestlé’s program *Ranchos Regenerativos*, Hugo received agronomic guidance and technical advice, alongside incentive payments tied to improved practices. One such recommendation—leaving taller stubble after harvest to help retain soil moisture—has brought immediate and tangible benefits.



Hugo Guerrero checks the drip irrigation lines beneath his maize crop—a technology already helping his farm stay productive in the face of climate change.



A harvest of maize silage is loaded for Hugo’s dairy herd.

Hugo reports better soil structure, healthier plants and stronger yields with less dependence on synthetic fertilizers. “We’ve improved the quality and quantity of what we grow,” he explains. “We’re maintaining beneficial microflora in the soil, and that’s reduced our costs.”

Hugo’s efforts reflect a much bigger challenge facing food systems worldwide. Water is where climate stress hits hardest. Droughts, floods and declining water quality are already disrupting food production and supply chains. That’s why our strategy focuses on building resilience across three interconnected areas: manufacturing, agriculture and communities.

For Nestlé, supporting farmers like Hugo is central to this approach. We are working to continuously

improve the efficiency of water use in our factories, especially in water-stressed locations, but we know we need to go further. In high-risk areas, we aim to work beyond the factory gates with others—local authorities, industries and communities—to help restore balance across entire watersheds. We are not just looking at how much water we use; we’re focusing on how to improve our water management.

Looking ahead, Hugo is piloting new innovations like soil moisture sensors and automated irrigation valves controlled by phone. These steps, combined with broader collaboration, are helping secure climate-resilient feed for our dairy supply and a more sustainable future for farming.

Hugo steps into his family’s 75-year-old farm in North Central Mexico, where he’s reshaping how water is managed in a region facing rising temperatures.



Innovative solutions What the birds are telling us



Dr. Viviana Ruiz-Gutierrez, Biodiversity Monitoring Specialist, Cornell University

Reversing biodiversity loss is one of the most urgent challenges of our time. For *Nespresso*, conserving and restoring biodiversity is essential to ensuring the long-term health and resilience of the landscapes that grow its coffee.

At Cornell University, we have been working since 2019 with *Nespresso* to measure and quantify the biodiversity impact of its nature-based farming interventions—beginning with agroforestry in Colombia.

Birds are a powerful way to do this. They respond quickly to changes in habitat and are well known to the farmers who live alongside them. By combining bird observations from eBird (one of the world’s largest and fastest growing biodiversity databases) at the landscape and farm level with satellite imagery, our Biodiversity Progress Index (BPI) gives a landscape-level view of how farming practices influence nature. While broader tools like the Agrobiodiversity Index assess food system diversity across crops, livestock and genetic resources, the BPI provides a sensitive, landscape and farm-level ecological measure based on bird communities that can reveal how specific farming practices are influencing nature.

Our findings show that positive change happens with time. The longer a coffee farm participates in an agroforestry program, the older the trees become and the

richer its biodiversity. In Colombia, which hosts *Nespresso*’s longest-running agroforestry program, significant biodiversity gains were achieved in under a decade. High-altitude landscapes are experiencing biodiversity loss, likely due to climate change, but coffee farms in Colombia that have been implementing agroforestry are losing it at a slower rate, helping to maintain more complete bird communities despite global pressure.

This landscape approach is critical. By assessing both what is happening on the farm and the farm’s contribution to the wider landscape, the BPI reveals where regenerative agriculture actions—like tree planting or improved soil management—will have the greatest impact. Farmers have told us they see species returning, such as ground-feeding birds in newly enriched soils, or riverbank nesters where erosion has been reversed. This offers tangible, visible signs that their efforts matter. That sense of pride and ownership is essential if we want to scale lasting solutions.

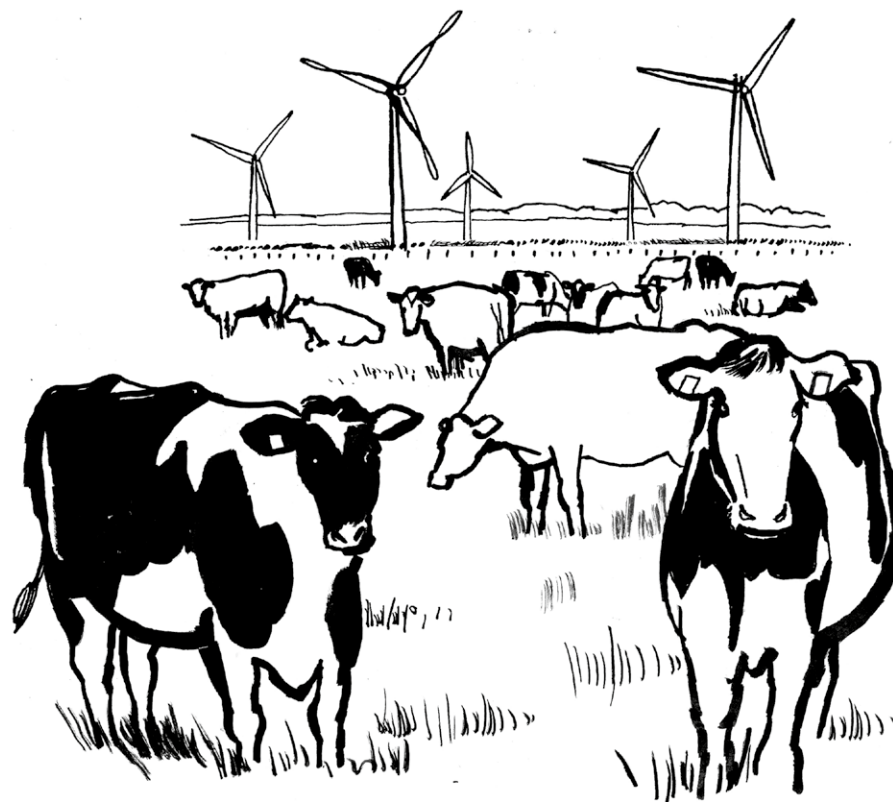
The message from the birds is clear: when we restore habitats, nature responds. By making biodiversity measurement cost-effective, scalable and rooted in science, we give farmers—and the companies they supply—the evidence they need to invest in practices that work for people, the climate and wildlife.

Staying the course on net zero

We have reached an important milestone: reducing our net GHG emissions by more than 20% from our 2018 baseline. It's a step forward; a reminder that progress is possible. Our ambition remains the same—halve emissions by 2030 and achieve net zero by 2050 versus our 2018 baseline.

To get there, we take a whole-system approach, addressing emissions across our entire value chain, not just in our operations. Nearly two-thirds of our footprint comes from the ingredients we use. This means our progress depends on working closely with farmers and suppliers to find practical, scalable solutions. We focus on dairy, our largest agricultural source of emissions. Our *Nestlé Dairy Plan*, which is part of our Net Zero Roadmap, centers on five pillars: accelerating low-carbon livestock feed, improving manure management, expanding digital services, co-financing solutions and rewarding farmers for implementing regenerative agriculture practices and reducing GHG emissions. We use a variety of targeted interventions across our supply chain, acting where it matters most. We are investing in better monitoring and data systems, working with farmers and local partners to track outcomes not just on emissions, but on ecosystem health as a whole.

This work is not just about reducing risk; it's about strengthening supply chains, restoring ecological health and creating lasting value not only



for Nestlé, but also for farmers, communities and the planet. Regenerative agriculture is one part of the solution. We are working hard in other areas too. Our R&D teams are using ecodesign tools to improve environmental performance across the value chain when developing new or reformulated recipes while optimizing cost—from recipe design and ingredient use to packaging and transport. This includes introducing ingredients with lower GHG emissions, developing plant-based options for

recipes and optimizing production to reduce waste. For example, we have developed a novel technique to use up to 30% more of the cocoa fruit to produce chocolate flakes—not only increasing the efficiency for us but also increasing yield and harvest value for farmers.

For our packaging, we continue to shift towards less and transition to materials that are recyclable, reusable, or compostable. We are investing in collection and recycling systems to help close the loop. Transport and logistics

are evolving, with more efficient routing, a shift to lower-carbon fuels and electrification, where possible. All of these contribute towards our Net Zero efforts.

We've been working on many of these challenges for years, and that early action laid the groundwork for delivering the first milestone of our Net Zero Roadmap. The lessons we've learned continue to shape our approach for the next phase. Our climate actions focus not only on reducing emissions, but also on adapting to new realities and building more resilience into our value chains. Nature-based solutions to climate and biodiversity challenges are central to this shift. We are also working on new financing models—such as co-investment and public-private partnerships—to share both the costs and the benefits of this transition where it makes sense to do so.

You can read more about our progress and performance in terms of nature and net zero in our 2025 Non-Financial Statement.

24.5%

net GHG emission
reduction versus our
2018 baseline

5



Packaging and circularity

Driving systems change

Food and beverage packaging is essential to protect and deliver our products, but it must also evolve. Our approach to circularity focuses on using less material to package our products, designing better packaging and strengthening the systems that help keep packaging materials in use after they have been discarded. That means improving packaging, supporting better infrastructure and regulation, addressing food waste and investing in solutions that work.

Recycling *Nespresso* capsules in France

In France, *Nespresso*'s capsule recycling program started in 2008 allowing consumers to return their used capsules to our boutiques. It has now evolved into a national collection program covering more than 80% of the population. However, in 2026 the dedicated collection system is set to be phased out entirely. Why? Because small aluminum items, like coffee capsules, can now be sorted and recycled through France's mainstream household collection system – the yellow bin.

This milestone didn't happen overnight. It took more than a decade of investment, advocacy and collaboration.

At the heart of the transition was a technical challenge: small aluminum items were not the focus of traditional sorting equipment and often ended up in landfill. *Nespresso* worked with waste operators to install eddy current separators – machines that separate metals like aluminum from other materials such as plastic, paper and glass. These enable small items, like capsules, to be sorted and recovered. "We were trying to unlock the value of small aluminum across the system – from yogurt lids to cheese wrappers – while also making sure the coffee itself didn't go to waste. It had to be scalable," says Pierre Jacquot, *Nespresso*'s Global ESG Business Engagement and Recycling Manager.

The breakthrough came with the launch of Project Metal, a voluntary

Upgraded sorting technology, such as eddy current separators installed across France's recycling facilities, now enables small aluminum items – including *Nespresso* capsules – to be captured and recycled through the national household collection system.



consortium of companies in the aluminum and packaging sectors, co-funded by *Nespresso*, to help local authorities invest in improved sorting technology. Policy also needed to catch up. That's why the Alliance for the Recycling of Aluminium Capsules was created, a public-private coalition that successfully advocated for aluminum capsules to be formally recognized within France's national sorting guidelines.

Today, more than 80% of French households are covered by facilities with the upgraded technology. "This is how we want to work globally," says Pierre. "It's not about creating parallel systems. It's about helping improve infrastructure for everyone."

Much of the success in France has come from working with municipalities and recyclers, demonstrating the business case for new technology and cost-sharing models. "At every stage we asked: how does this benefit the wider system and the consumer, not just us? That's why the approach was so credible," adds Pierre.

The next step is to help transfer what has been learned in France to other countries. "It's a mindset shift, from managing your own waste to strengthening the system as a whole," says Pierre.

A circular breakthrough in Ecuador

In Ecuador, the formal waste management infrastructure is fragmented. Nestlé has been working in Quito with long-standing partners RENAREC (the national network of waste pickers) and GIRA (a circular economy social enterprise) to strengthen the role of informal waste collectors, known locally as *recicladores*, giving them opportunities to integrate into structured collection systems. “Everything starts by listening,” says Maria Caridad Pastor, Sustainability Manager for Nestlé Ecuador. “We took time to understand how people already sort, collect and sell waste—and how we could help strengthen that ecosystem instead of disrupting it.”

With RENAREC’s support, *recicladores* have received training, access to safety equipment, and the opportunity to participate in new, more secure waste routes. GIRA brings technical expertise, helping design systems that are financially viable and socially fair.

“We took time to understand how people already sort, collect and sell waste—and how we could help strengthen that ecosystem instead of disrupting it.”



At urban recovery centers, materials collected through community-led routes are sorted and prepared for recycling.

In Guayaquil, Ecuador, *recicladoras* supported through Nestlé’s partnership with RENAREC and GIRA gain safer equipment, formalized waste routes and more stable incomes.

Together, we piloted door-to-door collection routes, established community drop-off points and launched education campaigns tailored for local people to help them recycle. “This is about enabling people to lead in their own communities and giving them the tools to make it work. By dignifying the work of waste pickers and improving their quality of life, Nestlé strengthens trust in our brand, ensures tangible progress towards our circularity commitments and positions the company as a leader in promoting a recycling culture and the circular economy in Ecuador,” says Caridad.

The model is generating positive early results: more efficient sorting at source, increased recovery of recyclable materials and more stable, dignified livelihoods for waste pickers, 70% of whom are women. By improving pricing for collected waste, providing training and building stronger partnerships, Nestlé is helping formalize their work and improve their income security. Perhaps most importantly, it’s creating trust between communities, municipalities and the private sector and actively working towards our vision that no packaging ends in landfills or as litter.



In Ecuador and Peru, waste pickers are integral to circular systems –helping recover plastic and reintegrate it into the value chain, while building more secure and dignified livelihoods.

Innovative solutions Recycled plastic bottles at scale: Nestlé USA's beverage packaging transformation



By Stephen Nowicki, Senior Manager, Packaging Development, Nestlé USA

In 2024, our new Glendale, Arizona beverage factory in the United States began production from day one using bottles made from 100% food-grade recycled polyethylene terephthalate (excluding caps and labels), known as rPET. In 2025, our Anderson, Indiana facility—which produces several of our beverage brands, including Nesquik ready-to-drink beverages—made the same change. Today, all Nestlé USA products produced at these two factories are packaged in bottles made from food-grade recycled plastic.

In beverages, a large portion of our plastic footprint comes from bottles, so if we are serious about meeting Nestlé’s global goal of reducing virgin plastic use, we had to start here.

It sounds simple but it was anything but straightforward. We had to upgrade equipment and rethink how we receive and store plastic resin. Supply was another challenge. Recycled PET is less available than virgin plastic, so we had to dedicate storage, build buffer stock and work closely with suppliers to meet strict food-grade standards.

What made it possible was the commitment of our cross-functional teams—technical packaging, engineering, manufacturing, quality, sustainability—who methodically repeated the process line by line, machine by machine, until every bottle met our strict standards.

We also worked closely with our resin suppliers to improve material quality and secure supply in an evolving market. This effort does more than just drive progress towards our sustainability ambitions—incorporating rPET into our beverage brands and equipping our manufacturing operations with this capability is a point of differentiation in the market.

I’ve been at Nestlé for twelve years and I’ve never worked on a project quite like this. We often talk about our 160-year legacy, but this really feels like creating a legacy for the next 160 years—a ‘before and after’ moment in packaging sustainability. There’s more to do, more materials to improve, more partnerships to build. But this is proof that bold commitments can become reality when you combine vision, investment and the right people.

Redefining value, reducing waste

Packaging protects the food we eat, but when poorly designed or unable to be recycled, it becomes waste. We see circularity as an opportunity to shift this dynamic—to transform materials into resources, prevent food loss and create lasting value across the supply chain. We also want to strengthen Extended Producer Responsibility (EPR) systems and advocate for better policies on waste management around the world.

Packaging is only part of the story. Nestlé also helps prevent food waste at home through smarter pack formats, such as resealable pouches and formats that preserve product quality longer, and by investing in reuse and refill models that reduce both waste and emissions. Our aim is to provide measurable outcomes: improving packaging performance to meet regional recycling targets and exploring new ways to track circularity at scale.

28.0%

virgin plastic reduction
versus our 2018 baseline

Progress so far has been steady. In countries with more advanced waste management infrastructure, the focus has been more on ensuring our packaging is designed for recycling, and lowering virgin plastic use. By the end of 2025, we had reduced virgin plastics globally by 28.0% versus our 2018 baseline. In regions with less advanced waste management infrastructure, efforts have centered around scaling voluntary initiatives and advocating for better regulation. These experiences are helping us shape a clearer path forward.



What is clear is that progress depends on partnership, whether it is financing shared infrastructure, supporting informal waste workers, or shaping global frameworks to address plastic waste and encourage circularity. Nestlé is among more than 300 businesses and investors supporting calls for an ambitious and legally binding global agreement that addresses the full lifecycle of plastics. A global plastics treaty offers the potential for common rules, harmonized standards and a shared vision for circularity. For businesses, harmonized regulation is not only good for the environment, but

also for growth, providing the cost certainty and clear direction needed to invest in solutions at scale. We believe a practical, 'start and strengthen' approach is essential: set a clear framework that covers the full lifecycle of plastics, then build and improve it over time. Key priorities include a timeline to phase out problematic plastics and chemicals, common criteria for product design to boost recyclability and reusability, and a globally consistent approach to designing EPR schemes.

Redefining value in packaging is about rethinking systems so that resources stay in circulation

and out of nature. For Nestlé, this means working with suppliers, governments and communities to create infrastructure that benefits everyone—from the people who collect and sort waste, to the consumers who trust our brands to act responsibly. In doing so, we can help build a packaging economy that is good for business because it's good for society.

To read more about our progress on packaging and circularity, please see our 2025 Non-Financial Statement.

**Inspiring
change**
**Doing what's
right, together**
Antonia
Wanner, Chief
Sustainability
Officer, Nestlé

"When I visit sustainability projects around the world, what is clear is that there is never just one solution to each problem.

To help find the right solution, it's important to avoid preconceived notions of the 'fix'. You must walk around, ask questions, look and listen. When I ask the people I meet on these visits what they want for their family, often they come back with the same response: 'I want my children to grow up in a clean environment; I want my family to have good food to eat. And, yes, I want everyone in my family to be healthy'.

Nestlé has a role to play here. What we are always looking for are solutions to help address the challenges people face that make sense for the communities we serve and for Nestlé. This could be offering training to the farmers we buy from to help them increase the quality of the ingredients they supply, for example. It is better for the farm, better for the consumers of our products and better for Nestlé.

If I go to a dairy farm in India and say to a farmer 'you need to reduce GHG emissions,' there is a chance that it wouldn't mean much to him or her on a practical level. But if we start talking about how to improve productivity or protecting the cows from heat so they are more productive, then they're more likely to engage, because it is more tangible and directly impacts their income.



"What is clear is that there is never just one solution to each problem."

In the back of my mind, of course, I am thinking more productive cows mean lower GHG emissions per liter of milk. So, while helping the farmers achieve a higher income, we reduce our carbon footprint. We know better today how to capture the environmental benefits and how to maximize them, thanks to the work done by our own researchers and others.

The intention behind all of this is not new. Recently a colleague showed me a Nestlé report from 1994. I was amazed to see the language they were using then was so similar to what we use today: the importance of healthy soil, a healthy environment, supporting resilient communities and providing them with nutritious products.

Our approach evolves year on year but the fundamental principles that underpin what we do have not changed in three decades. They are in our DNA."

6



Communities

Strong communities: the foundation of a resilient food system

A healthy and resilient supply chain is one where the people working within the company or for our suppliers feel safe, respected and supported. Supporting the communities where we work involves creating opportunities, supporting livelihoods and helping to secure access to the resources people need to live and work with dignity. It also means strengthening farming as a viable career for the future, so that food production remains resilient for generations to come.

Redefining what success means in cocoa farming in Côte d'Ivoire

In Côte d'Ivoire, cocoa farming is challenging work. The climate is changing, rainfall is unpredictable and soil fertility is declining. Most smallholders manage just a few hectares, with yields that struggle to cover family needs. For Nahoua Sekongo, the pressure was constant, with seven children to support, school fees to pay and a house in the village of Guéwa that had sat unfinished for the past ten years. "Before, we were surviving season to season," he says.

In 2022, he joined Nestlé's *Income Accelerator Program*, an initiative launched in Côte d'Ivoire and Ghana to help close the living income gap for cocoa farming families. The model is built on cash incentives and support to make changes in the household and on the farm. This involves good agricultural practices such as agroforestry, diversified income generating opportunities and even schooling for children. "Cocoa farmers face a web of challenges," explains Darrell High, Global Cocoa Manager at Nestlé. "If we only focus on yield or only on income, we don't address the bigger problem. The *Income Accelerator Program* combines social and agricultural support so families can thrive long term."

The program's pruning teams showed Nahoua how to remove diseased branches, clear undergrowth and open the canopy to let in light. The difference was visible within a season. "I used to lose many pods to rot," he says. "Now, I harvest more and waste

Nahoua Sekongo sees better yields in his cocoa pod harvest, giving him a steadier income and new opportunities by working with Nestlé's *Income Accelerator Program*.



In Guéwa, Nahoua and his family have been able to diversify through the Nestlé program, investing in small livestock like sheep.

30 000
families participating
in the *Income Accelerator Program*

less, increasing my income in the process."

The cash incentive—paid in instalments via mobile money—has been just as important. It allows the family to cover school costs without selling crops early or taking on high-interest debt. "Every payment matters," he says. "It can cover the books my child needs, the fare for the motorbike taxi, or the food for the week." The program encourages both men and women to manage these

“We’re changing the way the cocoa supply chain works, professionalizing labor and rewarding farmers for improving farming and household practices.”

funds. His wife runs a small shop in the village, and with capital from the incentive payments, she has expanded her stock and stabilized her business. It means she can keep the shelves stocked and can take out small, low-interest loans to grow her business. The family has also invested in sheep—livestock that can be sold in times of need, providing a safety net alongside the farm’s cocoa income. “It’s about security,” says Nahoua. “We are building something for the future.”

The changes have not gone unnoticed in the community. At first, some farmers were hesitant, but as neighbors saw improvements in his yields, his home and his children’s education, more families enrolled. “When you see your neighbor’s life improving, you want the same for your own,” he says.

In 2025, the program included 30 000 cocoa-farming families in Côte d’Ivoire and Ghana. It is set to expand to 45 000 in 2026, and has the ambition to reach an estimated 160 000 families by 2030. Independent monitoring shows participating households are increasing their incomes, empowering women, diversifying their earnings and keeping children in school at higher rates. “This is not a short-term intervention,” says Darrell. “We’re changing the way the cocoa supply chain works, professionalizing labor and rewarding farmers for improving farming and household practices.”

With support from the program, Nahoua’s wife has grown her small shop into a more reliable source of income.



With cash incentives paid via mobile money, families like Nahoua’s can cover school fees consistently, helping their children stay in school and plan for brighter futures.

For Nestlé, the benefits are not short-term either. A more stable, better-supported farming community means a more resilient cocoa supply chain—one where quality improves, traceability strengthens and the risk of poverty-related issues declines. By helping farmers, we are securing the future supply of high-quality cocoa our brands depend on.

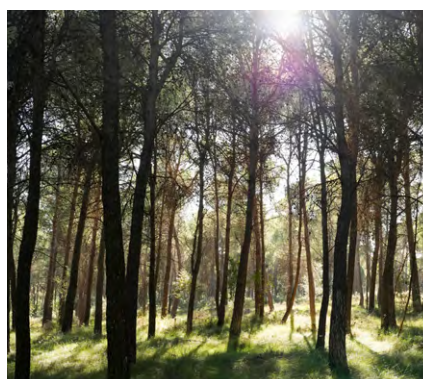
Fueling change locally by protecting forests, business and communities in Spain

In Catalonia, Spain, forests represent both natural beauty and growing risk. Years of abandonment have left many Mediterranean woodland areas vulnerable. As rainfall declines, pests increase and summers get hotter. Each dry season brings the threat of devastation by wildfires.

To manage this risk, companies across the region are working to restore balance. In the province of Girona, local forest management businesses are thinning dense woodlands, removing dead and diseased trees and turning low-grade, otherwise unusable wood into biomass. The process reduces fire risk, enhances biodiversity and strengthens forest resilience.

“Properly managed woods are less likely to burn,” says Laura Ivorra Revelles, Forest Engineer at Forestals Soliva SL. “And studies from the region confirm that this kind of thinning actually improves biodiversity. It creates the kind of mosaic landscapes that local wildlife needs: patches of open space, light and diverse tree cover.”

However, maintaining the work has challenges. Forest management is expensive, and the low-value wood it generates often has no market. “We saw an opportunity to support this local activity that addressed a need for us,” said Arnau Pi Bertranpetit, the Manager of the Nestlé Girona factory where Nescafé is made.



Managed forests in Catalonia are becoming more resilient to drought, heat and pests.

In Girona, forest workers are thinning overcrowded Mediterranean woodlands to reduce wildfire risk and restore ecological balance.

"In 2020, we installed a biomass boiler at our factory to power production with renewable energy, using spent coffee grounds, a by-product of our instant coffee process. In 2025, a second boiler was added, capable of using wood chip alongside the grounds. The two systems now supply 80% of the factory's steam—the main energy source required in the coffee production process. The change significantly lowers the GHG emissions of the factory, reduces reliance on natural gas, and generates cost savings," says Arnau.

Instead of relying on generic wood chips from the open market, Nestlé looked locally. The factory connected with small businesses like Forestals Soliva SL. They supply SURE-certified biomass sourced from within a 50 km radius. "This

is a valuable partnership for us," Laura explains. "It brings stable demand and a long-term contract that allows us to plan, invest and train. It helps us make otherwise non-viable forest clean-up financially sustainable. That means more jobs in rural communities, more young people seeing a future in this work and more hectares of land restored and protected."

"The new biomass boilers accelerate our progress towards our Net Zero targets," says Arnau, "however, by choosing to work with local business to provide the fuel source we enhance our reputation—supporting local business and helping protect forests in our region."

Laura adds, "Our forests need help. Our communities need work. Nestlé needs renewable energy".



Wood chips sourced from forest-thinning operations are blended with spent coffee grounds to power Nestlé's Girona factory through two biomass boilers.

Innovative solutions Building livelihoods while conserving landscapes



By Livia Paraguassú, Global Climate & Sourcing Manager, Nestlé

As an environmental engineer, I'm often asked what the future of sustainable agriculture looks like. It's not just about how a single farm operates; it's about how entire landscapes function. This is the thinking behind Nestlé's regenerative landscape approach, aligning collective environmental goals with the socioeconomic reality of farming at landscape level. It goes beyond traditional farm-level interventions to tackle larger, interconnected challenges: degraded land, unreliable income, lack of land rights and the pressures driving deforestation.

In Tomé-Açu, in the Brazilian state of Pará, we're putting this into action through a project called Roots for the Future. It's a multi-stakeholder initiative restoring degraded areas, diversifying small holder income and regenerating ecosystems while building stronger local economies.

José Maria Pompeu Leão, known as Junior, is one of the smallholder farmers. Until recently, his farm followed a typical monoculture palm oil model. He wanted to make his farm and family business more resilient, but without training or resources, it was difficult.

Through Roots for the Future, Junior has recently adopted an agroforestry system,

growing palm oil alongside cocoa, banana, açai, cupuaçu and native hardwood trees. He now earns income throughout the year. "Until now, all our hopes were on one harvest," he told me. "Our approach is to develop several chances a year to earn."

The project will also support land tenure in the region, assisting local communities in securing the rights to their lands. That changes people's lives. Junior added, "When you know the land is yours, you plant more and you take better care of it".

What's innovative is how collaboration among stakeholders tackles root causes of social, economic and environmental risks—delivering positive impacts for climate, nature and people in Tomé-Açu. Agroforestry and other regenerative agriculture practices improve soil health and increase tree cover, bringing back pollinators, regulating microclimates, reducing GHG emissions and storing more carbon. These practices also stabilize income, strengthen local markets and help farmers like Junior plan for the future.

Landscape-level benefits grow as more smallholders adopt the model, supported by the industry sector, leading to habitat restoration, reduced deforestation, improved water security and stronger communities. That is only possible when we coordinate multi-stakeholder actions on the ground and establish collective long-term commitments.

For Nestlé, this is more than a long-term supply security initiative. It's also about reducing greenhouse gas emissions, restoring forests, conserving biodiversity and building stronger sourcing partnerships—all with the goal of helping the people we rely on to thrive.

Junior sums it up best: "It's good for my family and good for the land. This is something we can pass on to the next generation."

Responsible sourcing for people and the planet

49.8%

key ingredient volumes responsibly sourced

The resilience of our food system depends on the resilience of the people who grow, harvest and produce our ingredients. Across our supply chains, farmers and workers are facing real pressures: unpredictable weather, rising costs, insecure incomes, land rights disputes and unsafe working conditions. These are human rights challenges, but they are also deeply connected to the future of farming, local communities and the stability of food supply.

For Nestlé, responsible sourcing has shifted from being a specialist compliance activity to a core part of how we build resilience and manage risk. It is not about ticking boxes; it is about understanding where our ingredients come from, how they're produced and the conditions of the people involved at every stage. This requires a balance of traceability, independent verification and partnership.

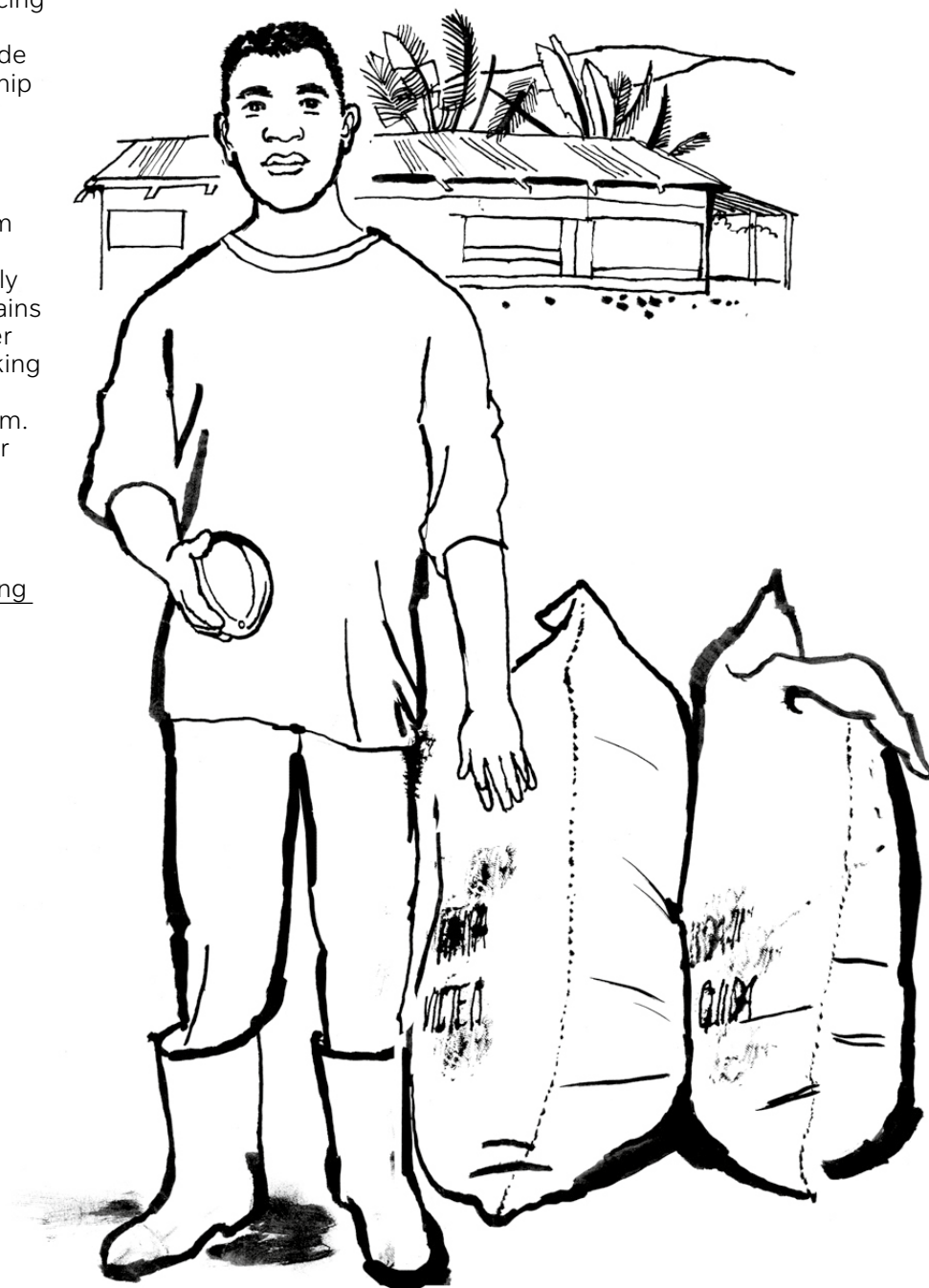
Data is central. By combining traceability datasets with advanced remote-sensing and AI-based predictive modelling, we can map the origins of our ingredients, identify physical and climate-related risks and understand where biodiversity is most under pressure. These insights are helping us to prioritize where to act first.

This analytical foundation is already being consolidated in ROOTS, our central biodiversity baseline dataset. ROOTS provides

a global view of where our sourcing meets nature-related impacts and dependencies, helping guide investment decisions, partnership efforts and future disclosure obligation.

Our *Responsible Sourcing Core Requirements* sets the minimum environmental, social and governance standards that apply to our key ingredient supply chains and every supplier and producer we work with. That means working with suppliers and farmers to make the standards real for them. By 2030, we aim for 100% of our key ingredient volumes to be responsibly sourced.

You can read more about our progress on responsible sourcing in our 2025 Non-Financial Statement.



A commitment to positive change

96.2%

cocoa volumes covered by due diligence systems for child labor risks, including CLMRS

Nestlé's *Salient Issue Human Rights Action Plans* not only address human rights challenges but also foster a sustainable culture of respect and accountability. Due to our unwavering commitment to human rights, we want to go beyond compliance and be a catalyst for positive change in the communities we serve.

This work is at the heart of ensuring a just transition to regenerative food systems. Farmers and all actors in our supply networks, now and in the future, need a way to earn a living income, work safely and pass on healthy, productive land.

We've learned that no single business can solve these challenges alone. Many of the changes needed—such as encouraging families to enroll children in school—require collective action. That's why we work through industry collaborations such as the World Cocoa Foundation, partner with NGOs and governments and advocate for harmonized, risk-based regulation that can raise standards across entire sectors. For example, 96.2% of the cocoa we source is covered by the Child Labor Monitoring and Reporting System (CLMRS) or other dedicated due diligence systems, including mass balance.

Responsible sourcing is about building trust—with farmers, suppliers, workers and communities. We have more to do, but each step forward strengthens not only our supply chains, but the futures of the people and places we depend on and the communities where we do business.

A holistic approach to human rights

Nestlé has made significant strides in advancing human rights through its *Salient Human Rights Issue Action Plans*. These plans have helped us address critical human rights challenges, fostering a culture of respect, transparency and accountability within our operations, supply chains and communities where we operate. They highlight how actions—rooted in strong governance, targeted initiatives, dedicated monitoring, tailored capacity building, proactive advocacy and partnership—have contributed to advancing human rights in our operations and supply chain.

As described in this chapter, our *Income Accelerator Program* aims to improve income levels of cocoa-farming families in West Africa. In the South East Asian country of Malaysia, we are tackling forced labor risks in palm oil by combining supplier due diligence with collective action to protect migrant workers. In South America, in Colombia and Brazil, stakeholder consultations on local communities' and Indigenous peoples' land rights have led to actionable plans. Each initiative is designed to tackle specific issues, ensuring that our efforts are tailored to local needs.

More detailed updates for each of our ten salient human rights issues are available on our human rights webpage.



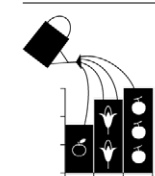
Strong governance framework

- Human Rights Steering Committee established in 2023
- Supported by global teams and local coordinators
- Embeds human rights into business strategies for accountability and transparency



Strategy and action

- Human Rights Framework and Roadmap sets our strategic goal
- *Salient Human Rights Issue Action Plans* drive action on the ground



Monitoring and reporting tools

- Dedicated dashboards track progress on action plans
- Regular data reviews identify gaps and improvements
- Build trust and drive continuous improvement



Capacity building and training

- Dedicated training helps employees address human rights challenges
- E-learning and mandatory modules raise awareness
- Human Rights and Environmental Due Diligence (HREDD) tool supports suppliers in strengthening due diligence



Stakeholder engagement and collective action

- Collaborating with suppliers, communities and experts
- Local coordinators tailor engagement plans to context
- Joint advocacy ensures initiatives are grounded and impactful

Inspiring Change

Leading with purpose:

advancing human rights

Leanne Geale,
Executive Vice
President,
Group General
Counsel, Nestlé

"For me, the journey into human rights began with a deep recognition of the impact that corruption has on people and communities. Working in anti-corruption, I saw how it undermines basic human rights—access to justice, freedom of speech, even the ability to receive essential services. That realization became my entry point into human rights, reinforcing my sense of justice and helping to guide my career.

Over the years, I've come to believe that corporations grounded in strong business principles and values can make a genuine, positive difference. Creating shared value isn't just a philosophy—it's a tangible way for us to benefit society while strengthening our business. At Nestlé, human rights are not only integral to our identity as a company, but they are also foundational to our long-term success.

We work to advance human rights through two different dimensions: addressing acute issues as they arise and embedding robust frameworks to prevent them. Our comprehensive human rights policy, framework roadmap and *Salient Issue Human Rights Action Plans* help us avoid the acute issues by tackling root causes. This dual approach helps safeguard individual rights, and it's a testament to how responsible business practices can reduce risk, maintain supply chain stability and protect our reputation. But it is also about who we are: no one in our company wants to enjoy a product that has come at the expense of someone's fundamental rights and dignity.

Balancing priorities is never easy. We could dedicate all our resources to human rights and still not solve the world's challenges—and quickly be out of business, helping no one. However, we need to be doing enough—continuously advancing our own standards, encouraging suppliers and even competitors to follow and leading by example. Our influence extends beyond Nestlé. As the



"Creating shared value isn't just a philosophy—it's a tangible way for us to benefit society while strengthening our business."

world's largest food and beverage company, we have a responsibility to lead, showing what's possible and inspiring others to raise their standards.

The true impact of our work is most apparent on the ground. I remember meeting a woman in Côte d'Ivoire who, through a literacy program for women that we co-sponsor with UNESCO learned to write her name and basic math equations for the first time. Stories like hers underscore the profound difference we can make by investing in literacy, financial empowerment and basic rights. Every time I learn more about our teams advancing human rights around the world, I'm proud to work for Nestlé and I'm reminded of the privilege we have—and the duty that comes with it.

Working to improve the rights and livelihoods of people in our supply chains and in the communities where we operate is central to our strategy and purpose. We cannot—and should not—separate our values from our business strategy. By embedding respect for human rights in all we do, we create lasting value for individuals, society and for Nestlé, demonstrating how business can contribute to positive change."



Giving support in our communities

Creating more access to surplus food

Every year across the food system, safe and nutritious food is wasted. To help counter this, Nestlé is working to redirect safe, nutritious surplus food and beverages to those who need it most. The aim is simple: to work with others to turn food surplus into food access, reducing waste and supporting local communities.

Working together to reach communities in need in Malaysia



Nestlé volunteers help sort safe, nutritious surplus food, ensuring every item is checked and ready for families affected by the floods.

When floods hit Malaysia's east coast in late 2024, roads were cut off within hours. Families left their homes quickly, sheltering in crowded community halls and relief centers. Within days, trucks began to arrive, loaded with *Milo*, *Maggi* noodles, cereals and dairy products. These weren't random food drops. Food and beverages were checked, tracked and delivered through a partnership between Nestlé Malaysia and two



national organizations: Yayasan Food Bank Malaysia and The Malaysian Red Crescent.

The donations came directly from Nestlé factories—products that were safe and nutritious but were not sold to consumers because they were close to their expiry date or the packaging. They became a lifeline for families displaced by flooding, residents of welfare homes, orphanages, struggling students, homeless communities and low-income households.

For Raja Nurmaria Murni Raja Nur Azmi, Head of Corporate Affairs for Nestlé Malaysia and Singapore, this is about building relationships. “Our partners act as central hubs,” she explains. “We know the food will go directly to the right people,

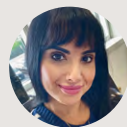
and we can account for donations. We have audit and due diligence processes to ensure everything is handled properly and safely.” Warehouse sites actively manage cleaning, pest control and safe handling, like all Nestlé sites. Expiry dates are monitored, and damaged packaging is assessed to ensure the food is unaffected. This quality-first approach has built trust with food banks and the communities they serve.

Nestlé teams also share technical expertise, helping food banks improve warehouse layouts, manage inventory and streamline deliveries. “It’s not just about giving food,” says Murni. “It’s about making sure the food is handled as if it were going to a supermarket shelf.”

Close partnerships with national food banks mean surplus products move quickly from Nestlé warehouses to communities in need.



Creating safe havens Paving the way for pets and survivors



By Maleeha Sheikh,
Manager of Corporate
Communications,
Nestlé Purina PetCare
Canada

At Purina, we’ve always believed that pets are an important part of the family. For me, that belief is more than a tagline. It’s something we’ve witnessed in countless moments between people and their animals. A pet can be a source of unconditional love, a steady presence in chaos and sometimes the very reason someone finds the strength to take the next step. Yet for survivors of domestic abuse, pets can also be the reason they feel unable to leave, fearing that leaving their animals behind would put them at risk. That’s why the Purple Leash Project matters so deeply to us.

In Canada, only 13% of the 615 domestic violence shelters supported by Women’s Shelters Canada can accommodate pets. That’s just 80 shelters nationwide. Half of domestic abuse survivors delay escaping dangerous situations because they fear leaving their pets behind. This gap presents an agonizing choice: seek safety but leave their pet behind, potentially endangering the pet, or remain in danger to keep the family together.

When Purina launched the Purple Leash Project in the United States in 2019, we immediately saw its impact. Expanding it to Canada in 2024 felt essential, providing funding to Women’s Shelters Canada to support pet-friendly shelters from coast to coast. The funds went directly into practical upgrades: pet crates and carriers, grooming areas, outdoor fenced dog runs, enrichment spaces, vinyl

flooring to replace carpet, and supplies for feeding and waste disposal.

The stories we’ve heard from shelter teams and survivors remind me why this work in our communities matters. Survivors are now able to access shelter without the fear of losing their beloved animals, which are often their only source of comfort, emotional grounding and security. One mother told us, through tears, that having her dog with her “made it feel like home again, even just for a while.” Shelter staff have shared how children, once withdrawn, began to re-engage when reunited with their pets.

For me, this is about more than infrastructure; it’s about dignity, safety and the bond between people and their pets. No one should have to choose between escaping abuse and keeping their family, whether that family walks on two legs or four.

For Nestlé, initiatives like this strengthen the fabric of the communities we’re part of. They help us build deeper connections and trust with the people who live and work alongside us, showing that our commitment to care extends beyond our products. By addressing the barriers that hold survivors back, we help protect fundamental rights, restore safety and open the door to new beginnings, for people, pets and the communities we share.

From local action to global change

The work in Malaysia is just one example of a growing, coordinated effort across the company: making sure that when Nestlé has safe, nutritious food that is not sold, it puts it into the hands of the people who need it most. In 2025, this ambition became formal with the launch of the Nestlé Food Bank Alliance, a partnership with three of the world's leading food bank networks: Feeding America, the European Food Banks Federation (FEBA) and The Global FoodBanking Network (GFN). Together, these umbrella organizations cover more than 80 markets and reach over 100 million people each year.

The Alliance allows markets to share best practices, strengthen reporting and build local capacity, so every partner is better equipped to store, handle and distribute food safely. The model keeps donations local: surplus products move directly from a Nestlé site to a food bank usually in the same country.

It is an approach that also meets an urgent societal need: demand for food bank services is rising globally, while public funding in some regions is declining. It also deepens trust in Nestlé as a reliable community partner, strengthening our reputation and ultimately benefiting the business.

Employees are a vital part of the story. In many Nestlé markets, staff can volunteer at local food banks, packing parcels, helping with deliveries, serving meals in soup kitchens or offering

expertise in areas like warehouse layout, pest control and inventory management. This builds human connection, allowing employees to see the direct impact of their work and strengthening the link between Nestlé and the communities we serve.



8

Future generations

Developing skills today to build resilience tomorrow

The transition to regenerative food systems demands new skills and new thinking—and people who see possibilities where others see limits. When we invest in skills development, we are not only helping individuals create better lives for themselves and their families; we're also building the foundations of Nestlé's own resilience, ensuring that the next generation has the tools and opportunities to keep food systems thriving.



Why the future of farming depends on new skills in Hungary

At just 25, Lora Kátai is part of a new generation of farmers learning how to adapt to a changing climate and evolving markets. She is completing her agricultural engineering degree at the University of Gödöllő in Hungary while working full-time on her family's 2 000-hectare farm in the south of the country. "I can study and work at the same time," she explains. "It's important for me to be here because I can put the theory into practice immediately."

Lora's family has farmed for generations near the borders of Croatia and Slovenia. She grew up helping her father and grandfather on the land. Over the past few years, she has seen the job change in ways her father could not have imagined when he was her age. Summers are hotter and drier; rainfall is unpredictable. "Climate change is not something we read about in books; we feel it here," she says. "There are weeks when you just pray for rain. And if it comes, sometimes it's too much, all at once."

This is why, in 2023, the family joined Purina Europe's *LENs* (*Landscape Enterprise Networks*) program, which helps farmers adopt regenerative agriculture practices. "At university, we don't learn about regenerative agriculture," she says. "But through *LENs*, I've come to understand how practices like cover crops or reduced tillage help the soil store more water and build resilience against extreme weather. It's not just theory—I can see it in the fields."



Lora Kátai studies the quality of cover-crop seed in her family's grain shed, part of her hands-on approach to learning the skills needed for regenerative farming.

Through the program, Lora's family has introduced cover crops across more than 200 hectares—plants grown between cash crops to improve soil health, prevent erosion and boost biodiversity. "We couldn't have done this on such a scale without the program," she says. "It's a big investment, and on a farm our size, every expense matters. But the cover crops are already making a difference. The soil holds more moisture, even in dry spells, and you can see more earthworms and life in the fields."

What Lora is also trialing is reduced tillage methods on certain plots. "We've used minimum-till for a while, but no-till is a bigger change, so we're starting small," she explains. "You have to adapt to the soil, the machinery you have and the crops you grow."

What she values most about *LENs* is the access she has to a network of knowledge. "I can call the technical advisors any time and get practical help. It's not just theory. They'll help me figure out seed mixes or suggest how to deal with a pest problem without harming beneficial insects." She also attends farmer network meetings two or three times a year. "It's encouraging to hear from other farmers who are trying the same things. Sometimes we face the same challenges, sometimes we can learn from each other's mistakes. Farming can be lonely, so this connection is important." Lora plans to take on more of the farm's operations, with a



Three generations on the land: Lora, her father and grandfather assess the impact of new regenerative agriculture practices that will shape the farm's future.



particular interest in plant and pest protection, and exploring vegetable production to diversify income. "Farming is in my heart," she says simply. "I love working with nature, and I love that we do it together as a family."

She hopes more young farmers will be open to innovation. "What I've learned is that if we want farming to survive for the next generation, we need the skills and knowledge to try new approaches. That's what *LENs* gives me."

Supporting farmers like Lora helps secure the future of the key ingredients Nestlé relies on. By investing in training and practical skills development, we empower the next generation of growers to confidently adopt regenerative agriculture and adapt to a rapidly changing environment. Strengthening farmers' knowledge today not only builds the resilience of our sourcing base but also better equips farmers to thrive for generations to come.

Growing opportunities for women in South Africa, from the ground up

South Africa's agricultural sector continues to reflect the deep inequalities of its history, with land ownership and leadership still concentrated among a small minority. For many young Black women, the path into farming is blocked by limited access to land, finance, training and markets. "South African women have always been involved in farming, but now they have the resources and empowerment to branch out and create their own businesses," says Noxolo Mnisi, Senior Manager for Youth & Capacity Development at Nestlé. "Their interest is growing—and so are the opportunities to turn it into lasting impact."

This is why Nestlé partnered with Farming in Heels, a social enterprise founded in 2021 by poultry farmer and South African TV presenter Kamohelo Bombe. What began as a small summit in the province of Gauteng has grown into a nationwide platform for training, mentoring and opportunity creation. In a country where over 8.4 million people are unemployed, finding ways to create work—especially for women and youth—is urgent.

Working together with Nestlé, Farming in Heels has been able to spread its activities across South Africa. The program now includes year-round mentoring, accredited skills training and community development projects that extend impact well beyond the summit itself. At the heart of the model is practical, hands-on learning.



Kamohelo and two young farmers proudly showcase the vegetables from their harvest. Through Nestlé's partnership with Farming in Heels, they gain hands-on training, accredited skills, and new opportunities to build sustainable agricultural livelihoods in South Africa.

Kamohelo leads masterclasses on poultry and crop production, and she invites experts to cover finance, compliance and business planning. Nestlé brings in its own specialists to share market insights, Standard Bank outlines loan and grant opportunities, and Agri SETA (a government agency) helps navigate South Africa's regulatory framework and training accreditation. Through this initiative Kamohelo has also trained 60 people living with disabilities.

Each participant receives an accredited certificate from the statutory body that oversees South Africa's agricultural education. "That's a big deal," says Noxolo. "It's recognized by the government. It means they can walk into a bank or a government office and show they are trained and serious."

Studies consistently show that when women earn more, they invest more in their families' health, education and nutrition. "It's about creating opportunity where there wasn't any," says Noxolo. "And making sure the benefits spread far beyond the farm gate."

For Nestlé, creating pathways for women in agriculture expands the pool of talent and innovation that shapes the industry's future. When more women participate in food production and leadership, the result is stronger communities, more resilient supply chains and new perspectives that drive sustainable growth.

Sowing the seeds of a future for young agripreneurs in Venezuela

In Venezuela's Lara state, 26-year-old Carlos Arispe tends his family's livestock farm, a property he now sees in a completely new light. Like many young farmers in the country, Carlos grew up in agriculture but inherited challenges, such as rising input costs, unpredictable markets and limited access to modern equipment and technical know-how. "For years, we worked based on experience and intuition. Farming today is more complex," he says, "You need to understand the science, the market, and how to manage your resources if you want to grow."

That understanding deepened when he joined Nestlé Venezuela's *Training Program for Young Agroentrepreneurs* in 2023. The program blends classroom learning with field demonstrations, covering good agriculture practices, soil and water management, livestock care and business skills such as recordkeeping, cost analysis and pricing. "It's practical. You can apply what you learn immediately," Carlos explains. "For example, I've avoided the use of agrochemicals that might alter the soil and vegetation that could be beneficial for my livestock."

Through the program, other dairy farmers also learned how to improve pasture quality, balance cattle nutrition, and plan crop rotations to protect soil health. They learn how to track expenses and output to get a clearer view of their profitability.



Through Nestlé's training program, Carlos has improved cattle nutrition, pasture management and recordkeeping, boosting productivity and profitability.

Young agripreneur Carlos Arispe on his farm in Lara state, Venezuela, where Nestlé's *Training Program for Young Agroentrepreneurs* is helping him and other young producers adopt modern farming practices and business skills.

Ongoing technical support is a defining feature of the program. Agronomists and veterinarians regularly visit farms to offer tailored advice and troubleshoot issues, from pest outbreaks to calving problems. Having a network of experts to call helps give the young farmers confidence.

Many farmers in the program have diversified their operations. Some have introduced intercropping to boost income stability, for example, or value-added products such as artisanal cheese. For them, the benefits go beyond higher yields or better prices—it's about resilience in the face of economic and climate pressures. "Young people often think farming has no future here," adds Carlos. "They want to leave for the city or even another country. But with the right knowledge and support, you can create opportunities where you are." Producing food for their communities gives meaning to what they do. The *Training Program*

for *Young Agroentrepreneurs* helps give them tools to keep improving.

Nestlé Venezuela plans to expand the program to reach the next generation of producers across different regions and agricultural sectors, building a network of skilled, connected agripreneurs. The vision is to raise standards across Venezuelan agriculture, inspiring the next generation to see farming as a viable, rewarding career path. Skilled, confident farmers help ensure a consistent, high-quality supply of raw materials while contributing to stronger local economies—both of which are essential for Nestlé's long-term business success.



Nestlé agronomists provide hands-on support to young farmers, offering tailored guidance on soil health, water management and crop planning.

Innovative solutions Goodwall—Connecting the next generation of farmers to opportunity



By Taha Bawa,
Co-Founder and
CEO, Goodwall

At Goodwall, our mission has always been clear: to level the playing field for young people everywhere. Founded by myself and my brother Omar, our organization was inspired by our parents' work with the United Nations and early experiences visiting refugee camps. We saw first-hand the disparity in opportunity that millions of young people face. That gap is especially stark in agriculture, a sector critical to the future of our planet, yet one that struggles to attract and retain young talent.

Globally, the Food and Agriculture Organization of the United Nations (FAO) estimates that 100 million new farmers will be needed by 2050 to meet growing food demands. Yet, for too many young people, farming doesn't feel like a viable or aspirational career path. According to the FAO, one of the biggest barriers is access: young people often lack the knowledge, information and education they need to enter agriculture with confidence.

That's why our partnership with Nestlé is so exciting. Together, we have launched a program designed to inspire, upskill and connect the next generation of farmers and agripreneurs, with a special focus on regenerative agriculture. By combining Nestlé's deep agricultural expertise with Goodwall's Gen-Z-first technology platform and global community of more than three million members, we can bridge the gap between young people and the opportunities they need.

The heart of our approach is engagement. We make learning about regenerative agriculture accessible, interactive and fun. On the Goodwall app, young people can take part in gamified challenges, share stories from their farms, access bite-sized learning modules and connect with like-minded peers around the world. They can showcase their skills beyond a CV, earn rewards for completing tasks and see practical examples of regenerative agriculture practices in action.

This is more than just content delivery. It's about building a global movement.

Importantly, the platform creates a sense of community. A young farmer in Kenya will be able to see how a peer in the Philippines is tackling the same challenge, or how a new technique trialed in Latin America could be adapted on their land.

By making agriculture innovative, connected and full of opportunity, we believe we can help cultivate the next generation of regenerative changemakers, ensuring that farming has a future worth choosing.

Building skills, inclusion and opportunities for the next generation

Across Hungary, South Africa and Venezuela, the stories from young farmers show what can happen when people are given the right tools, opportunities and encouragement.

Young people are central to Nestlé's future, and to the future of food. They are tomorrow's innovators and growers, and their success will shape the resilience of our value chains for decades to come. Our vision is simple but ambitious: to help them thrive in their careers, contribute to the social development of their communities and lead the shift towards regenerative food systems.

This isn't a new priority. We have been building, where regulations allow, youth-focused initiatives for more than a decade, and we've already reached our original 2030 ambition to help 10 million young people access economic opportunities ahead of schedule.

Across the food system, opportunity is not evenly distributed. Rural communities often face the greatest barriers to training and support, from a lack of infrastructure to limited market access. That's why our youth programs work through local partnerships with civil society, youth networks and schools to reach those who might otherwise be left behind. We design our programs to expand access and remove barriers for all, including rural farmers, first-generation professionals and young people



with disabilities, adapting our approach to each context.

The skills we help young people develop are addressing tomorrow's challenges and opportunities. Digital literacy, financial planning, regenerative agriculture and understanding AI are now essential to building careers that last—and to ensuring food systems can adapt in the face of climate change, shifting markets and new consumer expectations.

From supporting graduate programs and PhD sponsorships, to internships and apprenticeships, training for farmers and scientists starting their careers, to start-up

mentoring, we aim to support the journey from early career experience in the food industry to long-term, sustainable participation. A blend of classroom learning, online training, hands-on experience, mentoring and strategic partnerships ensures that skills and opportunities are not just taught, but put into action.

In our agripreneurship programs, farmers learn how to manage soil health, integrate technology into production and diversify their incomes. A young farmer trained in regenerative agriculture practices can improve their livelihood, strengthen local food security and contribute to lower emissions—all of which benefit the supply chain we depend on. In

our entrepreneurship programs, young innovators are guided through product design, market testing and scaling—skills that benefit them as individuals, and the industry as a whole. A young entrepreneur can develop new products that meet emerging consumer needs, opening markets for both them and us. This work is an investment in the long-term success of our business and the resilience of the communities we operate in.

Our people are the driving force behind our business success, today and for the future. We believe an inclusive working environment, where everyone is empowered to grow and thrive, is fundamental to our continued success—it fosters innovation, attracts top talent and helps us serve our customers and consumers better. Each employee brings unique qualities, perspectives and contributions in support of the activities of our organization. We are committed to continuing our work to build a more inclusive culture, aligned with our values, as we aim to fully unlock the potential of our people.

When you create opportunities for people to grow—whether it's a Hungarian student modernizing her family farm, a South African woman inspiring hundreds of others to enter agriculture, or a Venezuelan dairy farmer building a sustainable future—you create ripples of change that extend far beyond a single project or program.

12.8
million

young people supported
to develop future-ready
skills since 2017

9



Join us

Greater impact through partnership

Creating Shared Value at Nestlé, as you have seen in these stories, is how we invest to help strengthen thriving communities and a healthy planet, while delivering business performance. By aligning social impact with our core business activities, Nestlé turns global challenges into opportunities for innovation and growth. The challenges facing our food systems—from climate change and nature loss to malnutrition and inequality—are too vast for a single company to solve alone.

Transforming the food system together



and opens up new business opportunities by addressing societal needs. It helps build resilience across our value chain. Together, we can ensure that the value we create is value we share—with people, with communities and with the planet we all depend on.

Significant lasting change is achieved when knowledge, resources and influence are combined across sectors. Farmers, suppliers, scientists, policymakers, civil society and industry peers each bring unique strengths. When these are aligned, ideas become solutions, and solutions can be scaled.

The stories in this report show what is possible: farmers adopting regenerative agriculture practices that help protect yields and

restore ecosystems; programs preparing the next generation of agripreneurs; innovations that make nutritious diets more accessible and affordable.

None of these successes happened in isolation. They are the result of collaboration, shared ambition and a willingness to act. Over the next decade, we need to accelerate the transformation of the food system. We know what needs to be done: invest in nature-based solutions, strengthen

livelihoods and advance nutrition. We need to cascade our learnings, adapt and—most importantly—keep going.

We invite you—our partners, customers, peers and stakeholders—to work with us. To share ideas, co-invest and champion the innovations that can transform our industry.

Ultimately, Creating Shared Value drives trust in Nestlé, strengthens stakeholder relationships

Glossary of key concepts

Deforestation-free

“Deforestation-free” means that commodities in scope were assessed as being produced on land that has not been subject to deforestation or conversion after a specific cut-off date that varies by commodity, but no later than December 31, 2020.

Net Zero

Nestlé has committed to reaching net zero greenhouse gas (GHG) emissions by 2050 at the latest. In 2020, we published our timebound plan, the *Nestlé Net Zero Roadmap*, which underpins our Group’s climate strategy and acts as our transition plan aligned with a 1.5°C pathway as validated by the Science-Based Targets initiative (SBTi). We will balance any remaining emissions through high-quality natural climate solutions.

Regenerative agriculture

In line with the Sustainable Agriculture Initiative Platform, Nestlé defines regenerative agriculture as an approach to farming which aims to conserve and restore natural resources, primarily soil, as well as water and biodiversity, while capturing carbon in soils and plant biomass and to support farmers’ livelihoods. Examples of regenerative agriculture practices include reduced tillage and agroforestry. More information is available in our *Nestlé Agriculture Framework*.

The scope includes the following ingredient categories: dairy (i.e. fresh milk and milk derivatives); coffee; cereals and grains; soy; vegetables; cocoa; palm oil; sugar; fish and seafood; meat, poultry and eggs.

Regenerative landscape approach

A land-management system that is inclusive, combining conservation and ecosystem restoration; driven by measurable outcomes in soil, water, biodiversity, climate and livelihoods; working to restore degraded lands and design landscapes to be resilient to environmental change, and delivering ecosystem services to neighboring agricultural producing lands. Through establishing landscape initiatives, we aim at investing and delivering regenerative landscapes.

Responsible sourcing

For Nestlé, responsible sourcing means improving the traceability of our ingredients and monitoring how they are produced. This involves applying our environmental and human rights requirements – detailed in our *Responsible Sourcing Core Requirements* – at the different stages of our supply chain. Examples of these requirements include that land and resources of Indigenous peoples and local communities are respected and that no deforestation and no conversion of forests and other ecosystems occurs in our supply chain. We implement risk-based due diligence mechanisms, including supplier self-assessments, independent third-party audits and ongoing training for suppliers to address identified risks.

cocoa; coconut; green coffee; dairy (derivatives and fresh milk); fish and seafood; hazelnuts; meat, poultry and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables.



In scope are Nestlé’s 14 key ingredients: cereals and grains;