

Compensation Report 2025

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Introduction

The future success of Nestlé is dependent on its ability to attract, motivate and retain the right talented employees. Among the various programs to support this ambition is a competitive remuneration policy. Nestlé believes in a performance culture as well as good corporate governance and corporate social responsibility.

Therefore, remuneration at Nestlé is based on the following principles:

- pay for performance to support the Company's short-term and long-term objectives;
- compensation aligned with long-term Group strategy and shareholders' interests;
- coherence in our remuneration plans and levels throughout the Company;
- competitiveness versus external market comparisons;
- appropriate balance of fixed and variable remuneration and short-term and long-term rewards.

This Compensation Report shall be submitted to the advisory vote of the shareholders at the Annual General Meeting 2026.

At the 2025 Annual General Meeting, shareholders approved the total compensation budgets for the Board of Directors and the Executive Board with large majorities.

To ensure complete accountability, the shareholders will be able to retrospectively vote on the Compensation Report and payouts in a consultative vote.

Changes to compensation

For 2025, we have added additional disclosure on the achievement of our Short Term Bonus Targets.

For 2026, we will introduce the following changes:

- All Long Term Incentives will vest at the end of the vesting period replacing the former cliff vesting.
Pro-rata vesting for our Long Term Incentives in case of retirements. Both changes are made to align with market practice.
- Functional Objectives as part of the Short Term Bonus Scheme of the Executive Board will be replaced by Group Objectives to further align the Functions to Business Performance.

Governance

The Board of Directors has the overall responsibility for defining the compensation principles used in the Group. Pursuant to art. 21^{bis} of Nestlé S.A.'s Articles of Association ^(*), the total compensation of the Board of Directors and the Executive Board is subject to approval by the shareholders, upon proposal by the Board of Directors.

As of December 31, 2025, the governance for setting the compensation of the members of the Board of Directors and the Executive Board is defined as follows:

Compensation of	Recommended by	Approved by
Board of Directors as a whole	Board of Directors	Shareholders
Executive Board as a whole	Board of Directors	Shareholders
Chair of the Board, CEO	Compensation Committee	Board of Directors ^(a)
Non-executive members of the Board of Directors	Compensation Committee	Board of Directors ^(b)
Members of the Executive Board	CEO together with Chair	Compensation Committee ^(c)

(a) Chair as well as CEO not voting on own compensation, and not participating in the relevant meetings.

(b) Members not voting on own compensation to the extent that Committee fees are concerned.

(c) Executive Board members not participating in the relevant meetings.

Compensation Committee (CC)

The CC is governed by the Compensation Committee Charter (see point 3.5.2 in the Corporate Governance section). The Committee consists of the Chair, who is an independent and non-executive member of the Board. The other members shall be a minimum of three other non-executive members of the Board.

The members of the CC have been elected by the shareholders for one year. The Chair was appointed by the Board of Directors. On December 31, 2025, the composition of the CC is as follows:

Chair	Members
Dick Boer	Pablo Isla
	Patrick Aebischer
	Dinesh Paliwal

The tasks and areas of responsibility of the CC are described on page 13 of the Corporate Governance Report 2025.

(*) Nestlé S.A.'s Articles of Association can be found on page 65 and at www.nestle.com/investors/corporate-governance/articles

Board of Directors

Principles of compensation for the members of the Board of Directors

Governance

Pursuant to art. 21^{bis} par. 1 of Nestlé S.A.'s Articles of Association, the General Meeting shall approve annually the proposal of the Board of Directors in relation to the maximum aggregate amount of the compensation of the Board of Directors for the period until the next Annual General Meeting ^(a).

In the event the General Meeting has not approved a proposal of the Board of Directors, the Board of Directors shall determine the respective maximum aggregate amount or maximum partial amounts of compensation provided that:

- a) the Board of Directors takes into account (i) the proposed maximum aggregate amount of compensation; (ii) the decision of the General Meeting and, to the extent known to the Board of Directors, the main reasons for the negative vote; and (iii) Nestlé's compensation principles; and
- b) the Board of Directors submits the amount(s) so determined for approval by the same General Meeting, a subsequent Extraordinary General Meeting or the next Annual General Meeting (art. 21^{bis} par. 2 of the Articles of Association).

The compensation of the members of the Board of Directors is subject to "claw back" rules in accordance with art. 678 of the Swiss Code of Obligations. Members of the Board of Directors could be obligated to return benefits received from the Company to the extent that these are manifestly disproportionate to the performance rendered in return and to the Company's economic situation (including as a result of fraud or accounting misstatement).

Principles

The remuneration of the members of the Board of Directors is set to attract and retain highly qualified individuals to serve on the Board of Directors. The level of remuneration reflects the time and effort required from the members in fulfilling their Board and Committee responsibilities. The pay structure (cash and blocked shares) is designed to ensure the Board's focus on the long-term success of the Company. There is no variable compensation for non-executive members of the Board of Directors, in order to ensure a proper level of independence.

The principal benchmark used to define Board remuneration is a selection of large Swiss Market Index (SMI) companies ^(b), adjusted for the size of Nestlé. These figures are periodically reviewed against this benchmark.

Compensation 2025 for the members of the Board of Directors

Board membership fees and allowances

With the exception of the Chair and the CEO, each member of the Board of Directors receives a Board membership fee of CHF 280 000 and an Expense Allowance of CHF 15 000. These figures have remained unchanged since 2006.

(a) The Board of Directors may submit for approval by the General Meeting deviating or additional proposals relating to the same or different periods.

(b) Novartis, Roche, Richemont, ABB, UBS, Holcim, Swiss Re and Zurich Insurance.

Members of a Board Committee receive the following additional fees ^(a):

	Chair	Members
Chair's and Corporate Governance Committee	CHF 300 000	CHF 200 000
Compensation Committee	CHF 150 000	CHF 70 000
Nomination Committee	CHF 150 000	CHF 70 000
Sustainability Committee	CHF 150 000	CHF 70 000
Audit Committee	CHF 150 000	CHF 100 000

(a) The Chair and the CEO Committee fees are included in their total remuneration.

Committee membership on December 31, 2025

	Chair's and Corporate Governance Committee	Compensation Committee	Nomination Committee	Sustainability Committee	Audit Committee
Pablo Isla, Chair	• (Chair)	•	• (Chair)		
Dick Boer, Vice Chair Lead Independent Director	•	• (Chair)		•	
Marie-Gabrielle Ineichen-Fleisch Vice Chair			•		
Renato Fassbind	•				• (Chair)
Patrick Aebischer		•		• (Chair)	
Dinesh Paliwal		•	•		
Lindiwe M. Sibanda				•	
Chris Leong				•	
Luca Maestri					•
Rainer Blair					•
Geraldine Matchett					•

The above fees and allowances cover the period between the Annual General Meeting 2025 and the Annual General Meeting 2026. They are paid in two instalments in arrears. Board membership and Committee fees are paid 50% in cash and 50% in Nestlé S.A. shares, which are subject to a three-year blocking period. The blocking period remains applicable upon termination of the mandate.

The number of Nestlé S.A. shares is determined by taking the closing price of the share on the SIX Swiss Exchange on the ex-dividend date of the respective financial year.

Compensation payout 2025

At the Annual General Meeting of April 16, 2025, the shareholders approved a maximum compensation for the Board of Directors of CHF 10 million for the period from the Annual General Meeting 2025 to the Annual General Meeting 2026. The total actual compensation payout for this period including social security contributions is CHF 8 814 655.

Audited (*) Summary of compensation 2025 **

	Cash in CHF ^(a)	Market value of shares in CHF ^(b)	Total Cash & Shares	Social security & addit. Fees ^(c)	Total Compensation
Pablo Isla, Chair ⁽¹⁾	168 009	2 050 055	2 218 064	31 884	2 249 948
Paul Bulcke, Chair ⁽²⁾	—	1 611 050	1 611 050	13 919	1 624 969
Dick Boer, Vice Chair, Lead Independent Director	365 000	350 000	715 000	—	715 000
Marie-Gabrielle Ineichen-Fleisch, Vice Chair	190 000	175 000	365 000	17 831	382 831
Renato Fassbind	330 000	315 000	645 000	30 160	675 160
Dinesh Paliwal	225 000	210 000	435 000	19 806	454 806
Hanne Jimenez de Mora † ⁽³⁾	124 299	—	124 299	6 485	130 784
Lindiwe M. Sibanda	190 000	175 000	365 000	43 886	408 886
Patrick Aebischer	190 000	175 000	365 000	42 695	407 695
Chris Leong	190 000	175 000	365 000	18 886	383 886
Luca Maestri	205 000	190 000	395 000	20 365	415 365
Rainer Blair	205 000	190 000	395 000	20 365	415 365
Geraldine Matchett	205 000	190 000	395 000	26 069	421 069
Total for 2025	2 587 308	5 806 105	8 393 413	292 351	8 685 764

** The above table shows the annual compensation due covering the twelve-month period starting with the Annual General Meeting.

(a) The cash amount includes the expense allowance of CHF 15 000. The Chair receives no expense allowance.

(b) The Board is paid in arrears (25% in October 2025 and 75% in April 2026). The Nestlé S.A. shares equivalent to 50% of the annual remuneration will be delivered at the end of the Board year in April 2026. They will be valued at the closing price of the share on the SIX Swiss Exchange on the ex-dividend date 2026. The actual number of shares delivered will be published in the Compensation Report 2026. In 2025, 72 819 shares have been delivered to the Board.

(c) Since Company contributions to social security are based on full earnings, whereas benefits are capped, only contributions that lead to future benefits are included. The additional cost to the Company taking into account full social security employer contributions is CHF 128 891 in 2025. For details of additional fees, see page 41. The amount includes moderate contributions the Company makes to an external Swiss pension fund plan for two Board members who are self-employed (in the total amount of CHF 7 348).

(1) As of October 1, 2025, succeeding Paul Bulcke.

(2) Until September 30, 2025

(3) Deceased on June 26, 2025.

(*) Sections highlighted with a blue bar are audited by the statutory auditor. They include all elements the Company needs to disclose pursuant to art. 734a to 734f of the Swiss Code of Obligations.

Audited (*) **Summary of compensation 2024 ****

	Cash in CHF ^(a)	Market value of shares in CHF ^(b)	Total Cash & Shares	Social security & addit. Fees ^(c)	Total Compensation
Paul Bulcke, Chairman	—	3 500 000	3 500 000	29 400	3 529 400
Pablo Isla, Vice Chair, Lead Independent Director	365 000	350 000	715 000	29 400	744 400
Renato Fassbind	330 000	315 000	645 000	29 400	674 400
Patrick Aebischer	190 000	175 000	365 000	42 695	407 695
Dick Boer	365 000	350 000	715 000	—	715 000
Dinesh Paliwal	225 000	210 000	435 000	19 806	454 806
Hanne Jimenez de Mora †	330 000	315 000	645 000	29 400	674 400
Lindiwe M. Sibanda	190 000	175 000	365 000	43 886	408 886
Chris Leong	190 000	175 000	365 000	18 886	383 886
Luca Maestri	205 000	190 000	395 000	20 365	415 365
Rainer Blair	205 000	190 000	395 000	20 365	415 365
Marie-Gabrielle Ineichen-Fleisch	190 000	175 000	365 000	18 886	383 886
Geraldine Matchett	205 000	190 000	395 000	23 622	418 622
Total for 2024	2 990 000	6 310 000	9 300 000	326 111	9 626 111

** The above table shows the annual compensation due covering the twelve-month period starting with the Annual General Meeting.

- (a) The cash amount includes the expense allowance of CHF 15 000. The Chairman receives no expense allowance.
- (b) The Board is paid in arrears (25% in October 2024 and 75% in April 2025). The Nestlé S.A. shares equivalent to 50% of the annual remuneration will be delivered at the end of the Board year in April 2025. They will be valued at the closing price of the share on the SIX Swiss Exchange on the ex-dividend date 2025. The actual number of shares delivered will be published in the Compensation Report 2025. In 2024, 68 737 shares have been delivered to the Board.
- (c) Since Company contributions to social security are based on full earnings, whereas benefits are capped, only contributions that lead to future benefits are included. The additional cost to the Company taking into account full social security employer contributions is CHF 136 531 in 2024. For details of additional fees, see page 41. The amount also includes pension contributions for one Board member who is not exempted from mandatory occupational benefit plans in Switzerland.

Pablo Isla, in his capacity as active, non-executive Chair, received Nestlé S.A. shares, which are blocked for three years. In addition to his responsibilities for the governance and strategy of the Group, this reflects specific responsibilities for the direction and control of the Group. The remuneration includes all compensation received in relation to these activities. The below disclosed compensation for 2024 refers to the former Chair Paul Bulcke.

	2025		2024
	Value in CHF	Number	Value in CHF
Cash compensation	168 009		—
Blocked shares (market value) ^(a)	2 050 055	37 298	3 500 000
Total Cash & Shares	2 218 064		3 500 000
Company contribution to compulsory Swiss social security ^(b)	31 884		29 400
Total compensation	2 249 948		3 529 400

(a) The Chair is paid in arrears. The Nestlé S.A. shares equivalent to 100% of the annual remuneration will be delivered at the end of the Board year in April 2026. They will be valued at the closing price of the share on the SIX Swiss Exchange on the ex-dividend date 2026. The actual number of shares delivered will be published in the Compensation Report 2026.

(b) Since Company contributions to social security are based on full earnings, whereas benefits are capped, only contributions that lead to future benefits are included. The additional cost to the Company taking into account full social security employer contributions is CHF 70 655 in 2025 (CHF 127 216 in 2024). The amount includes contributions the Company makes to an external Swiss pension fund plan in the total amount of CHF 1644 in 2025.

Share ownership of the non-executive members of the Board of Directors and closely related parties on December 31

	2025		2024
	Number of shares held ^(a)		Number of shares held ^(a)
Pablo Isla, Chair	19 373		15 334
Dick Boer, Vice Chair, Lead Independent Director	14 430		10 391
Marie-Gabrielle Ineichen-Fleisch, Vice Chair	35 343		8 231
Renato Fassbind	65 718		62 083
Patrick Aebischer	20 931		18 911
Dinesh Paliwal	11 033		8 609
Lindiwe M. Sibanda	6 823		4 803
Chris Leong	5 412		3 392
Luca Maestri	5 876		3 683
Rainer Blair	3 908		1 645
Geraldine Matchett	2 193		—
Members who left the Board during the year	—		1 558 430
Total as at December 31	191 040		1 695 512

(a) Including shares subject to a three-year blocking period.

There are no stock options held by any non-executive member of the Board of Directors and closely related parties.

Other audited information regarding the Board of Directors

Loans

There are no loans outstanding to members of the Board of Directors. Loans to a member of the Board of Directors may only be granted at market conditions and may, at the time of grant, not exceed the respective member's most recent total annual compensation (art. 21^{septies} of the Articles of Association).

Additional fees and remuneration of the Board of Directors

There are no additional fees or remuneration paid by Nestlé S.A. or any of its Group companies, directly or indirectly, to members of the Board of Directors, except for CHF 25 000 paid to Patrick Aebischer, who serves on the Nestlé Science & Technology Advisory Council, and CHF 25 000 paid to Lindiwe Sibanda who serves on the Creating Shared Value (CSV) Council.

Compensation and loans for former members of the Board of Directors

There are no loans outstanding to former members of the Board of Directors. For compensation refer to page 58 "Compensation and loans to former members of the Executive Board".

Compensation or loans to related parties of members of the Board of Directors

In 2025, no compensation was paid to related parties of members of the Board of Directors and there were no loans outstanding to related parties.

Mandates on December 31, 2025

As at December 31, 2025, the members of the Board of Directors held the following comparable positions in other undertakings with commercial objectives.

	Mandates in listed companies	Function	Mandates in non-listed companies	Function
Pablo Isla			Bertelsmann SE & Co. KGaA	– Board member
			Fonte Films S.L.	– Chairman
Dick Boer	Shell plc	– Board member – Senior Independent Non-Executive Director – Deputy Chair – Audit & Risk Committee, member – Nomination and Succession Committee, member – Remuneration Committee, member	SHV Holdings N.V.	– Board member – Vice Chair
			Het Concertgebouw N.V.	– Board member & Chairman
Marie-Gabrielle Ineichen-Fleisch	BVZ Holding AG	– Board member	KIBAG Holding AG	– Board member
			Schweizerische Mobiliar Genossenschaft	– Board member
			F.G. Pfister Holding AG	– Board member
Renato Fassbind				
Patrick Aebischer	PolyPeptide Group AG	– Board member – Vice Chairman & Lead Independent Director	NistronTech Sàrl	– Board member
			Amazentis SA	– Board member – Vice Chairman
			Swiss Vaccine SA	– Board member
			Vandria SA	– Board member – Chairman
			Limani Partners SA	– Managing Partner
			EPFL	– Honorary Professor

Audited

	Mandates in listed companies	Function	Mandates in non-listed companies	Function
Dinesh Paliwal	KKR & Co. Inc.	– Partner	Marelli & Koki Holdings Co. Ltd.	– Board member – Non-Executive Chairman
Lindiwe M. Sibanda			University of Pretoria	– Professor Extraordinary
			Linds Agriculture Services Pvt Ltd.	– Managing Director
Chris Leong	Ecolab Inc.	– Chief Marketing and Innovation Officer		
Luca Maestri	Apple Inc.	– Vice President, Corporate Services		
Rainer Blair	Danaher Corporation	– President & CEO – Board member – Executive Committee, member – Science & Technology Committee, member		
Geraldine Matchett	ABB Ltd.	– Board member – Finance, Audit and Compliance Committee, member		
	Swiss Re Ltd.	– Board member – Governance, Nomination and Sustainability Committee, member – Risk Committee, member		

Mandates on December 31, 2024

As at December 31, 2024, the members of the Board of Directors held the following comparable positions in other undertakings with commercial objectives.

	Mandates in listed companies	Function	Mandates in non-listed companies	Function
Paul Bulcke	L'Oréal S.A.	<ul style="list-style-type: none"> – Board member – Vice Chairman – Strategy and Sustainable Development Committee, member – Nominations and Governance Committee, member – Human Resources and Remuneration Committee, member 	J.P. Morgan International Council	– Member
Pablo Isla			Bertelsmann SE & Co. KGaA	– Board member
			Fonte Films S.L.	– Chairman
			Cinven Ltd	– Global Senior Advisor
Renato Fassbind Hanne Jimenez de Mora			Microcaps AG	<ul style="list-style-type: none"> – Board member – Chairperson
			IMD Business School	<ul style="list-style-type: none"> – Board member – Vice Chair
Dick Boer	Shell plc	<ul style="list-style-type: none"> – Board member – Senior Independent Non-Executive Director – Deputy Chair – Audit & Risk Committee, member – Nomination and Succession Committee, member – Remuneration Committee, member 	SHV Holdings N.V.	<ul style="list-style-type: none"> – Board member – Vice Chair
	Just Eat Takeaway.com	<ul style="list-style-type: none"> – Board member & Chairman – Audit Committee, member – Nomination and Remuneration Committee, member 	Het Concertgebouw N.V.	– Board member & Chairman

	Mandates in listed companies	Function	Mandates in non-listed companies	Function
Patrick Aebischer	PolyPeptide Group AG	– Board member – Vice Chairman & Lead Independent Director	NistronTech Sàrl	– Board member
			Amazentis SA	– Board member – Vice Chairman
			Swiss Vaccine SA	– Board member
			Vandria SA	– Board member – Chairman
			EPFL	– Honorary Professor
Dinesh Paliwal	KKR & Co. Inc.	– Partner	Marelli & Koki Holdings Co. Ltd.	– Board member – Non-Executive Chairman
Lindiwe M. Sibanda			University of Pretoria	– Professor Extraordinary
			Linds Agriculture Services PVT Ltd.	– Managing Director
Chris Leong	Schneider Electric SE	– Chief Marketing Officer		
Luca Maestri	Apple Inc.	– Chief Financial Officer		
Rainer Blair	Danaher Corporation	– President & CEO – Board member – Executive Committee, member – Science & Technology Committee, member		
Marie-Gabrielle Ineichen-Fleisch	BVZ Holding AG	– Board member	KIBAG Holding AG	– Board member
			Schweizerische Mobiliar Genossenschaft	– Board member
			F.G. Pfister Holding AG	– Board member
Geraldine Matchett	ABB Ltd.	– Board member		
	Swiss Re Ltd.	– Board member		

Executive Board

Principles of compensation for members of the Executive Board

Governance

Pursuant to art. 21^{bis} par. 1 of Nestlé S.A.'s Articles of Association (*), the General Meeting shall approve annually the proposal of the Board of Directors in relation to the maximum aggregate amount of the compensation of the Executive Board for the following financial year (**).

In the event the General Meeting has not approved a proposal of the Board of Directors, the Board of Directors shall determine the respective maximum aggregate amount or maximum partial amounts of compensation, provided that:

- a) the Board of Directors takes into account: (i) the proposed maximum aggregate amount of compensation; (ii) the decision of the General Meeting and, to the extent known to the Board of Directors, the main reasons for the negative vote; and (iii) Nestlé's compensation principles; and
- b) the Board of Directors submits the amount(s) so determined for approval by the same General Meeting, a subsequent Extraordinary General Meeting or the next Annual General Meeting (art. 21^{bis} par. 2 of the Articles of Association).

If the maximum aggregate amount of compensation already approved by the General Meeting is not sufficient to also cover compensation of one or more members who become members of or are being promoted within the Executive Board during a compensation period for which the General Meeting has already approved the compensation of the Executive Board, Nestlé or companies controlled by it shall be authorized to pay such member(s) a supplementary amount during the compensation period(s) already approved. The total supplementary amount shall not exceed 40% of the aggregate amount of compensation of the Executive Board last approved by the General Meeting per compensation period (art. 21^{ter} of the Articles of Association).

Principles

The principles of compensation for members of the Executive Board are the following:

Pay for performance

The Total Direct Compensation for the members of the Executive Board includes a fixed portion (Annual Base Salary) and a variable portion (Short-Term Bonus and Long-Term Incentives). The fixed compensation takes into account individual performance. Variable compensation is determined based on collective and individual performance. These are intended to ensure a major part of executive rewards are contingent on achieving demanding performance goals.

Alignment with long-term company strategy and shareholder interests

Compensation for members of the Executive Board is aligned with company strategy and shareholders' interests. The Short-Term Bonus payout is determined by the degree of achievement of a number of objectives aligned to annual business plans. Long-Term Incentives are provided in the form of share-based instruments, therefore ensuring alignment with shareholders' interests. In 2025, the main Long-Term Incentive instrument was the Performance Share Unit Plan (PSUP). PSUs have a vesting period of three years, with a further holding period of two years for Executive Board members, leading to a total restriction period of five years. Their alignment with shareholder interests is reinforced through payouts being tied to underlying Earnings per Share (EPS) growth, relative Total Shareholder Return (TSR) performance, Return on Invested Capital (ROIC) and reduction in greenhouse gas emissions.

Coherence in remuneration plans and levels throughout the Company

The Company aims to align remuneration plans across the Group and to ensure that compensation rewards are appropriate for the added responsibilities of positions held. This is reflected in the relative remuneration levels of the Executive Board.

(*) Nestlé S.A.'s Articles of Association can be found on page 65 and at www.nestle.com/investors/corporate-governance/articles

(**) The Board of Directors may submit for approval by the General Meeting deviating or additional proposals relating to the same or different periods.

Compensation to be internationally competitive by using selected benchmarks

The compensation packages for the members of the Executive Board need to be competitive in a dynamic international environment. Nestlé targets its overall remuneration policy to be between the median and the 75th percentile of the selected external benchmarks (please refer to page 52). Whenever appropriate, the benchmark values are adjusted for the size of Nestlé. The market competitiveness of the compensation of the Executive Board is therefore periodically assessed using the services of Willis Towers Watson, a reputed international human capital and benefits consultancy.

The total compensation package consists of the following elements:

1. Base Salary

The Base Salary is the foundation of the total compensation. It reflects the experience, expertise and sustained performance of the Executive Board member, as well as taking into account external market competitiveness. It also serves as the basis for determining the Short-Term Bonus target levels and the allocation of Long-Term Incentives. The Base Salary is reviewed annually by the Compensation Committee. Criteria for adjustments are individual contribution and the level of competitiveness against the benchmarks.

2. Short-Term Bonus

The Short-Term Bonus is intended to reward results achieved against annual collective and individual objectives related to Nestlé's overall business strategy. The Short-Term Bonus is paid in cash and/or in Nestlé S.A. shares ^(*), which are subject to a three-year blocking period.

Governance

Pursuant to art. 21^{quater} of Nestlé S.A.'s Articles of Association ^(**), variable compensation may comprise short-term compensation elements, and shall be subject to caps expressed as predetermined multipliers of the respective target levels.

Short-term compensation elements are governed by performance metrics that take into account the performance of Nestlé and/or parts thereof, targets in relation to the market, to other companies or to comparable benchmarks and/or individual targets, and achievement of which is generally measured based on a one-year period. The annual target level of the short-term compensation elements is determined as a percentage of the Base Salary; depending on achieved performance, the compensation may amount up to a pre-determined multiplier of target level.

The Board of Directors or, to the extent delegated to it, the Compensation Committee, determines performance metrics and target levels, and their achievement.

(*) or American Depositary Receipts

(**) Nestlé S.A.'s Articles of Association can be found on page 65 and at www.nestle.com/investors/corporate-governance/articles

Objectives 2025

The Short-Term Bonus (Annual Bonus) is based on a bonus target expressed in % of the Annual Base Salary.

In 2025, the following target levels were applicable

- CEO: 150%;
- Executive Vice President: 100%;
- Deputy Executive Vice President: 80%.

For the CEO and the CFO, 85% of the target is linked to performance against the Nestlé Group objectives (see below) and 15% to Environmental, Social and Governance (ESG) objectives. For the other members of the Executive Board, at least 35% of the target is linked to business performance, to ensure accountability for Nestlé's results; for Function Heads, 50% is tied to functional objectives, 35% to Group performance and 15% to ESG objectives; for Zone or Business Heads, 60% is tied to business objectives they are directly responsible for, 25% to Group performance and 15% to ESG objectives.

In case an executive reaches all objectives in full, the bonus payout will correspond to the targeted level. If one or more objectives are not reached, the bonus is reduced. The bonus payout is capped at a maximum of 150% of the target.

There is no guarantee for the payout of a minimum bonus.

Members of the Executive Board can elect to receive part or all of their Short-Term Bonus in Nestlé S.A. shares ^(*). The CEO has to take a minimum of 50% in shares.

The number of shares granted is determined using the average market closing price of the last ten trading days of January 2026.

Group objectives

Every year, the Board of Directors defines a set of key quantitative operational objectives, which comprise the main elements in determining the annual Group performance for the following year. These are linked to measurable financial objectives. In 2025, their weighting was 50% Organic Growth, 30% Profitability (Underlying Trading Operating Profit margin), 10% Market Shares gains and 10% Structural Cost optimization.

Additional quantitative and qualitative objectives, set by the Board of Directors in line with Nestlé's strategy, are also used to determine the Nestlé Group performance. This set of additional objectives reflects cash flow management, progress on digitalization, strengthening Nestlé's values and culture, and further progress on quality and safety.

The above objectives are kept under review by the Board of Directors to ensure that they are aligned with Nestlé's business objectives and its strategic ambition.

Business and functional objectives

Business and functional objectives are determined by the CEO for each member of the Executive Board. They are related to the individual area of responsibility and are of a financial or non-financial nature.

Environmental, Social and Governance (ESG) objectives

ESG objectives (15% of the target) are set annually by the Compensation Committee and reflect selected performance measures from the Company's ESG/Sustainability agenda. For 2025, they relate to affordable nutrition with micro nutrients fortification, reduction of greenhouse gas emissions, virgin plastic reduction, regenerative agricultural practices and management positions held by women. These five objectives are equally weighted at 3% each.

(*) or American Depositary Receipts

3. Long-Term Incentives

Long-Term Incentives are intended to reward sustained business success and overall shareholder value creation as well as to retain key senior management members.

Governance

Pursuant to art. 21^{quater} of Nestlé S.A.'s Articles of Association ^(*), variable compensation may comprise long-term compensation elements, and shall be subject to caps expressed as pre-determined multipliers of the respective target levels.

Long-term compensation elements are governed by performance metrics that take into account strategic objectives of Nestlé, achievement of which is generally measured based on a multi-annual period. The annual target level of the long-term compensation elements is determined as a percentage of the Base Salary; depending on the achieved performance, the compensation may amount up to a pre-determined multiplier of the target level. Vesting periods, as determined by the Board of Directors or, to the extent delegated to it, the Compensation Committee, shall be at least three years. See further art. 21^{quater} par. 6 to par. 8 of the Articles of Association.

The Board of Directors or, to the extent delegated to it, the Compensation Committee determines performance metrics and target levels, and their achievement.

Target levels 2025

In 2025, members of Nestlé's Executive Board were eligible to receive Long-Term Incentives in the form of Performance Share Units under the Performance Share Unit Plan (PSUP). The grant value for Long-Term Incentives in 2025 was the following:

- CEO: 150% of the Annual Base Salary
- Executive Vice President and Deputy Executive Vice President: 100% of the Annual Base Salary

The PSUP provides units which entitle participants to receive Nestlé S.A. shares at the end of the three-year vesting period. These shares remain blocked for a further period of two years for Executive Board members.

The level at which PSUs vest is determined by the degree by which the four performance measures of the PSUP are met over the full three-year vesting period. These four criteria are:

- the growth of underlying Earnings per Share (EPS) in constant currencies;
- the relative Total Shareholder Return (TSR) of the Nestlé S.A. share in relation to the STOXX Global 1800 Food & Beverage Gross Return Index;
- the Return on Invested Capital (ROIC) and
- the reduction in greenhouse gas emissions (vs. 2018 base line).

Growth of underlying Earnings per Share, Total Shareholder Return Performance in relation to peers, Return on Invested Capital and reduction in greenhouse gas emissions are commonly used measures to determine senior management long-term performance in the industry. Growth of underlying Earnings per Share will be weighted at 40%, Total Shareholder Return Performance, Return on Invested Capital and reduction in greenhouse gas emissions at 20% respectively to determine the vesting level of the initial PSU award.

All four performance measures will be subject to Compensation Committee review in case of extraordinary events.

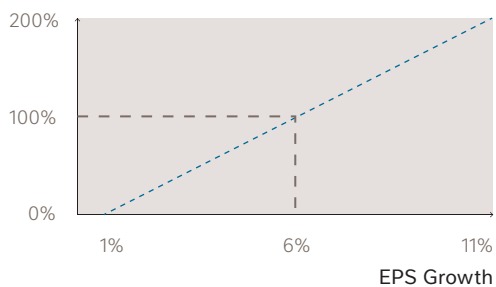
The PSUP covers the Executive Board, Senior Vice Presidents and selected Vice Presidents and Assistant Vice Presidents. A Restricted Stock Unit Plan (RSUP) applies to all other participants.

(*) Nestlé S.A.'s Articles of Association can be found on page 65 and at www.nestle.com/investors/corporate-governance/articles

The following charts show the different potential levels of achievement for each of the four measures for the 2025 PSUP grant.

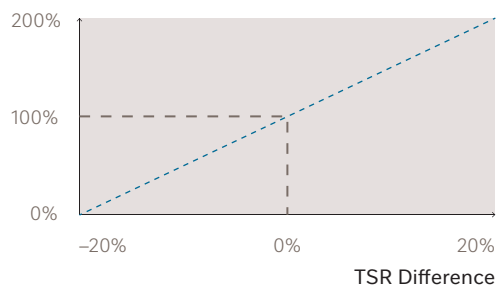
**Underlying EPS Growth
(constant currencies)**

Achievement



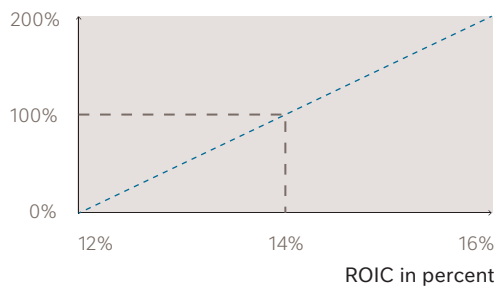
**TSR Difference
(Nestlé vs. Index)**

Achievement



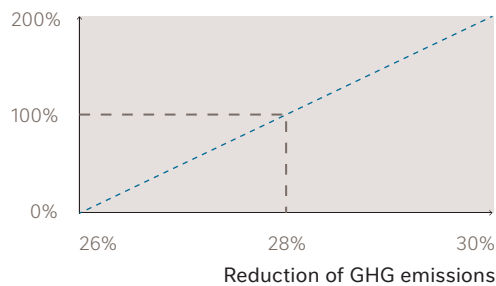
ROIC (in percent)

Achievement



**Reduction of Greenhouse Gas (GHG)
emissions**

Achievement

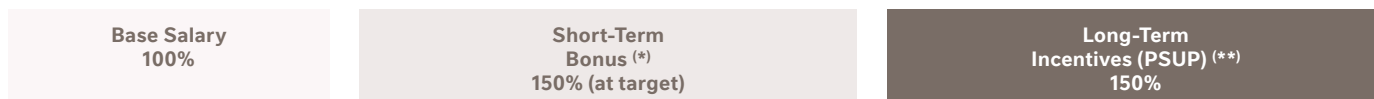


The total vesting level will be determined by applying, at the end of the vesting period, a weight of 40% for Underlying EPS Growth, 20% for TSR Difference, 20% for ROIC and 20% for the Reduction of Greenhouse Gas emissions, and by adding up the four elements.

The vesting range of the PSU starts at 0% and is capped at 200% of the initial PSU award, thus providing alignment with strategy and shareholders' interests, as well as ensuring competitiveness versus external market comparisons.

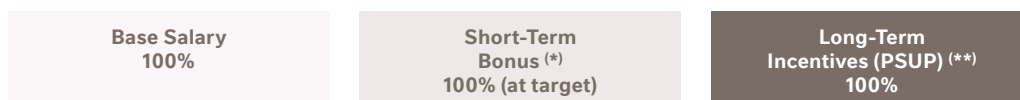
Overview of Executive Board compensation elements

CEO



(*) Payable between 50% and 100% in Nestlé S.A. shares with a three-year blocking period.
 (**) Subject to a two-year holding period after the three-year vesting period.

Executive Vice Presidents



(*) Payable between 0% and 100% in Nestlé S.A. shares with a three-year blocking period.
 (**) Subject to a two-year holding period after the three-year vesting period.

Maximum payout:

- Short-Term Bonus: capped at 150% of the target;
- PSUP: vesting ranges from 0% to 200% of the initial PSU award.

4. Other Incentive Plans ^(a)

For the Head of Nestlé Health Science, the LTI target grant values are the same as mentioned above, but are split between PSUP (30% of grant value) and the specific Long-Term Incentive Plan of Nestlé Health Science (70% of grant value). Nestlé Health Science has a Phantom Share Unit Plan based on the long-term development of that business, with a vesting period of three years, and a value capped at two times the Unit price at grant.

5. Other benefits ^(b)

Typical elements are a car allowance, long-term service awards in line with Company policy as well as contributions towards health insurance premiums and periodical health checks as well as personal security services. Health insurance premiums of the Head of Nestlé Health Science and the Head of Operations are paid by the Company. They also receive a financial planning allowance. Those Executive Board members who have been transferred to Switzerland from other Nestlé locations are eligible to receive benefits provided by Nestlé’s expatriation policies. The Chief Financial Officer benefits from tax and relocation support for her transfer to Switzerland.

(a) The former Head of Zone Americas also participated in the Nestlé US Short-Term and Long-Term Incentive Plans for 75% of his total grant value. The Nestlé US Long-Term Incentive Plan, which has a target value of 250%, is a Phantom Share Unit Plan based on the long-term results of Nestlé S.A. The vesting range and performance measures of these US Performance Share Units (US PSUs) are the same as those of the PSUs described above. They have a three-year vesting period and are cash settled following the third anniversary of the grant date.
 (b) The former Head of Zone Americas received health insurance premiums paid by the company, financial planning allowance, a housing allowance and certain additional benefits including contributions to life insurance and other benefits available to employees in similar positions in the US.

6. Pension benefits (*)

Executive Board members are affiliated to the Nestlé Pension Plan in Switzerland like all other employees, except for the Head of Operations, who is affiliated to the Expatriate Swiss Life Pension Plan in Switzerland and the Head of Nestlé Health Science. The Head of Operations and the Head of Nestlé Health Science remained on US pension plans in line with Nestlé's Corporate Expatriation Policy. The employer's contributions for future pension benefits are included in the compensation amount.

Pensionable earnings under the Nestlé Pension Plan in Switzerland include the Annual Base Salary, but not the variable compensation (Short-Term Bonus or Long-Term Incentives). Any part of the Annual Base Salary which exceeds the ceiling prescribed by Swiss Pension Law is covered directly by the Company.

Benchmarks of Executive Board compensation

Any benchmark needs to take into account Nestlé's overall size, its sector and geographic location. The Compensation Committee has therefore decided that the most appropriate way to assess the competitiveness of the compensation for the Executive Board is by comparing it against the STOXX Europe 50 index (excluding financial services) as the primary benchmark (**), while taking account of trends in executive remuneration in the European fast-moving consumer goods (FMCG) and pharma companies. Reflecting the Company's size (revenue and headcount), Nestlé's competitive position has been evaluated with reference to the 75th percentile of the benchmark.

Share ownership policy

Following an appropriate build-up period, each Executive Board member is required to hold shares at least equal to twice his/her Annual Base Salary, absent specific circumstances. The CEO is required to hold shares at least equal to five times his Annual Base Salary.

An additional two-year blocking period is imposed on Nestlé S.A. shares delivered to Executive Board members upon vesting of PSUs, bringing the total restriction period to five years. The blocking period remains applicable upon termination of employment.

Loans

The Company does not, as a rule, grant loans, except that it may provide advances, generally repayable over a three-year period to members of the Executive Board who have been transferred to Switzerland from other Nestlé locations in line with the Nestlé Corporate Expatriation Policy.

Loans to Executive Board members may only be granted at market conditions and may, at the time of grant, not exceed the respective member's most recent total annual compensation (art. 21^{septies} of the Articles of Association).

Contracts of employment and severance payments

Members of the Executive Board are subject to a notice period of 12 months. During this time, unless there was termination for cause, entitlement to the Annual Base Salary and prorated Short-Term Bonus continues. Long-Term Incentives are forfeited upon voluntary resignation or termination for cause; Long-Term Incentives immediately vest in all other cases of termination of employment, but no new grants are awarded following notice of termination. There are no severance payments or change of control provisions ("golden parachutes"). Non-compete provisions are in line with the Articles of Association and are activated by the Company only as necessary on a case-by-case basis.

The compensation of the members of the Executive Board is subject to forfeiture or claw back foreseen by Swiss law and if the compensation paid or granted is rejected by the General Meeting of Nestlé S.A. in a final vote.

(*) The former Head of Zone Americas was also affiliated to the local pension plan.

(**) Companies include: ABB, Air Liquide, Airbus, Anheuser-Busch, ASML Holding, AstraZeneca, BASF, BP, British American Tobacco, Cie Financiere Richemont, Deutsche Telekom, Diageo, Enel, EssilorLuxottica, Glencore, GSK, Hermès International, Iberdrola, L'Oréal, LVMH, Mercedes-Benz Group, National Grid, Novartis, Novo Nordisk, Prosus, Relx, Rio Tinto, Roche, Safran, Sanofi, SAP, Schneider Electric, Shell, Siemens, TotalEnergies, Unilever and Vinci.

Audited

Compensation 2025 for members of the Executive Board

At the Annual General Meeting of April 18, 2024 the shareholders approved a maximum compensation for members of the Executive Board of CHF 80 million for 2025. The total compensation paid to members of the Executive Board in 2025, including contributions towards future pension benefits and total social security contributions, was CHF 50 700 742. Please refer to the explanations provided on page 58.

Compensation for members of the Executive Board in CHF (including the CEO)

	2025	2024
Annual Base Salary	14 061 919	17 833 333
Short-Term Bonus (cash)	11 731 444	15 155 708
Short-Term Bonus (market value of Nestlé S.A. share) ^(a)	2 019 030	1 901 376
Performance Share Units (market value) ^(b)	14 341 118	20 406 777
Other benefits	2 051 536	2 576 594
Total	44 205 047	57 873 788
% Fixed/Variable	36.5 - 63.5	35.3 - 64.7
Company contributions towards future pension benefits (in line with Nestlé's Pension Benefit Policy described above)	3 859 193	4 978 127
Company contributions to compulsory Swiss social security ^(c)	380 520	421 400
Additional remuneration and fees paid to members of the Executive Board	559 953	11 092 353
Total including the elements above	49 004 713	74 365 668

The above compensation table includes the following:

	2025	2024
Number of Nestlé S.A. shares ^(d) granted	27 605	24 923
Number of Performance Share Units granted under the PSUP	177 221	218 855

(a) Nestlé S.A. shares delivered as part of the Short-Term Bonus are valued at the average closing price of the last ten trading days of January 2026.

(b) The Performance Share Units are valued at the average closing price of the first ten trading days, after the publication of the annual results for the Grant in March and at the average closing price of the last ten trading days in September for the Grant in October. Performance Share Units granted and revoked in the same year are not disclosed.

(c) Since the Company contributions to social security are based on full earnings, whereas benefits are capped, only contributions that lead to future benefits are included. The additional cost to the Company taking into account full social security employer contributions is CHF 1 696 029 in 2025 and CHF 2 671 913 in 2024.

(d) or American Depositary Receipts (2024)

Explanations

- On December 31, 2025, the Executive Board consisted of 13 members.
- Philipp Navratil was appointed member of the Executive Board effective January 1, 2025. He was appointed CEO effective September 1, 2025.
- Anna Lenz was appointed member of the Executive Board effective January 1, 2025.
- David Zhang left the Executive Board on January 1, 2025.
- Béatrice Guillaume-Grabisch left the Executive Board on January 1, 2025.
- Lisa Gibby left the Executive Board on January 1, 2025.
- David Rennie was appointed member of the Executive Board effective April 1, 2025.
- Bernard Meunier left the Executive Board on April 1, 2025.
- Steve Presley left the Executive Board on May 1, 2025.
- Jeff Hamilton was appointed member of the Executive Board effective July 1, 2025.
- Laurent Freixe left the Executive Board on September 1, 2025.
- Alfonso Gonzalez was appointed member of the Executive Board effective November 1, 2025.
- For other benefits, see section 5 above.
- Performance Share Units granted in 2025 are disclosed at market value, which corresponds to CHF 84.53 (*) for the Grant in March and to CHF 71.77 for the grant in October.
- The values in the table above differ in some respect from the compensation disclosure in Note 18.1 of the Consolidated Financial Statements of the Nestlé Group 2025, which have been prepared in accordance with the IFRS Accounting Standards. The differences relate to the timing of valuation of Performance Share Units, whose values are spread over three years under IFRS but reported fully at the grant date in this report.

Payout levels

- The Short-Term Bonus payout for the Executive Board was 103.6% in 2025, based on the achievement of the relevant Group and individual quantitative and qualitative objectives (2024: 89.1%).
- The Performance Share Units granted in 2023 vest in February 2026 with a payout of 79% of the initial PSU award (PSUs granted in 2022 vested in 2025 with a payout of 79%).

(*) USD 83.23 for US Performance Share Units

Target Achievements

Group and ESG Objectives 2025 Target Achievements
(CEO Short Term Bonus Achievements)

Financial Objectives (85% weighted)



ESG (15% weighted) – total achievement: 130.5%

By KPI

% net reduction of GHG emissions vs. 2018 baseline



% of virgin plastic reduction vs. 2018 baseline



% volumes of key ingredients sourced from farmers adopting regenerative agriculture practices



Number of servings of affordable nutrition with micronutrient fortification (billions)

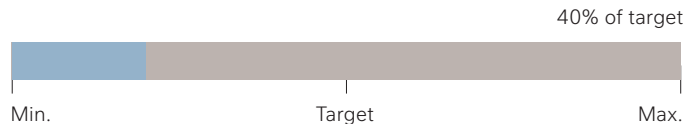


% of management positions held by women

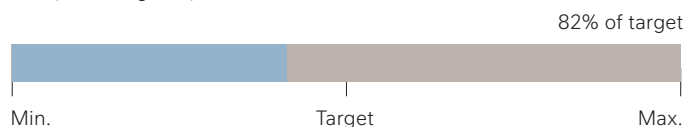


Long-Term Incentive Plan 2023–2025 Achievements

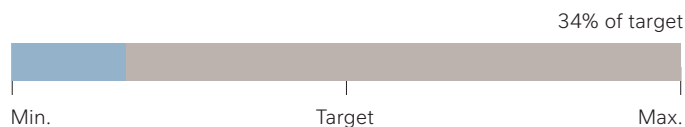
Underlying EPS (40% weighted)



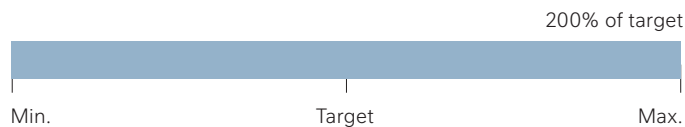
TSR (20% weighted)



ROIC (20% weighted)



GHG (20% weighted)



Events after the balance sheet date

- Sanjay Bahadur left the Executive Board on January 31, 2026.

Audited Highest total compensation for a member of the Executive Board (*)

In 2025, the highest total compensation for a member of the Executive Board was technically conferred to Steve Presley, the CEO Zone AMS until April 2025 (**). He received a total amount of CHF 7 334 675. For transparency disclosed below is the CEO, Philipp Navratil, Executive Board member since January 1, 2025 and CEO since September 1, 2025. The amounts below are included in the Executive Board compensation disclosed above. The below disclosed compensation for 2024 refers to the former CEO Mark Schneider (***) .

	2025		2024	
	Number	Value in CHF	Number	Value in CHF
Annual Base Salary (a)		1 200 000		2 400 000
Short-Term Bonus (cash)		847 333		2 779 200
Short-Term Bonus (market value of Nestlé S.A. share) (b)		847 400		—
Performance Share Units (market value) (c)	19 683	1 533 422	38 681	3 600 041
Other benefits		109 699		68 900
Total		4 537 854		8 848 141
% Fixed/Variable		28.9 - 71.1		27.9 - 72.1
Company contribution towards future pension benefits		236 437		748 775
Company contribution to compulsory Swiss social security (d)		30 240		29 400
Total including the elements above		4 804 531		9 626 316

(a) The Base Salary for the new CEO has been set at CHF 2 000 000 on an annualized basis.

(b) Nestlé S.A. shares delivered as part of the Short-Term Bonus are valued at the average closing price of the last ten trading days of January 2026.

(c) The Performance Share Units are valued at the average closing price of the first ten trading days, after the publication of the annual results.

(d) Since the Company contributions to social security are based on full earnings, whereas benefits are capped, only contributions that lead to future benefits are included. The additional cost to the Company taking into account full social security employer contributions is CHF 198 204 in 2025 and CHF 425 265 in 2024.

Explanations

- Performance Share Units granted in 2025 are disclosed at market value, which corresponds to CHF 84.53 for the grant in March and CHF 71.77 for the grant in October.
- Please also refer to the explanations provided on page 54.

Payout levels

- The Short-Term Bonus payout for the CEO was 99.5% in 2025, based on the achievement of Group quantitative and qualitative objectives and the ESG objectives (2024: 77.2%).
- The Performance Share Units granted in 2023 vest in February 2026 with a payout of 79% of the initial PSU award (PSUs granted in 2022 vested in 2025 with a payout of 79%).

(*) Not taking into account replacement grants awarded to members of the Executive Board during the financial year. Including replacement grants, Anna Manz (CFO) would have been the highest paid in 2024.

(**) This amount includes CHF 976 086 for ABS, CHF 1 306 450 for STB, CHF 3 081 250 for LTIP and CHF 1 970 888 for other benefits, social security and pension contribution.

(***) Former CEO Laurent Freixe received no compensation upon termination other than his pro rata base salary until Sept. 1, 2025. Please refer to the explanations provided on page 58.

Audited

Share ownership of the members of the Executive Board and closely related parties on December 31

	2025	2024
	Number of shares held ^(a)	Number of shares held ^(a)
Philipp Navratil, Chief Executive Officer	2 429	—
Stefan Palzer	32 811	31 397
Leanne Geale	35 842	31 178
Remy Ejel	19 877	13 214
Stephanie Pullings Hart	—	—
David Rennie	35 203	29 540
Anna Mohl	1 500	800
Anna Manz	46 658	44 297
Guillaume Le Cunff	9 206	6 768
Sanjay Bahadur	104 131	99 467
Anna Lenz	3 059	—
Jeff Hamilton	—	—
Alfonso Gonzalez Loesch	5 798	—
Members who left the Executive Board during the year	—	160 171
Total as at December 31	296 514	416 832

(a) Including shares subject to a three-year blocking period, and further two-year holding period.

There are no stock options held by any member of the Executive Board and closely related parties.

Audited **Other audited information regarding the Executive Board**

Loans to members of the Executive Board

On December 31, 2025, there were no loans outstanding to any member of the Executive Board.

Additional fees and remuneration of the Executive Board

One member of the Executive Board, in her role of CEO of Nestlé Health Science, also participated in 2025 in the Nestlé Health Science Long-Term Incentive plan, a Phantom Share Unit plan based on the long-term development of that business. She was attributed 7890 Units in 2025, with a share price of CHF 70.97 per Unit (vesting period of three years, value capped at two times the Unit price at grant).

Compensation and loans for former members of the Executive Board

In 2025, three former members of the Executive Board received compensation during their termination and/or non-compete periods in the total amount of CHF 7 592 381 as per the terms of their contracts. This amount includes CHF 2 894 666 for Base Salary, CHF 3 066 666 for Short Term Bonus and CHF 1 230 969 for company contributions towards future pension, social security and other benefits. One member received Long Term Incentives in connection with her continued services to the company in the amount of CHF 400 080.

On December 31, 2025, there were no loans outstanding to former members of the Executive Board.

Compensation or loans to related parties of members of the Executive Board

In 2025, no compensation was paid to related parties of members of the Executive Board, and there were no loans outstanding to related parties.

Audited

Mandates on December 31, 2025

As at December 31, 2025, the members of the Executive Board held the following comparable positions in other undertakings with commercial objectives.

	Mandates in listed companies	Function	Mandates in non-listed companies	Function
Philipp Navratil			Cereal Partners Worldwide SA	– Board member
Anna Manz	AstraZeneca Plc	– Board member – Audit Committee, member		
Remy Ejel			Cereal Partners Worldwide SA	– Board member
Guillaume Le Cunff			Cereal Partners Worldwide SA Lactalis Nestlé Produits S.A.S.	– Board member – Board member – Board member
Jeff Hamilton			Cereal Partners Worldwide SA	– Board member
Stefan Palzer	Merck KGaA	– Board member		
Leanne Geale	Holcim Ltd.	– Board member – Health, Safety and Sustainability Committee, member – Nomination, Compensation and Governance Committee, member		
Stephanie Pullings Hart			TraceLink Inc.	– Board member – Enterprise Risk Committee, member
David Rennie			Froneri Lux Topco Sàrl	– Board member
Anna Mohl			Amazentis SA	– Board member
Sanjay Bahadur			Froneri Lux Topco Sàrl European Pizza Group Topco Sàrl	– Board member – Board member
Anna Lenz				
Alfonso Gonzalez Loeschen				

Mandates on December 31, 2024

As at December 31, 2024, the members of the Executive Board held the following comparable positions in other undertakings with commercial objectives.

	Mandates in listed companies	Function	Mandates in non-listed companies	Function
Laurent Freixe			Cereal Partners Worldwide SA	– Board member
Stefan Palzer	Merck KGaA	– Board member		
Béatrice Guillaume-Grabisch	L'Oréal S.A.	– Board member – Audit Committee, member		
Leanne Geale	Holcim Ltd.	– Board member – Health, Safety and Sustainability Committee, member		
Bernard Meunier			Cereal Partners Worldwide SA	– Board member, Co-Chair
Steve Presley				
Remy Ejel			Cereal Partners Worldwide SA	– Board member
David Zhang	Mei Nian Jian Kang	– Board member		
Stephanie Pullings Hart			TraceLink Inc.	– Board member – Enterprise Risk Committee, member
David Rennie			Froneri Lux Topco Sàrl	– Board member
Anna Mohl			Amazentis SA	– Board member
Anna Manz	AstraZeneca Plc	– Board member – Audit Committee, member		
Guillaume Le Cunff			Cereal Partners Worldwide SA Lactalis Nestlé Produits S.A.S.	– Board member – Board member
Sanjay Bahadur			Froneri Lux Topco Sàrl European Pizza Group Topco Sàrl	– Board member – Board member
Lisa Gibby				

To the General Meeting of
Nestlé S.A., Cham & Vevey

Lausanne, 18 February 2026

Report of the statutory auditor on the audit of the Compensation Report



Opinion

We have audited the Compensation Report of Nestlé S.A. (the Company) for the year ended 31 December 2025. The audit was limited to the information pursuant to articles 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited” and highlighted with a blue bar on pages 38 to 60 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the Compensation Report complies with Swiss law and the Company’s articles of association.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the Compensation Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables labelled “audited” in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of directors' responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibilities for the audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

A handwritten signature in black ink, appearing to read 'J. Boillet', written in a cursive style.

Jeanne Boillet
Licensed audit expert
(Auditor in charge)

A handwritten signature in black ink, appearing to read 'André Schaub', written in a cursive style.

André Schaub
Licensed audit expert

