

Nestlé

Pays	Suisse
Date de l'assemblée	jeudi 16 avril 2026 14:30
Forme de l'assemblée	En présentiel
Lieu de l'assemblée	SwissTech Convention Center EPFL, Rue Louis-Favre 2, 1024 Ecublens / Lausanne
Type d'assemblée	Assemblée générale ordinaire
Titres	ISIN CH0038863350, Valor number 3886335

Points marquants de l'ordre du jour

POINT 1.2 - Vote consultatif sur le rapport de rémunération. La transparence du rapport de rémunération est insuffisante. Le lien entre rémunération et performance n'est pas démontré. La structure des rémunérations ne respecte pas les lignes directrices d'Ethos. Ethos recommande de voter CONTRE (point 5.2.a des lignes directrices d'Ethos).

POINT 1.3 - Approbation du rapport de durabilité. Les indicateurs pertinents ne sont pas vérifiés par une partie tierce indépendante. La société est sujette à de graves controverses qui ne sont pas traitées de manière adéquate dans le rapport de durabilité. La société n'a pas fixé d'objectifs ambitieux et quantitatifs sur les enjeux matériels. Ethos recommande de voter CONTRE (points 2.1.f, 2.1.h, 2.1.i des lignes directrices d'Ethos).

POINT 2 - Décharge aux membres du conseil d'administration et de la direction générale. La société est visée par une enquête. Ethos recommande de voter CONTRE (point 1.2.c des lignes directrices d'Ethos).

POINT 4.2.1 - Election de Mme Fama Francisco. Elle exerce un nombre excessif de mandats. Ethos recommande de voter CONTRE (point 3.1.c des lignes directrices d'Ethos).

POINT 5.1 - Vote contraignant prospectif sur la rémunération totale du conseil d'administration. La rémunération du président du conseil est significativement supérieure à celle d'un group de référence. Ethos recommande de voter CONTRE (point 5.3.c des lignes directrices d'Ethos).

POINT 5.2 - Vote contraignant prospectif sur la rémunération totale de la direction générale. Le montant maximal qui pourrait être finalement payé est significativement supérieur au montant demandé à l'assemblée générale. La structure de la rémunération ne respecte pas les lignes directrices d'Ethos. Ethos recommande de voter CONTRE

Contenu

- 1 Positions de vote
- 2 Analyse de l'assemblée
- 3 Informations sur la société
- 4 Rapport de rémunération
- 5 Rémunération demandée
- 6 Conseil d'administration
- 7 Durabilité

(points 5.6.c, 5.6.d des lignes directrices d'Ethos).

1. Aperçu de l'Assemblée Générale

1.1 Positions de vote à l'assemblée générale

Point	Proposition		Position de vote d'Ethos	Position du Conseil d'administration
1.1	Approbation du rapport annuel, des comptes consolidés et des comptes annuels		POUR	POUR
1.2	Vote consultatif sur le rapport de rémunération	●	CONTRE	POUR
1.3	Approbation du rapport de durabilité	●	CONTRE	POUR
2	Décharge aux membres du conseil d'administration et de la direction générale	●	CONTRE	POUR
3	Décision sur l'emploi du bénéfice et sur le dividende		POUR	POUR
4	Elections au conseil d'administration			
4.1.1	Réélection de M. Pablo Isla Álvarez de Tejera en tant que membre du conseil d'administration et nouvelle élection en tant que président du conseil d'administration		POUR	POUR
4.1.2	Réélection de M. Dick Boer		POUR	POUR
4.1.3	Réélection de Mme Marie-Gabrielle Ineichen-Fleisch		POUR	POUR
4.1.4	Réélection de Dr. Renato Fassbind		POUR	POUR
4.1.5	Réélection de Prof. Dr. Patrick Aebischer		POUR	POUR
4.1.6	Réélection de M. Dinesh C. Paliwal		POUR	POUR
4.1.7	Réélection de Mme Lindiwe Majele Sibanda		POUR	POUR
4.1.8	Réélection de Mme Chris Leong		POUR	POUR
4.1.9	Réélection de M. Luca Maestri		POUR	POUR
4.1.10	Réélection de M. Rainer M. Blair		POUR	POUR
4.1.11	Réélection de Mme Geraldine Matchett		POUR	POUR
4.2.1	Election de Mme Fama Francisco	●	CONTRE	POUR
4.2.2	Election de Dr. Thomas Jordan		POUR	POUR
4.3	Elections au comité de rémunération			
4.3.1	Réélection de M. Dinesh C. Paliwal au comité de rémunération		POUR	POUR
4.3.2	Réélection de M. Dick Boer au comité de rémunération		POUR	POUR
4.3.3	Réélection de Prof. Dr. Patrick Aebischer au comité de rémunération		POUR	POUR
4.3.4	Election de Mme Marie-Gabrielle Ineichen-Fleisch au comité de rémunération		POUR	POUR
4.3.5	Election de Dr. Renato Fassbind au comité de rémunération		POUR	POUR
4.3.6	Election de M. Luca Maestri au comité de rémunération		POUR	POUR

4.4	Réélection de Ernst & Young en tant qu'organe de révision		POUR	POUR
4.5	Réélection de Hartmann Dreyer en tant que représentant indépendant		POUR	POUR
5.1	Vote contraignant prospectif sur la rémunération totale du conseil d'administration	●	CONTRE	POUR
5.2	Vote contraignant prospectif sur la rémunération totale de la direction générale	●	CONTRE	POUR
	Divers	●	CONTRE	

1.2 Résultats des votes de l'assemblée générale du mercredi 16 avril 2025

Point	Proposition	% Pour	Résultat	Position de vote d'Ethos	Position du Conseil d'administration
1.1	Approbation du rapport annuel, des comptes consolidés et des comptes annuels	100%	Acceptée	<i>POUR</i>	<i>POUR</i>
1.2	Vote consultatif sur le rapport de rémunération	74%	Acceptée	● <i>CONTRE</i>	<i>POUR</i>
1.3	Approbation du rapport de durabilité	90%	Acceptée	● <i>CONTRE</i>	<i>POUR</i>
2	Décharge aux membres du conseil d'administration et de la direction générale	92%	Acceptée	● <i>CONTRE</i>	<i>POUR</i>
3	Décision sur l'emploi du bénéfice et sur le dividende	100%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1	Elections au conseil d'administration		-		
4.1.1	Réélection de M. Paul Bulcke en tant que membre et président du conseil d'administration	85%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.2	Réélection de M. Pablo Isla Álvarez de Tejera	93%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.3	Réélection de Dr. Renato Fassbind	98%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.4	Réélection de Mme Hanne de Mora	99%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.5	Réélection de M. Dick Boer	98%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.6	Réélection de Prof. Dr. Patrick Aebischer	98%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.7	Réélection de M. Dinesh C. Paliwal	97%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.8	Réélection de Mme Lindiwe Majele Sibanda	99%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.9	Réélection de Mme Chris Leong	99%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.10	Réélection de M. Luca Maestri	99%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.11	Réélection de M. Rainer M. Blair	99%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.12	Réélection de Mme Marie-Gabrielle Ineichen-Fleisch	98%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.1.13	Réélection de Mme Geraldine Matchett	99%	Acceptée	<i>POUR</i>	<i>POUR</i>
4.2	Election de M. Laurent Freixe	91%	Acceptée	● <i>CONTRE</i>	<i>POUR</i>
4.3	Elections au comité de rémunération		-		
4.3.1	Réélection de M. Dick Boer au comité de rémunération	94%	Acceptée	<i>POUR</i>	<i>POUR</i>

Positions de vote

4.3.2	Réélection de Prof. Dr. Patrick Aebischer au comité de rémunération	96%	Acceptée		<i>POUR</i>	<i>POUR</i>
4.3.3	Réélection de M. Pablo Isla Álvarez de Tejera au comité de rémunération	91%	Acceptée		<i>POUR</i>	<i>POUR</i>
4.3.4	Réélection de M. Dinesh C. Paliwal au comité de rémunération	95%	Acceptée		<i>POUR</i>	<i>POUR</i>
4.4	Réélection de Ernst & Young en tant qu'organe de révision	99%	Acceptée		<i>POUR</i>	<i>POUR</i>
4.5	Réélection de Hartmann Dreyer en tant que représentant indépendant	100%	Acceptée		<i>POUR</i>	<i>POUR</i>
5.1	Vote contraignant prospectif sur la rémunération totale du conseil d'administration	95%	Acceptée		<i>POUR</i>	<i>POUR</i>
5.2	Vote contraignant prospectif sur la rémunération totale de la direction générale	85%	Acceptée	●	<i>CONTRE</i>	<i>POUR</i>
6	Réduction du capital par annulation d'actions	100%	Acceptée		<i>POUR</i>	<i>POUR</i>
	Divers		-	●	<i>CONTRE</i>	

Détail des présences

Le taux de présence à l'assemblée générale 2025 était de 58% des actions émises. Les voix étaient représentées comme suit:

- Représentant indépendant : 99.4%
- Actionnaires présents dans la salle : 0.6%

2. Proxy Analysis

1.1 Approve annual report, financial statements and accounts FOR

The board of directors requests shareholder approval of the company's annual report and of the statutory and consolidated accounts for the fiscal year 2025, which are prepared in accordance with IFRS.

The company's key financial figures for the past 5 financial years can be found in section 3.2 of this report.

2025 Company milestones

- In June 2025, Nestlé announced that its chair, Mr. Paul Bulcke will not stand for re-election at 2026 AGM and will be replaced by Mr. Pablo Isla Álvarez de Tejera, vice-chair.
- In September 2025, the company announced the dismissal of Mr. Laurent Freixe following an investigation regarding an undisclosed relationship with a subordinate which was considered as a breach of the company's code of conduct. The company announced that Mr. Philipp Navratil, who joined the executive management at the beginning of the year as CEO Nespresso, was appointed as CEO. Two weeks later, it was announced that Mr. Paul Bulcke decided to step down from the board with immediate effect. Mr. Pablo Isla Álvarez de Tejera took over as chair of the board.
- In January 2026, Nestlé had to recall batches of infant milk brands in 60 countries due to the possible presence of cereulide, a toxin that can cause food poisoning. This was detected in an ingredient provided by a supplier. The impact on sales return is estimated at CHF 75 million and other operating expenses include inventory write-offs of CHF 110 million booked in the financial year 2025.
- In February 2026, Nestlé announced its decision to sharpen the portfolio around four businesses, coffee, petcare, nutrition and food & snacks. As a result, the Nestlé Health Science will be consolidated to a single business. In addition, the board of directors has reviewed its structure and decided to make some changes as of 2026 AGM. In particular, the chair's committee which had authority to deal with business matters without the whole board in urgent cases, will be dissolved.

Ethos' recommendation

The audit report mentions 3 key audit matters that were most significant in the audit of the 2025 consolidated financial statements and how these key audit matters were addressed by Ernst & Young. However, the audit report does not mention the materiality threshold used by Ernst & Young or the scope of the audit, which Ethos regrets.

Ethos has no special concerns regarding the accuracy of the company's financial statements and accounts and, in accordance with its voting guidelines, recommends to vote FOR.

1.2 Advisory vote on the remuneration report OPPOSE

The board of directors requests an advisory vote on the remuneration report included in the annual report. The remuneration report describes the remuneration policy and discloses the remuneration paid to both non-executive board members and members of the executive management. Section 4 of this report includes the description and detailed figures of the 2025 remuneration of the board of directors and of the members of the executive management of the company.

A) Changes implemented

Ethos notes that the 2024 remuneration report was significantly contested at the 2025 AGM (73.7% of approval). In light of that, the company introduced the following changes:

- Regarding the annual bonus, the company discloses for the first time the level of achievement of each ESG criterion separately. However, the level of achievement of financial objectives accounting for 85% of the bonus is still disclosed under a single item.
- Concerning the long-term incentive plan (LTIP), Nestlé discloses for the first time the base year used to measure the reduction of GHG emissions. However, it is not mentioned which scopes are covered by the target.

- The CEO base salary is now set at CHF 2 million for Mr. Navratil compared to CHF 2.4 million for the previous CEO.
- While the previous chair, Mr. Paul Bulcke, received his entire fees in shares it appears to be not the case for Mr. Isla Álvarez de Tejera according to the remuneration requested under ITEM 5.1. which mentions that the new chair will receive 50% of his fees in shares.

In addition to the above changes, the following changes are foreseen:

- Functional objectives that are part of the annual bonus will be replaced by group objectives.
- The 2-years blocking period of the PSUS after the three year performance period will be removed. In addition, the LTIP will vest at pro-rata in case of retirement.

B) Ethos' appraisal of the remuneration system

B.1) Disclosure

Concerns

- The description of the performance conditions pertaining to the annual bonus of the members of management is not sufficient, preventing shareholders from assessing whether the remuneration policy adequately aligns the interests of the members of the executive management to those of the shareholders and the company's long-term strategy. While the company mentions financial objectives with their respective weight, additional quantitative and qualitative criteria are also used, but most of them are too vague (e.g.: progress on digitalization, strengthening Nestlé's values and culture, further progress on quality and safety). In addition, the weight of these objectives in comparison with financial objectives is not disclosed. It is only mentioned that group objectives account for 85% and ESG criteria for 15%.
- As mentioned above, Nestlé does not disclose ex-post the level of achievement of each of the performance criteria used to determine the payout under annual bonus, but only as an aggregate figure for the financial criteria.
- As mentioned above, the scopes of emissions included in GHG emissions reduction target included in both annual bonus and LTIP, are not disclosed.
- While the disclosure of the level of vesting of each performance criterion of the LTIP is disclosed, Ethos would welcome a short explanation as shareholders cannot assess pay-for-performance without referring to the 2022 annual report where the targets of the LTIP 2023-2025 are disclosed. Furthermore, Nestlé does not publish the remuneration realised from the vesting of the LTIP, which Ethos regrets, especially in light of the important payouts under this plan.
- The CEO of Nestlé Health Science receives awards under a specific Nestlé Health Science phantom share unit plan. However, no information is provided regarding this plan, except that it is based on the long-term development of this business. Ethos expects further information on the treatment of the current outstanding award under this plan following the board's announcement to merge the Health Science Division with the nutrition division.
- In 2025, the highest paid member of the executive management was Mr. Steve Presley, CEO of Zone AMS until April 2025, with a total remuneration of CHF 7.3 million. While Ethos notes that the Head of Zone North America is entitled to participate for 75% of his total grant value to the Nestlé US short-term and long-term incentive plans with an initial grant for the US long-term plan corresponding to 250% of the base salary, however no information is provided regarding these plans. In addition, he received CHF 2.0 million of pension and other benefits without further explanations.
- While the remuneration report mentions the fees paid to the board members and additional fees paid for functions in committees, the remuneration foreseen for the chair function is not disclosed.

B.2) Remuneration structure: board members

During the year under review, the chair of the board, Mr. Isla Álvarez de Tejera (chair since 1 October), received CHF 2'249'948, while the other members of the board received on average CHF 471'911 (excl. Mr. Paul Buckle who was chair until end of September).

Mr. Isla Álvarez de Tejera became chair on 1 October. The remuneration mentioned above relates to 5.5 months as vice-chair and 6.5 months as chair. On an annual basis, his remuneration as chair would amount approx. to CHF 3'468'367 based on Ethos' estimates, which corresponds to 7.3 times the average remuneration of the other members of the board (excl. the remuneration paid to Mr. Bulcke).

Amounts paid compared to peers

Nestlé mentions in its remuneration report that it compares the remuneration of its board members to a peer group of large Swiss-based multinational listed companies: Novartis, Roche, Richemont, ABB, UBS, Holcim, Swiss Re and Zurich Insurance. Since Nestlé is the second largest capitalisation in Switzerland following Roche, Ethos considers that Nestlé's peer group is relevant to benchmark remuneration. Based on Nestlé's peer group, the median remuneration of the chair and the other board members are as follows:

Median remuneration of non-executive chairs	CHF	3'400'700
Median remuneration of other board members	CHF	361'998

In 2025, the board remuneration at Nestlé was as follows:

Chair (annualised remuneration)	CHF	3'468'367
Other board members (average, excl. the remuneration of the former chair)	CHF	471'911

The remuneration of the chair is 2% higher than the median of the peer group (30% higher than the median for the other board members). Ethos notes that Nestlé is the largest company of the peer group when looking at the three factors (total revenues, number of employees and market capitalisation).

Ethos has also compared Nestlé's board remuneration to the 10 largest capitalisations in the SPI based on 31 December 2025 and found that the remuneration is 32% above the median for the chair and 33% above the median for the other board members. While Nestlé's remuneration is high compared to the median, its size is much higher than that of its peers: its market capitalisation is 1.9 times the median of the peer group, its number of employees 4.0 times the median and its total revenues 2.3 times the median.

Positive features

- The non-executive directors do not receive any performance-related remuneration or options, which is compliant with best practice.
- Approx. 50% of their remuneration is paid in shares blocked for 3 years, which helps to align their interests with those of the shareholders.

B.3) Remuneration structure: executive management

The members of the executive management, including the CEO, have a base salary and can receive variable remuneration under 2 incentive plans, which are described in detail under section 4.5 of this report. For the year under review, the company CEO, Mr. Navratil, received a total remuneration of CHF 4'804'531, of which 67% is variable. His total variable remuneration at grant corresponds to 2.69 times his base salary. The other members of the management received on average CHF 3'790'753, of which 58% is variable. Their total variable remuneration at grant corresponds to 1.98 times their average base salary.

Mr. Navratil was appointed CEO as of 1 September. His remuneration mentioned above is therefore for 8 months as CEO Nespresso and for 4 months as group CEO. On an annual basis, his remuneration as CEO would amount approx. to CHF 7'072'583 based on Ethos' estimates.

In 2025, the highest paid executive was Mr. Steve Presley, CEO Zone America until end of April 2025. Mr. Presley received a total remuneration of CHF 7'334'675, of which 60% is variable. His total variable remuneration at grant corresponds to 4.50 times his base salary. Ethos notes that he participated in the Nestlé US short-term and long-term incentive plans for 75% of his total grant value. The Nestlé US LTIP has a target value of 250% instead of 100% regarding the actual plan granted to the other executives.

Amounts paid compared to peers

In 2024 (most recent figures available), the remuneration paid to the members of the executive management of companies similar to Nestlé (peers) was as follows:

Median base salary of CEOs	CHF	1'892'310
Median base salary of other executives	CHF	891'989
Median total remuneration of CEOs	CHF	10'766'325
Median total remuneration of other executives	CHF	4'266'429

NB: Nestlé being one of the largest capitalisation in Switzerland, Ethos has compared Nestlé's executive remuneration to the 10 largest companies listed in Switzerland, including Nestlé, based on their market capitalisation on 31 December 2025.

In 2025, the executive remuneration at Nestlé was as follows:

Base salary of the CEO (on an annual basis)	CHF	2'000'000
Base salary of the other executives (average)	CHF	1'043'140
Total remuneration of the CEO (on an annual basis)	CHF	7'072'583
Total remuneration of the other executives (average)	CHF	3'584'767

The base salary of the CEO is 6% above the median of the peer group (17% above for the other executive members) and his total remuneration is 34% below the median of the peer group (16% below for the other executives).

The annual report states that the peer group used to benchmark the remuneration of the executive management is the STOXX Europe 50 Index (excluding financial services), referencing to the 75th percentile and taking into account trends in executive remuneration in the European Fast Moving Consumer Goods and pharma companies. In order to have an international benchmark, Ethos also compared the CEO's remuneration to the remuneration of the CEOs of the 24 largest European companies of the sector "Consumer Staples" (GICS 1 level). Mr. Navratil's base salary is 43% higher than the median and his total remuneration is 14% lower than the median.

Pay-for-performance connection

In order to assess the pay-for-performance connection, and thus the relevance of the level of bonus paid, Ethos reviews the performance of the company compared to 31 other companies active in the same industry as Nestlé (based on the Global Industry Classification Standard (GICS) level 3). Ethos considers that the sales growth, the evolution of EBITDA (relative to the sales at the beginning of the period) and the total shareholder return (TSR) give a good overview of the performance of the company.

For the 2025 financial year, the company ranks at the following percentiles (100 is best) for each of the indicators:

Sales growth	19th
Evolution of EBITDA	26th
TSR	57th

Based on the three indicators, the performance of the company is below the median of the peer group. Ethos considers that the target bonus should reward median performance. Therefore, Ethos considers that the payment of a bonus below target would be appropriate.

The remuneration report states that the payout ratio of the annual bonus was 103.6% of the target bonus for the executive management. For the CEO, the annual bonus represents 99.5% of his target bonus (94% of the target for the financial criteria and 130% for the ESG criteria).

Ethos considers that the pay-for-performance can be demonstrated based on different metrics when the level of achievement of each criterion versus the target is clearly explained. The lack of transparency of Nestlé's remuneration report does not allow such demonstration. Regarding the ESG criteria for which the level of achievement is separately disclosed, the connection between the performance of the company and the level of achievement can be confirmed for two criteria out of five (CO2e emissions reduction and volumes of key ingredients sourced from farmers adopting regenerative agriculture practices). However, for three indicators, the link cannot be confirmed. For the indicator % of virgin plastic reduction vs 2018 baseline, the company mentions that it achieve 130% of the target. However, when looking at the sustainability report, Nestlé mentions that the target for virgin plastic was a reduction of 33% by 2025 on the 2018 baseline. The effective reduction was however 28%. Ethos therefore questions why this target has been considered as overachieved by the board. Regarding the two other ESG targets, the company has not disclosed in its sustainability report any official and public target.

In order to assess the level of vesting of the LTIP, Ethos reviewed Nestlé's performance against the same peer group as for the annual bonus, but for the 3-year performance period ending on 31 December 2025. The company ranks at the following percentiles (100 is best) for each of the indicators:

Sales growth	13th
Evolution of EBITDA	29th
TSR	23rd

Based on the three indicators, the performance of the company is below the median of the peer group. The LTIP based on the 2023-2025 performance period vested at 79% of the initial grant, based on underlying EPS (40%), relative TSR (20%), ROIC (20%) and GHG emissions reduction (20%). Ethos therefore considers that the level of vesting of the LTIP seems not excessive. Ethos however notes that the sole criterion which was above target is GHG emission reduction which resulted in a 200% payout. However due to lack of transparency of the report, it is not possible to evaluate if this objective is ambitious or not.

Concerns

- As mentioned above, the pay-for-performance connection of the annual bonus is not demonstrated.
- The former Head of Zone North America participated for 75% of his total grant value to the Nestlé US short-term and long-term incentive plans. The initial grant of the US long-term plan corresponds to 250% of the base salary and can vest up to 200%, i.e. 500% of the base salary, which largely exceeds Ethos' limit of 2 times the base salary. This year, the highest paid executive this was the former Head of America, who left this function at end of April 2025, which raises concerns. A company representative however confirmed that his remuneration includes a notice period of 8 months. In addition, he received CHF 2.0 million of other benefits and pension without any explanation which is highly excessive.
- Ethos has also serious concerns regarding the conditions of the performance share plan in particular in case of termination of employment. In fact, the plan stipulates that forfeiture happens only in case of voluntary resignation or termination for cause. In all other cases of termination, the long term plan vests immediately in full. Ethos considers that this is not the spirit of such long term plans which are supposed to push retention and reward the value creation of the executives over the long run. Ethos notes that as of 2026, the plan will be amended so that to the vesting will be made pro-rata in case of retirement.

C) Ethos' recommendation

Ethos has serious concerns over the lack of transparency of Nestlé's remuneration report compared to other large Swiss listed companies. Furthermore, in view of the above concerns in particular regarding the remuneration paid to Mr. Presley former Head of Zone North America, Ethos, in accordance with point 5.2.a of its voting guidelines, recommends to OPPOSE.

1.3

Approve sustainability report

OPPOSE

The board of directors requests shareholder approval of the company's sustainability report for the fiscal year 2025 as required by the Swiss Code of Obligations.

Ethos notes that Nestlé considers this vote to be advisory, contrary to Art. 964c CO, which requires a binding vote on the sustainability report, as confirmed by the Federal Council in June 2024.

A) Analysis of selected material topics

Information on the reporting, climate change strategy, environment, corruption, employees and human rights can be found in section 7 of this report.

Below, Ethos provides an analysis of the most relevant material topics for the company. Ethos expects that each material topic is covered and supported by relevant externally verified performance indicators (KPIs), as well as quantitative targets and reporting on progress.

A.1) Climate change

In view of the importance of climate change, Ethos considers that the company should adequately report on its climate strategy and its implementation. The reporting should reflect the company's strategy and efforts in reducing its GHG emissions.

A.1.1) Reporting of GHG emissions

The company reports on its GHG emissions according to the GHG protocol with data covering 4 consecutive years and the baseline year. It reports scope 1 and 2 GHG emissions, as well as all relevant sources of scope 3 emissions (see Appendix 7). Only the scope 1, 2 market-based and total scope 3 emissions for 2025 and previous years are verified.

Compared to last year, the reporting on GHG emissions has improved. In 2025, following years of engagement, the company published for the first time the breakdown of scope 3 emissions by category of emissions according to the GHG Protocol. As a result, Ethos considers the reporting on GHG emissions as good.

A.1.2) GHG emissions reduction targets

In 2025, the company has not set any new GHG emission reduction targets compared to the previous year. Ethos considers the GHG emission reduction targets as sufficiently aligned with a credible net-zero strategy given that Nestlé has set SBTi-validated targets for all its scopes, covering more than 90% of its total emissions and has also set Forest, Land and Agriculture (FLAG) emissions reduction targets.

A.1.3) Emissions reduction measures

The company discloses several measures to reduce the company's scope 1, 2 and 3 emissions as part of its Net Zero Roadmap 2023. However, the company has not published a detailed calendar for implementation and their respective contribution to achieve the set targets. The company plans to publish its new roadmap in 2026.

By reaching a 24.52% net reduction of in-scope GHG emissions compared to the 2018 baseline (20.73% gross reduction without removals), Nestlé is on track to reach its targets. Ethos regrets that the company did not manage to publish its new roadmap together with the sustainability report. In fact, the report does not provide precise information on the planned new investments on the sustainability program and the updated contribution of the different levers toward the 2030 reduction goals.

Ethos regrets that not all actions and levers are backed by appropriate quantitative targets and the current measures are not deemed sufficient for Nestlé's to reach its long-term targets.

A.2) Employees

A.2.1) Employee retention

As a highly skilled workforce represents a critical resource and is essential to long-term success, employees' management represents a strategic issue that needs to be addressed.

Nestlé has implemented a talent management programme and reports several KPIs but these KPIs are not externally verified, which means that the accuracy and completeness of the data cannot be confirmed.

In addition, the company does not publish its (overall and voluntary) turnover, which Ethos regrets. Separate disclosure improves interpretability of workforce data and enables a proper assessment of the company's retention strategy.

The company has not set any target on employee retention indicators, which Ethos regrets.

A.2.2) Diversity and inclusion

Nestlé is expected to create a diversity and inclusion strategic plan and to implement programs aimed at fostering a safe and inclusive workplace, as well as improving the representation of women and discriminated groups at all levels of the company's structure.

In 2025, 40.4% of the workforce were women, and 38.46% among executives, which has slightly increased for the overall share of women (40.3% in 2024) and slightly decreased for women in the executive management (40% in 2024). The KPIs are externally verified.

The company has not set any targets on diversity and inclusion indicators, which Ethos regrets. Ethos notes that the % of women in management position is one of the target set in the annual bonus program of the management (see ITEM 1.2). It is therefore problematic that the company does not have any specific public target in this area.

Nestlé discloses its unadjusted gender pay gap which is negative in 2025 (-9.4% VS -9.1% in 2024) and hence in favor of women. The company should also publish its adjusted gender pay gap to allow stakeholders to assess this metric comprehensively.

A.2.3) Occupational health and safety

Industrial processes have numerous potential hazards that may affect the health and safety of the company's workers.

The company has an occupational health and safety management system and reports that all its sites are covered by an externally verified management system (OHSAS 18001 and ISO 45001).

The company reports several externally verified KPIs, including the recordable illness rate and recordable injury rate which are decreasing over a 4-year period, but it does not disclose its lost-time injury rate (LTIR). Two fatalities occurred in 2025 (versus 4 in 2024) and Nestlé reportedly took action to prevent future fatalities.

The company reports several KPIs but these KPIs are not externally verified, which prevents shareholders of forming an opinion on the company's progress.

The company has not set any target on occupational health and safety indicators, which Ethos regrets.

A.3) Sustainable supply chain

A.3.1) Human rights in the supply chain

Nestlé's value chain is exposed to potential human rights issues such as forced or child labour, which may negatively impact local communities and expose the company to significant reputational and regulatory risks given the growing body of legislation around these issues. Sustainable food systems must also ensure that human rights are preserved to be considered resilient.

Nestlé adheres to the UN Guiding Principles on Business and Human Rights as part of its Human Rights Policy. Regarding human rights within its supply chain, Nestlé requires its direct and indirect suppliers to comply with its comprehensive Responsible Sourcing Core Requirements. Indirect suppliers are those responsible for primary production of the materials and ingredients. The requirements are considered comprehensive in the scope of suppliers included, the topics covered such as forced labor, child labor, Free, Prior and Informed Consent (FPIC) or workers' rights and the associated enforcement process. It enforces its policies through assessments and on-site third-party audits.

For the first time in 2025, the company reports several externally verified KPIs, including the number of human rights non-compliance identified through third-party audits (SMETA), which stood at 5126, and the number of grievances received through its whistleblower system, 9 of which 6 were substantiated and 3 remain under investigation. The company also discloses that 70.3% (unaudited) of key ingredients spend are covered by a Human Rights and Environmental Due Diligence (HREDD) assessment. However, the newly published KPIs are not disclosed over a two-year period, hence preventing shareholders from assessing the company's progress.

Compared to 2024, the percentage of cocoa covered by Nestlé's CLMRS on child labour audits increased from 88.9% to 96.2% (externally verified), which Ethos welcomes.

The company has not set any target on human rights indicators, which Ethos regrets.

A.3.2) Responsible sourcing of raw materials

Nestlé depends on multiple raw materials in its manufacturing. Depending on their origin, these materials can have important negative environmental impacts during their extraction and processing.

The company has a suppliers' code of conduct, the Responsible Sourcing Core Requirements applied to direct and indirect suppliers and conducts regular audit and due diligence processes in its supply chain. The policy is implemented through Nestlé's Responsible Sourcing Audit program. To be considered responsibly sourced, key ingredients must respect traceability requirements and implement regenerative agricultural practices.

Regarding Nestlé's responsible sourcing targets:

- Achieving and maintaining 100% assessed deforestation-free primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa, and coffee by 2025: the company reached 96.7%, falling short of the target, but with significant progress regarding cocoa from 46.1% to 91.7%. This is reportedly due to focusing on first-mile traceability.
- Achieving 100% of its 14 key ingredients responsibly sourced, as per its own definition, by 2030: Nestlé reached 49.8% which represents an increase from 44.5% in 2024. The company will have to increase its efforts to meet the 2030 target.
- Sourcing 20% of its 14 key ingredients with regenerative agriculture practices by 2025 and 50% by 2030: Nestlé reached its 2025 target already in 2024 and maintained it in 2025 with 27.6%. As a result, the company is considered on track to meet its long-term responsible sourcing targets.

The company reports other unaudited KPIs, such as the share of cocoa sourced through the Nestlé Cocoa Plan (96.2%) and the share of Nespresso Coffee sourced through its quality program (91%), but Ethos regrets that Nestlé does not rely on credible external certification for these key ingredients and that no targets have been set.

A.4) Product quality and safety

Nestlé has the duty to ensure its food products are safe by avoiding contamination, mislabelling or other quality issues throughout the value chain. In addition, with its global presence, Nestlé is at the centre of global health and nutrition challenges.

The company has programmes on product quality and safety, which includes certification standards recognised by the Global Food Safety Initiative (GFSI). As a result, 95.6% (94.4% in 2024) of its ingredients are sourced from direct (tier 1) supplier with GFSI-recognised certifications. Nevertheless, Nestlé issued 9 food safety recalls, up from 5 in 2024, including the infant formula in December 2025 for which is part of the serious controversy explained in section B.

Regarding product quality and healthiness, Nestlé has made significant progress by reporting for the first time the sales-weighted mean Health Star Rating (HSR) of its entire portfolio being the first company of the industry to report such an indicator. The indicator has been externally verified. The indicator stands at 2.6, and 2.2 when excluding coffee, on a scale of 1 to 5 (5 being considered as the most healthy food). Products above 3.5 are usually considered to be healthy. With a result of 2.2, the average portfolio of Nestlé can be considered as rather unhealthy. Nestlé has to increase its efforts to improve this KPI, especially in the milk and ice cream and confectionary categories that are below this mean KPI (with 2.1 and 0.8 respectively).

The company has not set any target on product safety and the absolute target of nutritious products sales growth is not ambitious as aligned with Nestlé's overall growth strategy, which Ethos regrets as already highlighted during the last AGMs and through a shareholder resolution at the company's 2024 AGM. Ethos considers that Nestlé should set a target to improve the current sales-weighted mean of its portfolio. Ethos and a coalition of investors are actively engaging Nestlé on this topics. Nestlé is of the opinion that it is too early to set such a target at this stage having reported for the first time the indicator.

A.5) Packaging and circular economy

Although packaging protects food and provides important information, it is a major source of pollution, in particular when such packaging is made of plastics or not designed following circularity principles. Therefore, packaging design that reduces the amount of packaging required and promotes reusability, as well as ensuring that packaging waste is properly managed, are key issues for the company.

Regarding Nestlé's packaging targets:

- Designing 95% of its plastic packaging for recycling systems by 2025: Nestlé reached 87.5% which falls short of the target. The company highlights technical challenges and lack of dedicated infrastructure in many countries as a reason, thereby rejecting the responsibility on governments and civil society although the design of its packaging, for recyclability or reusability, is within the company's hands.
- Reducing the use of virgin plastics by 1/3 by 2025 on a 2018 basis: Nestlé managed to reduce by 28% the use of virgin plastics, which Ethos welcomes despite falling short of its target. However, the breakdown by plastic type shows that the absolute amount of "other plastics", that are usually more difficult to recycle, increased in the last 4 years from 6'510 tonnes to 8'600 tonnes (calculated).

The company does not mention its target to have 100% of its overall packaging that is recyclable, reusable or compostable by 2025, which Ethos regrets, but the company still reports the KPI which is stable at 89.5%, missing the target. In addition, only 0.51% of its packaging was reusable and decreasing since 2022, with the largest share being recyclable which does not guarantee that it will actually be recycled.

Ethos welcomes that the company reports its share of recycled content in packaging for the first time in 2025, 40.8%, but no target has been set regarding the use of recycled content as inputs.

Ethos welcomes the company's progress, in particular regarding the use of virgin plastics, but Nestlé is still facing challenges regarding this key material issue and will have to increase its efforts in the future and roll out existing or new targets. In addition, the company should shift its focus from recyclability towards reusability whenever possible.

B) Controversies

The company is exposed to the following controversies:

- In recent years, Nestlé has faced several serious controversies related to customer safety. In January 2026, Nestlé had to recall batches of infant milk brands in 60 countries due to the possible presence of cereulide, a toxin that can cause food poisoning. This was detected in an ingredient provided by a supplier. Following this, the CEO of Nestlé, Mr. Philipp Navratil, apologized in a video to parents and customers for the worries it may have caused. While he stated in the video that there was no confirmed case of illness, two cases of illness were then confirmed by the Brazilian authorities. Nestlé did not comment on that. In January 2024, it was revealed that Nestlé was using illegal filtering system for its natural water activities in France and Switzerland. The case implied several investigations still under proceeding and an EU audit report on how French authorities were running their control (see ITEM 2). Other issues were reported regarding Buitoni and baby food in the past.
- Nestlé is subject to a serious product sustainability controversy regarding plastic pollution. Nestlé has been flagged by multiple NGOs and interest groups as a main contributor of plastic pollution through its plastic packaging. Nestlé acknowledges this issue and managed to reduce by 28% the use of virgin plastics since 2018 (see section A.4) but the company has a historical track record of failing to meet its own voluntary commitments.
- Nestlé is also subject to controversies regarding child labour in its supply chain, deforestation, its water bottling operations and anti-competitive cases reported against its Nestlé Waters division in France and Switzerland

While the above-mentioned controversy on infant milk recall is addressed in the annual report and through corporate communications, Ethos regrets that the other cases are not addressed in the company's 2025 reporting.

C) Ethos appraisal of the sustainability report

C.1) Ethos' overall assessment

Compared to last year, Nestlé has made some progress regarding its sustainability reporting, notably by disclosing the breakdown of its scope 3 emissions by category, the results of human rights audits and its sales-weighted average HSR for the first time. While Ethos appreciates these improvements, Ethos still has the following key concerns:

- In view of the size of the company, Ethos regrets that not all KPIs or the entire report were verified by an independent third party.
- Although the company is on track to reach its long-term GHG emissions reduction targets, Ethos regrets that the company did not publish its new net zero roadmap to update its shareholders on the CAPEX it will spend on the different identified levers and how the different levers will contribute to reaching the targets.
- Nestlé's nutrition target of absolute sales growth of nutritious products is not considered ambitious and contains important pitfalls. Ethos therefore urges the company to set new target based on its newly reported sales-weighted average HSR.
- Nestlé does not mention its target to have 100% of its overall packaging that is recyclable, reusable or compostable by 2025 anymore, which Ethos regrets. Nestlé still reports the KPI which is stable at 89.5%, but missing the removed target. No new target has been set in this regard.
- The company has not met its 2025 targets of sourcing 100% deforestation-free ingredients (for selected ingredients) and design 95% of its plastic packaging for recycling systems, as well as reducing by 1/3 the use of virgin plastic, although Ethos welcomes the reduction of the latter over the years (-28% since 2018).
- The report does not include quantitative targets for other material topic, such as employee management (turnover), diversity, occupational health and safety and human rights. In addition, Nestlé has not replaced all its 2025 targets (achieved or missed) by new ambitious targets, which Ethos regrets.
- Nestlé is subject to several serious controversies, which are not all fully addressed by the company.

C.2) Ethos' recommendation

While Ethos acknowledges the progress made by Nestlé, Ethos considers that the transparency of the report and the company's sustainability ambition remain insufficient. In light of this, Ethos cannot approve the sustainability report this year and, in accordance with points 2.1.f, 2.1.h and 2.1.i of its voting guidelines, recommends to OPPOSE.

2

Discharge board members and executive management

OPPOSE

The board of directors requests shareholders to discharge its members as well as those of the executive management of their responsibilities for their management of the company for the fiscal year 2025.

In line with the Swiss Code of Obligations, shareholders are requested to release the members of the board of directors from liability for their activities during the fiscal year under review. Shareholders that grant the discharge lose their right to file claims against the members of the board of directors for activities carried out during the year relating to facts that have been disclosed to shareholders. Nevertheless, all shareholders maintain their rights to file claims for facts that have not been disclosed to shareholders when the discharge was granted.

In January 2024, it was revealed that Nestlé was using illegal filtering system for its natural water activities in France and Switzerland. In November 2024, the French Senate set up a committee to investigate the use of these banned filtration processes. The commission interviewed 120 people during the inquiry including Ms. Muriel Lienau, CEO of Nestlé Waters and the group CEO at this time, Mr. Freixe. The findings of these hearings are however not disclosed. Ethos notes that this case implied several investigations still under proceeding.

In addition, in December 2025, Bonneval Emergence, a competitor of Nestlé, has filed a lawsuit against Nestlé Waters reproaching unfair competition. The company is asking the suspension of the sale of Nestlé's water brands including Perrier, Vittel, Contrex and Hépar. The company is also seeking EUR 1.6 billion due to the economic disadvantage caused by Nestlé.

Ethos regrets that this case is not addressed in the company's 2025 reporting. In fact the annual report only mentions that "operating practices at some of Nestlé's natural mineral water production sites may not be in line with the applicable regulatory framework". In view of the severity of this case, Ethos would expect from the company to conduct an independent investigation to determine the potential responsibilities for the current or former officers (board members and members of the management) concerned by the discharge. The former CEO publicly committed to conduct such an investigation. Ethos asked at last year AGM that the conclusion of the investigation be disclosed to shareholders.

In January 2026, Nestlé had to recall batches of infant milk brands in 60 countries due to the possible presence of cereulide, a toxin that can cause food poisoning. This was detected in an ingredient provided by a supplier. Ethos notes that Nestlé was the first company to identify the issue and alerted the rest of the industry in December 2025. Following this, the CEO of Nestlé, Mr. Philipp Navratil, apologized in a video to parents and customers for the worries it may have caused. While Ethos welcomes the fact that Nestlé publicly addressed this case, the timing regarding the recalls raises concerns. In fact, Nestlé already detected cereulide in its Dutch plant at the end of November and informed European authorities on 10 December. At this time product recalls were launched only in Europe. The recalls were extended to the whole world at the beginning of January.

Ethos notes that some of the officers for which the discharge will be granted at 2026 AGM stepped down from their functions during the year under review. In light of this, the severity of the cases, the lack of transparency of Nestlé regarding the water case and the fact that several investigations are still ongoing, Ethos is of the opinion that based on the revealed facts for the financial year 2025, shareholders should retain their rights until completion of the investigations and result of the lawsuits are available. Ethos, in accordance with ITEM 1.2.c of its voting guidelines, recommends to OPPOSE.

3

Approve allocation of income and dividend

FOR

The board of directors proposes to pay a total dividend of CHF 3.10 per share, which corresponds to a total cash outflow of CHF 7'987.2 million.

The board of directors proposes that the amount at the disposal of the AGM be allocated as follows:

Available earnings brought forward	CHF	9'546'926'229
Dividends on Nestlé's own shares not distributed	CHF	148'497'510
Cancellation of 43.48 million shares from the share buyback programme	CHF	-3'909'741'246
2025 income of the parent company	CHF	39'258'193'811
At the disposal of the AGM	CHF	45'043'876'304
Payment of dividend	CHF	-7'987'212'000
Allocation to reserves	CHF	-
Carry forward to statutory accounts	CHF	37'056'664'304

The company's key indicators to analyse the adequacy of the proposed dividend can be found in section 3.2 of this report (in particular, dividend per share, earnings per share, payout ratio, dividend yield, free cash flow, net debt and net debt to EBITDA ratio).

Subject to shareholder approval, the dividend will be paid on 22 April 2026 and the shares will be traded ex-dividend from 20 April 2026.

The proposed dividend is covered by the net income and the free cash flow. In addition, the company's indebtedness level is acceptable. Given the company's results, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4 Elections to the board of directors

The board of directors proposes that all its incumbent members be re-elected to serve for another 1-year term. In addition, the board proposes to newly appoint Ms. Fama Francisco and Dr. Thomas Jordan for a 1-year term. Mr. Paul Bulcke (former chair) left the board at the end of September 2025 and was replaced as chair of the board by Mr. Pablo Isla Álvarez de Tejera. Mr. Laurent Freixe (former CEO) also left the board when he left his function as CEO in September 2025. In addition, Ethos sadly learned the death of Ms. Hanne de Mora in June 2025.

Main features of board composition after the AGM (for more details, see section 6 of this report)

Board size	13
Combination of the functions of chair and CEO	No
% independent directors	84.6%
% executive directors	0.0%
% women directors	38.5%
% independent directors in the audit committee	100.0%
% independent directors in the nomination committee	75.0%
Average age of directors	63.8
Average board tenure	5.0 years

Ethos voting guidelines stipulate that the re-election of the chair of the sustainability committee cannot be approved in companies with high greenhouse gas (GHG) emissions and no convincing climate strategy in place. Ethos notes that Nestlé is among the largest GHG emitters in the SPI index (in absolute terms and in terms of carbon intensity) and is targeted by the Climate Action 100+ Initiative. Ethos regrets that Nestlé has not implemented a Say on Climate resolution at this AGM. However, the net-zero roadmap was submitted at the 2021 AGM and shareholders' concerns regarding Nestlé's climate strategy can be addressed on ITEM 1.3.

Ethos welcomes the fact that the new CEO, Mr. Navratil is not proposed as board member reflecting the principle of separation of functions between the board of directors and the executive management. The composition of the board being consistent with Ethos' guidelines regarding board independence, the (re-)election of the proposed directors can be approved.

- 4.1.1 Re-elect Mr. Pablo Isla Álvarez de Tejera as board member and elect him as chair FOR**
- The board proposes to re-elect Mr. Pablo Isla Álvarez de Tejera (Spanish, 62) as board member for a further 1-year term and to elect him as chair. He has been board member since 2018 and chair of the board since 1 October 2025. In addition, he is currently member of the nomination committee. As chair of the board, Mr. Isla Álvarez de Tejera is entitled to a total remuneration of more than CHF 3 million which creates financial dependency toward his mandate. As a result, Ethos cannot consider Mr. Isla Álvarez de Tejera as independent. The board being sufficiently independent, Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 4.1.2 Re-elect Mr. Dick Boer FOR**
- The board proposes to re-elect Mr. Dick Boer (Dutch, 69) for a further 1-year term. He has been board member since 2019 and vice-chair and lead director since 2025. He is currently chair of the nomination committee and member of the remuneration committee and of the sustainability committee. Mr. Boer is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 4.1.3 Re-elect Ms. Marie-Gabrielle Ineichen-Fleisch FOR**
- The board proposes to re-elect Ms. Marie-Gabrielle Ineichen-Fleisch (Swiss, 65) for a further 1-year term. She has been board member since 2023 and vice-chair since 2025. She is currently member of the nomination committee and is proposed as new member of the remuneration committee under ITEM 4.3.4. Ms. Ineichen-Fleisch is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 4.1.4 Re-elect Dr. Renato Fassbind FOR**
- The board proposes to re-elect Dr. Renato Fassbind (Swiss, 71) for a further 1-year term. He has been board member since 2015 and is currently chair of the audit committee. He is proposed as new member of the remuneration committee 4.3.5. Dr. Fassbind is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 4.1.5 Re-elect Prof. Dr. Patrick Aebischer FOR**
- The board proposes to re-elect Prof. Dr. Patrick Aebischer (Swiss, 72) for a further 1-year term. He has been board member since 2015 and is currently chair of the sustainability committee and member of the remuneration committee.
- On 2 April 2019, Nestlé Health Science announced that it has entered into a global strategic partnership with Amazentis. Nestlé Health Science also took a stake in Amazentis and received global rights to use Amazentis patented Urolithin A technology for dietary supplements, select foods and beverages, and medical nutrition products. As Prof. Dr. Aebischer is vice-chair, co-founder and co-owner of Amazentis, he cannot be considered independent. The overall board independence being sufficient (92%), Ethos can accept his re-election and, in accordance with its voting guidelines, recommends to vote FOR.
- 4.1.6 Re-elect Mr. Dinesh C. Paliwal FOR**
- The board proposes to re-elect Mr. Dinesh C. Paliwal (US Citizen, 69) for a further 1-year term. He has been board member since 2019 and is currently member of the remuneration committee and member of the nomination committee. He will become chair of the remuneration committee after the AGM. Mr. Paliwal is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.1.7	Re-elect Ms. Lindiwe Majele Sibanda	FOR
	<p>The board proposes to re-elect Ms. Lindiwe Majele Sibanda (Zimbabwean, 63) for a further 1-year term. She has been board member since 2021 and is currently member of the sustainability committee. Ms. Sibanda is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.</p>	
4.1.8	Re-elect Ms. Chris Leong	FOR
	<p>The board proposes to re-elect Ms. Chris Leong (Malaysian, 59) for a further 1-year term. She has been board member since 2022 and is currently member of the sustainability committee. Ms. Leong is considered independent.</p> <p>Ms. Leong's aggregate time commitment is at upper limit of the number of mandates accepted by Ethos. In fact, Ethos considers that a board member holding an executive function in another listed company should not have any other board mandate in a listed or very large company. In addition to her role at Nestlé, Ms. Leong is Chief Marketing & Innovation Officer at Ecolab, a US listed company. Ethos notes that she attended 100% of Nestlé's board meetings in 2025. As her number of mandates is within Ethos' limit, her re-election can be accepted. Therefore, Ethos, in accordance with its voting guidelines, recommends to vote FOR.</p>	
4.1.9	Re-elect Mr. Luca Maestri	FOR
	<p>The board proposes to re-elect Mr. Luca Maestri (Italian, 63) for a further 1-year term. He has been board member since 2022 and is currently member of the audit committee. He is proposed as new member of the remuneration committee under ITEM 4.3.6. He is considered independent.</p> <p>Mr. Maestri is former CFO of Apple and he is currently still member of the executive committee as Vice President Corporate Services. In addition, he is newly proposed for election as board member at UBS. Ethos considers that a board member holding an executive function in another listed company should not have any other board mandate in a listed or very large company. Upon his election at UBS, his aggregate time commitments will therefore exceed Ethos' limit. However, Ethos will rather oppose his election at UBS as new nominee. Therefore, his re-election at Nestlé can be accepted but Ethos will closely monitor the situation. Ethos, in accordance with its voting guidelines, recommends to vote FOR.</p>	
4.1.10	Re-elect Mr. Rainer M. Blair	FOR
	<p>The board proposes to re-elect Mr. Rainer M. Blair (US Citizen, 62) for a further 1-year term. He has been board member since 2023 and is currently member of the audit committee. Mr. Blair is considered independent.</p> <p>Mr. Blair's aggregate time commitment is at upper limit of the number of mandates accepted by Ethos. In fact, Ethos considers that a board member holding an executive function in another listed company should not have any other board mandate in a listed or very large company. In addition to his role at Nestlé, Mr. Blair is CEO of Danaher, a US listed company. Ethos notes that he attended 89% of Nestlé's board meetings in 2025. As his number of mandates is within Ethos' limit, his re-election can be accepted. Therefore, Ethos, in accordance with its voting guidelines, recommends to vote FOR.</p>	
4.1.11	Re-elect Ms. Geraldine Matchett	FOR
	<p>The board proposes to re-elect Ms. Geraldine Matchett (Swiss, 54) for a further 1-year term. She has been board member since 2024 and is currently member of the audit committee. Ms. Matchett is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.</p>	
4.2.1	Elect Ms. Fama Francisco	OPPOSE
	<p>The board proposes to newly appoint Ms. Fama Francisco (US Citizen, 58) for a 1-year term.</p> <p>Ms. Francisco is CEO of Global Baby, Feminine and Family Care business at Procter & Gamble.</p> <p>As Ethos is not aware of any conflict of interest, she is considered independent.</p>	

Ethos considers that a board member holding an executive function in another listed company should not have any other board mandate in a listed or very large company. In addition to her role at Procter & Gamble, Ms. Francisco is board member at HP, a US listed company. Her number of mandates therefore exceeds Ethos' guidelines. Ethos, in accordance with point 3.1.c of its voting guidelines, recommends to OPPOSE.

4.2.2 Elect Dr. Thomas Jordan FOR

The board proposes to newly appoint Dr. Thomas Jordan (Swiss, 63) for a 1-year term.

Dr. Jordan held various positions at the Swiss National Bank between 1997 and 2024, ultimately as CEO from 2012 until 2024 . He is currently board member at Zurich Insurance Group, a Swiss listed company. As Ethos is not aware of any potential conflict of interest, he is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.3 Elections to the remuneration committee

The board of directors proposes that Mr. Paliwal, Mr. Boer and Prof. Dr. Aebischer be re-elected to the remuneration committee to serve for another 1-year term. In addition, the board proposes to newly appoint Ms. Ineichen-Fleisch, Dr. Fassbind and Mr. Maestri to the committee.

Main features of the remuneration committee composition after the AGM

Committee size	6
% independent members	83.3%
Number of executive members	0
Number of members with executive functions in other listed companies	1*

*Mr. Luca Maestri is Vice President Corporate Services at Apple, a US listed company. In addition, Mr. Paliwal is Partner Private Equity at KKR, a US listed company, but is not member of the executive management.

Ethos notes that the 2025 remuneration report was significantly contested (74% of approval) and considers that the changes proposed this year are not sufficient (see ITEM 1.2) However, as Ethos shows its disagreement with the remuneration system by opposing the remuneration report (ITEM 1.2) and the budget for the management (ITEM 5.2), Ethos will not oppose the re-election of the member of the committee this year but will continue to convey its concerns to the company and will re-assess its voting position next year.

The composition of the committee being in line with Ethos' guidelines, the election of the proposed nominees can be approved.

4.3.1 Re-elect Mr. Dinesh C. Paliwal to the remuneration committee FOR

The board proposes to re-elect Mr. Dinesh C. Paliwal to the remuneration committee for a further 1-year term. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.3.2 Re-elect Mr. Dick Boer to the remuneration committee FOR

The board proposes to re-elect Mr. Dick Boer to the remuneration committee for a further 1-year term. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.3.3 Re-elect Prof. Dr. Patrick Aebischer to the remuneration committee FOR

The board proposes to re-elect Prof. Dr. Patrick Aebischer to the remuneration committee for a further 1-year term. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.3.4 Elect Ms. Marie-Gabrielle Ineichen-Fleisch to the remuneration committee FOR

The board proposes to elect Ms. Marie-Gabrielle Ineichen-Fleisch to the remuneration committee for a 1-year term. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.3.5	<p>Elect Dr. Renato Fassbind to the remuneration committee</p> <p>The board proposes to elect Dr. Renato Fassbind to the remuneration committee for a 1-year term. Ethos, in accordance with its voting guidelines, recommends to vote FOR.</p>	FOR				
4.3.6	<p>Elect Mr. Luca Maestri to the remuneration committee</p> <p>The board proposes to elect Mr. Luca Maestri to the remuneration committee for a 1-year term. Ethos, in accordance with its voting guidelines, recommends to vote FOR.</p>	FOR				
4.4	<p>Re-elect Ernst & Young as auditors</p> <p>The board of directors recommends that shareholders ratify the re-appointment of Ernst & Young as the company's external auditors for a further 1-year term.</p> <p>Ernst & Young has been the company's external auditor since 2020 (6 years).</p> <p>Audit versus non-audit fees</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Non-audit fees / Audit fees (2025)</td> <td style="text-align: right;">21.1%</td> </tr> <tr> <td>Non-audit fees / Audit fees (3-year aggregate)</td> <td style="text-align: right;">24.2%</td> </tr> </table> <p>The breakdown of fees paid to the external auditor is adequately disclosed (see section 3.4 of this report). In light of the ratio of non-audit fees paid by the company to its external auditor, the re-appointment of the auditor can be accepted. Ethos, in accordance with its voting guidelines, recommends to vote FOR.</p>	Non-audit fees / Audit fees (2025)	21.1%	Non-audit fees / Audit fees (3-year aggregate)	24.2%	FOR
Non-audit fees / Audit fees (2025)	21.1%					
Non-audit fees / Audit fees (3-year aggregate)	24.2%					
4.5	<p>Re-elect Hartmann Dreyer as independent proxy</p> <p>The board of directors proposes to re-elect Hartmann Dreyer as independent proxy for a further 1-year term. Ethos is not aware of any potential conflict of interest and, in accordance with its voting guidelines, recommends to vote FOR.</p>	FOR				
5.1	<p>Binding prospective vote on the total remuneration of the board of directors</p> <p>The board of directors requests shareholder approval of the total maximum remuneration to be paid to the board of directors for the period from the 2026 AGM to the 2027 AGM (prospective vote).</p> <p>The board requests a maximum total amount of CHF 10 million for its 13 members, including the chair (see section 5 of this report for details). The amount requested is unchanged compared to last year.</p> <p>For the period between 2025 AGM and 2026 AGM, the 11.6 full-time equivalents members of the board received CHF 8'685'764. Based on 13 members, the requested amount therefore includes a 3% reserve on the total board remuneration paid in 2025.</p> <p>As mentioned under ITEM 1.2, the remuneration paid to the chair for 2025 is 32% higher than the median of the peer group (33% higher than the median for the other board members).</p> <p>Nestlé is among the largest Swiss listed companies in terms of market capitalisation. The other SMI companies, except Roche and Novartis, are substantially smaller in terms of market capitalisation, revenues and number of employees. For comparison purposes, the chair of Roche received CHF 7.2 million for 2025 and the chair of Novartis received CHF 3.5 million (on an annual basis). However Ethos is of the opinion that the amount of remuneration of the chairs of Swiss companies with the highest market capitalisations is too high.</p> <p>Ethos has the following concerns regarding the remuneration that will be paid to Mr. Isla Álvarez de Tejera:</p> <ul style="list-style-type: none"> • As mentioned above, his annualised remuneration is 32% higher than the median of the peer group including the 10 largest capitalisations in the SPI, which Ethos considers as excessive, given that this represents a difference of CHF 0.8 million compared to the median. • Ethos notes that while the market capitalisation of Nestlé decreased by 42% between 2025 and 2021 the remuneration of the chair remained at the same level. The appointment of Mr. Isla Álvarez de Tejera could have been an opportunity to review the fees paid to the chair of the board. 	OPPOSE				

- Ethos notes that Mr. Isla Álvarez de Tejera will not take 100% of his remuneration in shares as it was the case with the former chair.
- As mentioned above, Ethos believes that, generally speaking, the amount of the remuneration of the chairs of companies included in the top Swiss capitalisations is too high, especially as they are generally not full-time chair. The chair of Nestlé, Mr. Isla Álvarez de Tejera, is also board member of Bertelsmann, a large German listed company with 75'000 employees worldwide and EUR 19.0 billion sales in 2025.
- The remuneration of non-executive chairs of the largest companies in the food industry in other countries is generally very much lower than the amount proposed.

In light of the above, Ethos, in accordance with point 5.3.c of its voting guidelines, recommends to OPPOSE.

5.2	Binding prospective vote on the total remuneration of the executive management	OPPOSE
-----	---	---------------

The board of directors requests shareholder approval of the total maximum remuneration to be paid to the executive management for the 2027 financial year (prospective vote).

A) Board proposal

The board requests a maximum amount of CHF 55 million to be paid to the 11 members of the executive management, including the CEO. Last year, CHF 70 million was requested for 13 members.

B) Ethos' appraisal of the amount requested

B.1) Base salaries (CHF 13 million)

In 2025, 12.7 full-time equivalent members of the executive management received CHF 14'061'919 as base salaries. The amount reserved for the base salaries therefore includes no reserve on the base salaries paid to the executive management in 2025.

As mentioned under ITEM 1.2, Ethos compared the base salaries of the members of the management of Nestlé to those paid at the 10 largest capitalisations in the SPI (including Nestlé). Nestlé CEO's base salary is 6% higher than the median base salary of the other CEOs while the average base salary of the other members of the management is 17% higher. For the CEO, the base salary is also 43% above the median of the 21 largest European companies of the sector "Consumer staples". While the CEO's base salary is high compared to the median of largest European companies, Ethos notes that Nestlé is significantly larger than most of the other companies included in the peer groups.

B.2) Other remuneration (CHF 7.5 million)

The requested amount includes CHF 2.5 million for contributions for future pension benefits and CHF 5 million for social security contributions, other benefits and unforeseen expenses.

B.3) Short-term incentive (annual bonus, CHF 20.5 million)

The requested amount includes the maximum bonus that can be paid out in early 2028 with regard to the performance achieved in the financial year 2027.

The meeting agenda mentions the target bonus as a percentage of the base salary: 150% for the CEO, 100% for the executive vice presidents and 80% for the deputy executive vice presidents. In addition, the maximum bonus is capped at 150% of the target, which corresponds to 225% of the base salary for the CEO.

The meeting agenda also mentions that for the CEO, the CFO and the Function Heads, 85% of the target bonus is linked to Nestlé Group's 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. Ethos regrets that the company is not more specific on what kind of metrics will be used for financial and extra-financial criteria. No additional details are provided, which Ethos regrets.

B.4) Long-term incentive (LTIP, CHF 14 million)

The LTIP consists of performance share units (PSUs) that vest after a 3-year performance period. The CHF 14 million requested is based on the market value at date of grant and corresponds to a 100% target achievement. It does not include the leverage of up to two times the target grant. Ethos considers that Nestlé should submit a maximum budget of remuneration which would take into consideration the leverage of the long-term plan, in line with the spirit of the Swiss Code of Obligations.

The company discloses the performance conditions that will apply to the LTIP (relative TSR, underlying EPS growth in constant currency, ROIC improvement and reduction in greenhouse gas emissions). The vesting scale that will apply in 2027 is not disclosed, which Ethos regrets. Under the current LTIP, the vesting scale for the relative TSR continues to allow for vesting of the shares in case of underperformance of Nestlé against the index, which is not best practice.

The target grant of performance shares is 150% of the base salary for the CEO and 100% for the other executives. The maximum vesting can go up to 200% of the target grant, i.e. 300% of the base salary for the CEO and 200% for the other executives. When added to the maximum potential bonus, the maximum variable remuneration of the CEO is 525% which significantly exceeds Ethos' guidelines.

C) Ethos' recommendation

The meeting agenda states that "the detailed plans for 2027 are not yet available at this point in time". Ethos regrets that the board of directors requests shareholder approval on remuneration systems that are not clearly defined yet.

As mentioned above, the potential variable remuneration significantly exceeds Ethos' guidelines. In addition, Ethos is of the opinion that proposing only the target grant for the LTIP (without including the important leverage) is not in line with the spirit of the Swiss Code of Obligations. Furthermore, in view of the important amounts involved, Ethos considers that the transparency regarding the performance conditions under both the bonus and the LTIP is insufficient. Ethos, in accordance with points 5.6.c and 5.6.d of its voting guidelines, recommends to OPPOSE.

Transact any other business

OPPOSE

Ethos recommends to oppose any unannounced additional proposals made during the AGM either by the board or by a shareholder. The formal meeting agenda does not include this proposal, which is only included in the proxy card with no precise item number. Ethos, in accordance with point 10.1 of its voting guidelines, recommends to OPPOSE.

3. Company Information

3.1 Company description

Headquarters Vevey (VD) and Cham (ZG), Switzerland

Activities* Nestlé S.A., together with its subsidiaries, operates as a food and beverage company. It operates through Zone North America; Zone Europe; Zone Asia, Oceania and Africa; Zone Latin America; Zone Greater China; Nestlé Health Science; and Nespresso segments. The company offers water under the Acqua Panna, Nestlé Pure Life, Perrier, S.Pellegrino, Sanpellegrino, and other local brands; and chocolate and confectionery products under the Aero, Baci Perugina, KitKat, Milkybar, Smarties, and other local brands; family nutrition products, including early childhood, kids and teenagers, and maternal and adult products; cereals; dairy and drink products; food services, such as coffee, beverages, and food; healthcare nutrition products comprising lifestyle and medical nutrition products; plant-based products; and recipes. It also provides coffee products under the Blue Bottle Coffee, Nescafé, Nescafé Dolce Gusto, Nespresso, and Starbucks Coffee At Home brands; culinary, chilled, and frozen food products under the DiGiorno, Garden Gourmet, Maggi, Thomy, and other local brands; ice cream products under the Antica Gelateria Del Corso, Drumstick, Extrême, Häagen-Dazs, Maxibon, and Mövenpick brands; and pet care products under the Cat Chow, Dentalife, Dog Chow, Fancy Feast, Felix, Friskies, Gourmet, Purina, Purina ONE, Purina Pro Plan, Purina Pro Plan Veterinary Diets, and other local brands. The company was founded in 1866 and is headquartered in Vevey, Switzerland.

*Activities data from S&P¹

Chair Pablo Isla Álvarez de Tejera (since 2025), Spanish, aged 62

CEO Philipp Navratil (since 2025), Swiss, aged 50

Following the resignation of Mr. Paul Bulcke, member since 2008 and chair of the board of directors since 2017, Mr. Pablo Isla Álvarez de Tejera was appointed new chair of the board of directors from the 01 October 2025.

Mr. Philipp Navratil was appointed as CEO on 01 September 2025 to replace Mr. Laurent Freixe, who was CEO since 2024.

3.2 Financial key figures

General information		31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Market capitalisation	Millions CHF	202'576	192'539	260'170	295'663	350'518
Total enterprise value	Millions CHF	262'886	252'698	316'108	344'207	389'767
Total employees		271'000	277'000	270'000	275'000	276'000

Copyright © 2026, S&P Global Market Intelligence (and its affiliates as applicable), Ethos. All rights reserved.¹

Income statement		31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Total revenues	Millions CHF	89'885	91'720	93'351	94'780	87'470
Gross profit	Millions CHF	41'191	43'050	43'023	43'035	42'002
EBITDA	Millions CHF	16'652	18'160	18'156	18'344	17'145
EBIT	Millions CHF	13'906	15'556	15'658	15'754	14'640
EBT	Millions CHF	11'894	14'488	13'823	12'326	19'457
Net income attr. to shareholders	Millions CHF	9'033	10'884	11'209	9'270	16'905

Copyright © 2026, S&P Global Market Intelligence (and its affiliates as applicable), Ethos. All rights reserved.¹

Balance sheet		31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Cash and cash equivalents	Millions CHF	4'579	5'556	4'816	5'511	6'988
Total financial debt	Millions CHF	57'852	63'560	55'241	54'312	46'893
Net debt	Millions CHF	51'622	55'689	49'390	47'568	32'855
Shareholders equity	Millions CHF	32'810	35'917	35'742	41'982	53'140

Copyright © 2026, S&P Global Market Intelligence (and its affiliates as applicable), Ethos. All rights reserved.¹

Cash flow		31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Operating cash flow	Millions CHF	15'904	16'675	15'941	11'907	13'864
Capital expenditure	Millions CHF	-4'527	-5'638	-5'714	-5'095	-4'880
Investing cash flow	Millions CHF	-4'367	-8'624	-6'196	-1'903	-3'044
Financing cash flow	Millions CHF	-12'065	-7'362	-9'758	-11'385	-9'152
Free cash flow	Millions CHF	11'377	11'037	10'227	6'812	8'984

Copyright © 2026, S&P Global Market Intelligence (and its affiliates as applicable), Ethos. All rights reserved.¹

Ratios		31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Return on assets (ROA)	%	6.5	7.3	7.5	7.2	7.0
Return on equity (ROE)	%	26.5	30.6	29.1	19.9	34.3
Net debt to EBITDA	x	3.1	3.1	2.7	2.6	1.9

Copyright © 2026, S&P Global Market Intelligence (and its affiliates as applicable), Ethos. All rights reserved.¹

Per share data		31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Share price at year-end	CHF	78.74	74.88	97.51	107.14	127.44
Dividend per share	CHF	3.10	3.05	3.00	2.95	2.80
EPS from cont. op.	CHF	3.51	4.19	4.24	3.42	6.06
EPS total	CHF	3.51	4.19	4.24	3.42	6.06
Payout ratio	%	88.30	72.75	70.82	86.15	46.18
Dividend yield	%	3.9	4.1	3.1	2.8	2.2
Book value per share	CHF	12.76	13.96	13.64	15.73	19.26
TSR	%	8.9	-20.7	-9.9	-16.7	25.4

The definition of the financial key figures is available at https://docs.ethos-esg.ch/upload/shared-documents/portal/Glossary/SP_Definition_external.pdf

Copyright © 2026, S&P Global Market Intelligence (and its affiliates as applicable), Ethos. All rights reserved.¹

¹Copyright © 2026, S&P Global Market Intelligence (and its affiliates as applicable), Ethos. Reproduction of any information, opinions, views, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

3.3 Capital

Issued Capital on 31.12.2025	In CHF	Number	Nominal Value	Issued Capital
	Registered shares	2'576'520'000	0.10	257'652'000
	Total issued capital			257'652'000

At the 2025 AGM, shareholders accepted to cancel 43'480'000 shares, leading to a share capital of CHF 257'652'000.

Authorisation to issue shares without guaranteed pre-emptive rights on 31.12.2025	In CHF	Equity Type	Number	% of Issued Capital
	Conditional capital for the conversion of convertible bonds	Registered shares	100'000'000	3.9%
	Total authorisation			3.9%

There were no outstanding convertible bonds on 31 December 2025.

The company has no capital band.

Conditions to file a shareholder resolution	Date	31.12.2025	In CHF	Nominal value required	386'478
				Market value required	304'312'777
				% of listed voting capital	0.15%

The company's articles of association set the threshold to file a shareholder resolution to 0.15% of the share capital or voting rights.

Restriction on registration of shares or voting rights

Voting rights are limited to 5% of the share capital. This limitation also applies to nominees. However, exceptions may be granted by the board of directors. The board has granted exceptions to vote shares in excess of 5% to the following nominees: Chase nominees and Citibank as depositary for shares represented by American Depositary Receipts (ADR), and to the following custodian: UBS on the basis of special instructions provided by its clients for general meetings.

Important shareholders	Shareholder	% of Voting Rights	% of Capital	Comments
	Citibank	6.5%	6.5%	Depositary for shares represented by ADR*
	UBS Fund Management (Switzerland)	5.5%	5.5%	
	BlackRock	5.0%	5.0%	
	Nortrust Nominees	3.2%	3.2%	
	Bank of New York Mellon Corp.	3.1%	3.1%	
	Capital Group Companies	3.0%	3.0%	
	Total	26.4%	26.4%	

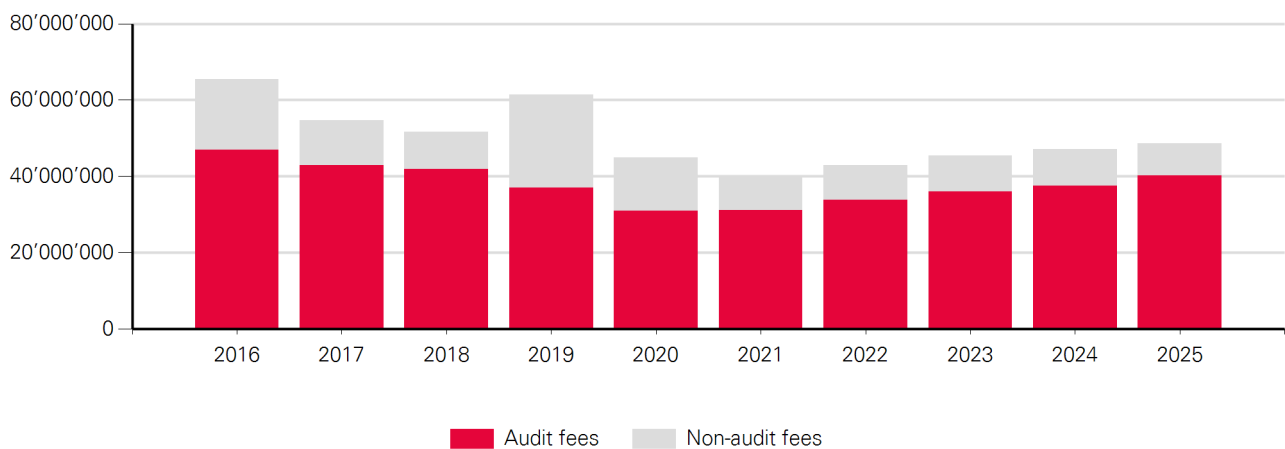
The above shareholdings are as of 31 December 2025, unless otherwise stated in the table above.

* The company does not provide any information on how Citibank exercises the voting rights attached to the American Depositary Receipts (ADR).

3.4 External Auditor

Auditor Ernst & Young, since 2020

Fees	In CHF	2025	2024	2023
Audit fees		40'200'000	37'500'000	36'100'000
Non-audit fees		8'500'000	9'600'000	9'400'000
Total		48'700'000	47'100'000	45'500'000



Comments The lead auditor, Ms. Jeanne Boillet, has been in charge since 2020.

Audit fees also include fees for services related to the review of ESG information.

The non-audit fees are broken down as follows:

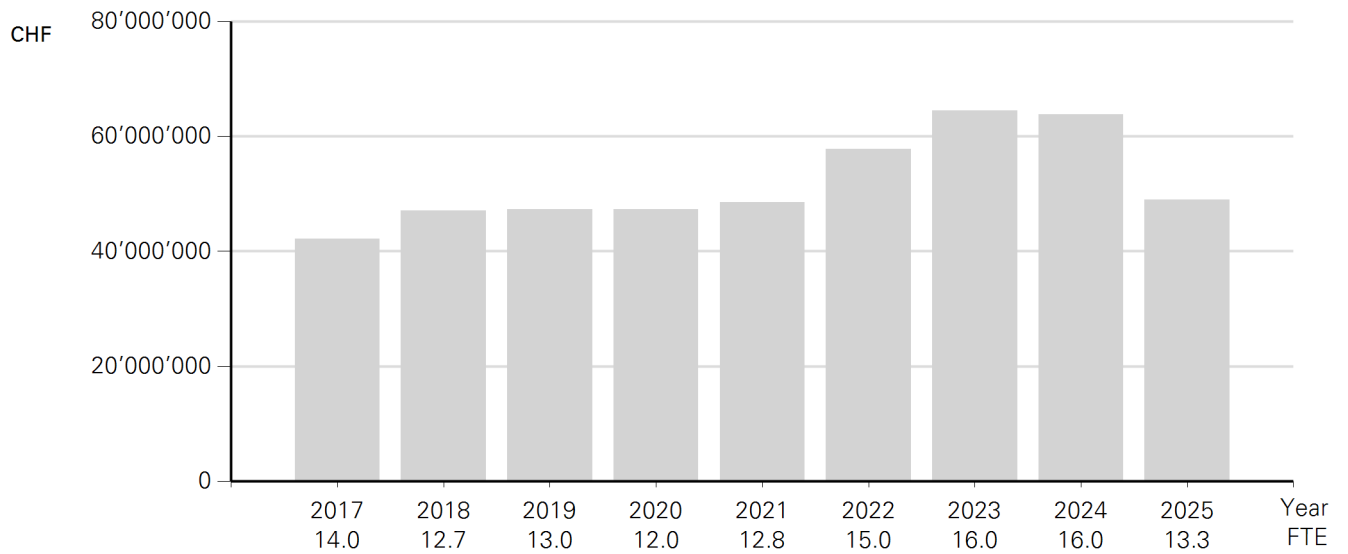
- Tax services : CHF 5.4 million
- IS/IT advisory support : CHF 1.5 million
- ESG non-audit related services : CHF 0.4 million
- Other various services : CHF 1.2 million

Audit fees prior to 2020 were paid to KPMG.

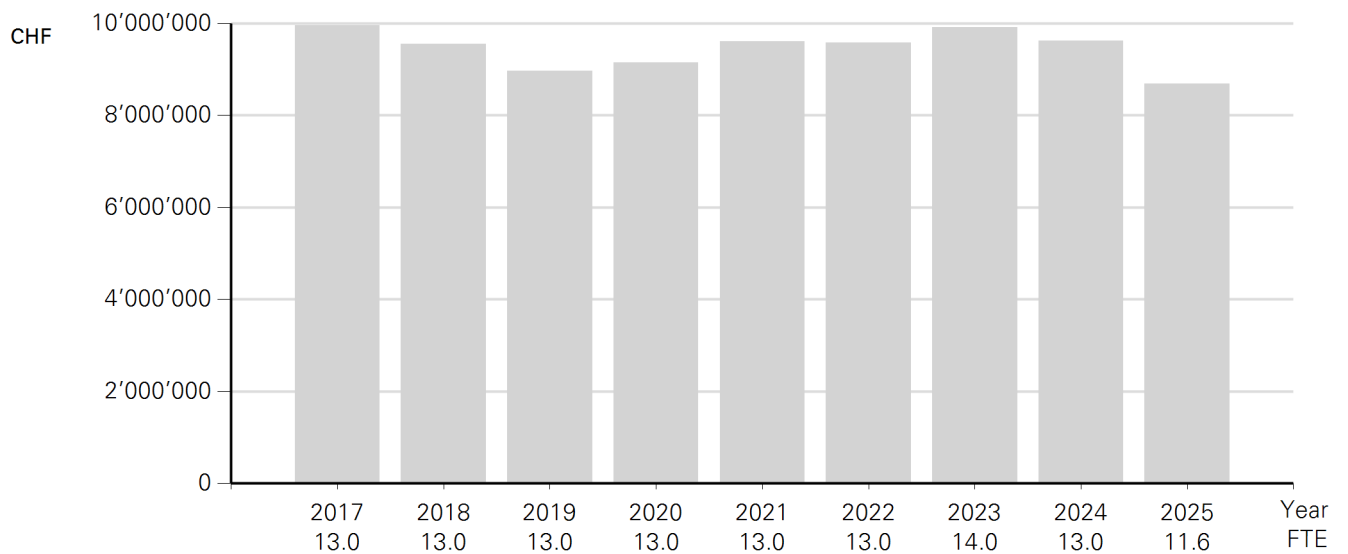
4. Remuneration Report

4.1 Evolution of the Aggregate Remuneration

A Members of the Executive Management



B Board Members (Outside Executive Management)



4.2 Global Remuneration Figures

A Members of the Executive Management

		2025 CHF	2024 CHF	Var.
Fixed	Base salary	14'061'919	17'833'333	-21.1%
	Other	6'291'249	7'976'121	-21.1%
Short-term incentives	Cash	11'731'444	15'155'708	-22.6%
	Equity	2'019'030	1'901'376	6.2%
Long-term incentives	Restricted	0	0	0.0%
	Performance	14'901'071	20'966'757	-28.9%
Total		49'004'713	63'833'295	-23.2%
Total number of persons (FTE)		13.3	16.0	
Highest paid executive		7'334'674	9'626'316	NA
Average other executives		3'379'565	3'613'799	NA

B Board Members (Outside Executive Management)

		2025 CHF	2024 CHF	Var.
Fixed	Cash	2'587'308	2'990'000	-13.5%
	Shares	5'806'105	6'310'000	-8.0%
	Other	292'351	326'111	-10.4%
Variable	Cash	0	0	0.0%
	Shares	0	0	0.0%
	Options	0	0	0.0%
Total		8'685'764	9'626'111	-9.8%
Total number of persons (FTE)		11.6	13.0	
Highest paid non-executive		2'249'948	3'529'400	NA
Average other non-executives		604'308	508'059	NA

Comments

Members of the executive management:

The remuneration of the executive management consists of the following elements:

- Base salary
- Short-term annual bonus paid in cash and shares blocked for 3 years (see point 4.5.B of this report)
- Long-term Incentives (LTI) consisting of performance share units (see point 4.5.C of this report)
- Pension contributions
- Other benefits (car allowance, contribution to health insurance premiums, long-term service awards and expatriate benefits)

The highest paid member of the executive management was Dr. Ulf Mark Schneider (CEO until September 2024) in 2024, while it was Mr. Steve Presley (CEO Zone AMS until April 2025), in 2025. The comparison year-on-year of the highest paid executive is therefore not relevant (shown as "NA" in table 4.2.A). In addition, the average remuneration of the other executives is not comparable year-on-year due to many changes within the executive management ("NA" in table 4.2.A).

Non-executive board members:

Non-executive board members (except the chair) receive an annual board membership fee of CHF 280'000 and an expense allowance of CHF 15'000. This structure is unchanged since 2006.

In addition, board members who are also members of key committees receive the following additional fees:

- Chair's committee: CHF 200'000 for membership, CHF 300'000 for chairing the committee
- Audit committee: CHF 100'000 for membership, CHF 150'000 for chairing the committee
- All other committees : CHF 70'000 for membership, CHF 150'000 for chairing the committee

50% of the fees are paid in shares blocked for 3 years and 50% in cash.

The board fees are reported from AGM to AGM, and are paid in two instalments in arrears (25% in October 2025 and 75% in April 2026).

The highest paid non-executive board member was Mr. Paul Bulcke (chair until 30 September 2025) in 2024 while it was Mr. Pablo Isla in 2025 (chair since 1 October 2025). The remuneration of the highest paid non-executive board member is therefore not comparable (NA in table 4.2.B). In addition, the remuneration of the other non-executive board members is also not comparable as the 2025 remuneration includes that of the former chair (NA in table 4.2.B). Ethos, notes that, excluding the remuneration of Mr. Bulcke, the average remuneration of the other board members is CHF 471'911 (-7.1% compared to the previous year).

4.3 Individual Remuneration Figures

Individual figures for 2025 (CHF)

A Members of the Executive Management

Name, Function	FTE	Fixed		Short-term incentives		Long-term incentives		Total
		Base salary	Other	Cash	Equity	Restricted	Performance	
P. Navratil, CEO	100%	1'200'000	376'376	847'333	847'400	0	1'533'422	4'804'531
S. Presley, OE	100%	976'086	1'970'888	1'306'450	0	0	3'081'250	7'334'674
Average other executives	NR	1'049'059	348'101	845'336	103'410	0	907'890	3'253'796

Comments

The remuneration of Mr. Philipp Navratil includes his remuneration as CEO of Nestlé Nespresso and as CEO since 1 September 2025.

The remuneration of Mr. Steve Presley (CEO Zone AMS until April 2025) is disclosed separately as he was the highest paid executive in 2025. This remuneration includes 8 months of notice period.

Ms. Anna Mohl (CEO of Nestlé Health Science), received CHF 559'953 under the Nestlé Health Science phantom share unit plan (consisting of 7'890 units valued at CHF 70.97 each) based on the long-term development of this business. No additional information is provided regarding this plan. This amount is included in the "Long-term incentives/Performance" column of the "Average other executives".

B Board Members (Outside Executive Management)

Name, Function	FTE	Fixed			Variable			Total
		Cash	Shares	Other	Cash	Shares	Options	
P. Isla Álvarez de Tejera, Ch	100%	168'009	2'050'055	31'884	0	0	0	2'249'948
D. Boer, VCh, LD	100%	365'000	350'000	0	0	0	0	715'000
M. Ineichen-Fleisch, VCh	100%	190'000	175'000	17'831	0	0	0	382'831
P. Aebischer, Mbr	100%	190'000	175'000	42'695	0	0	0	407'695
R. Blair, Mbr	100%	205'000	190'000	20'365	0	0	0	415'365
R. Fassbind, Mbr	100%	330'000	315'000	30'160	0	0	0	675'160
C. Leong, Mbr	100%	190'000	175'000	18'886	0	0	0	383'886
L. Maestri, Mbr	100%	205'000	190'000	20'365	0	0	0	415'365
L. Majele Sibanda, Mbr	100%	190'000	175'000	43'886	0	0	0	408'886
G. Matchett, Mbr	100%	205'000	190'000	26'069	0	0	0	421'069
D. Paliwal, Mbr	100%	225'000	210'000	19'806	0	0	0	454'806
P. Bulcke, Ex-Ch	46%	0	1'611'050	13'919	0	0	0	1'624'969
H. de Mora (t), Ex-Mbr	19%	124'299	0	6'485	0	0	0	130'784

Comments

Included in the above table (under "Other"), Mr. Patrick Aebischer received CHF 25'000 for serving on the Nestlé Science & Technology Advisory Council and Ms. Lindiwe Sibanda received CHF 25'000 for serving on the Creating Shared Value (CSV) Council.

4.4 Best Practice Checklist

A Members of the Executive Management

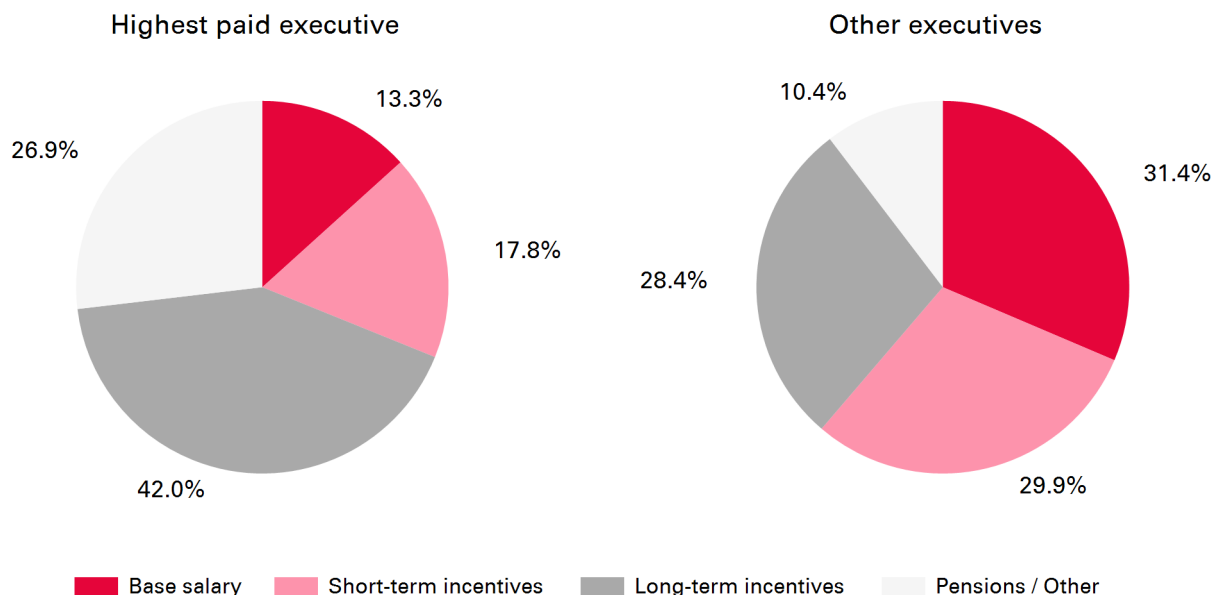
Company practice	Each member's remuneration disclosed separately	-
	All pay components disclosed separately (salary, bonus, LTI, pension)	Ok
	Peer group for setting the remuneration levels disclosed	Ok
	Peer group for benchmarking the company's performance under the variable remuneration plan(s) disclosed	Ok
	Accrual principle applied	Ok
	Performance criteria for short-term incentive adequately disclosed	-
	Precise ESG criteria for short-term incentive disclosed	-
	% of annual bonus depending on individual criteria disclosed	Ok
	Ex-post disclosure of the level of achievement of the performance objectives for the short-term incentive	-
	Performance criteria for the vesting of long-term incentive adequately disclosed	-
	Precise ESG criteria for the vesting of long-term incentive disclosed	-
	Precise performance objectives for the vesting of the long-term incentive disclosed ex-ante	-
	Precise performance objectives for the vesting of the long-term incentive disclosed ex-post	-
	Level of vesting of the long-term incentive (in % of the initial grant) disclosed	Ok
	Value realised upon vesting of the long-term incentive disclosed	-
	Shares granted valued at fair market value	Ok
	Options granted valued at fair market value	Not relevant
	Minimum share ownership requirements exist	Ok
	Reconciliation of reported remuneration with amounts approved prospectively	Ok
Comments	The CEO is required to hold shares worth at least 500% of his annual base salary (200% for the other executives) following an appropriate build-up period.	

B Board Members (Outside Executive Management)

Company practice	Non-executive directors' fees partly paid in shares	Ok
	Non-executive directors do not receive options	Ok
	Non-executive directors do not receive performance based remuneration	Ok
	Minimum share ownership requirements exist	-
	Reconciliation of reported remuneration with amounts approved prospectively	Ok

4.5 Remuneration Structure (Executives)

A Remuneration Breakdown



B Short-term Incentives

Short-term incentives in % of base salary	On target	Maximum	Actual
Of highest paid executive	150.0%	225.0%	133.8%
Of other executives	NA	NA	95.1%

Performance criterion	Type	Weighting (highest paid)	Weighting (other executives)
Organic growth	Absolute	NA	NA
Cash flow management	Absolute	NA	NA
Underlying trading operating profit margin	Absolute	NA	NA
Structural cost optimization	Absolute	NA	NA
Market share	Absolute	NA	NA
Progress on digitalization	Absolute	NA	NA
Quality and safety	Absolute	NA	NA
ESG targets	Absolute	15.0%	15.0%

Comments

The on-target bonus is 150% of the base salary for CEO, 100% for the Executive Vice Presidents and 80% for the Deputy Executive Vice Presidents. The maximum bonus is capped at 150% of the target bonus.

The performance conditions are as follows:

- For the CEO and CFO: Group objectives* (85% weighting) and Environmental, Social and Governance (ESG)** objectives (15%).
- For Function Heads, Group objectives* (35% weighting), functional objectives of a financial and non-financial nature (50%) and ESG objectives** (15%).
- For Zone or Business Heads, Group objectives* (25% weighting), financial and non-financial business goals they are directly responsible for (60%) and ESG objectives** (15%).

* Group objectives are quantitative and qualitative (see above).

** The ESG objectives reflect selected performance measures from Nestlé'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. Each of these 5 criteria have a weight of 3%.

The CEO has to take a minimum of 50% of his bonus in shares. All other members of the executive management can elect to receive part or all their bonus in shares. The shares are blocked for 3 years.

In 2025, the payout of the annual bonus for the CEO was 99.5%. Group objectives were below target (94.1% of the target) and ESG criteria were above target (130.5%). The achievement level of each ESG KPI was as follows:

- 150% for the % net reduction of GHG emissions vs. 2018 baseline
- 130% for the % of virgin plastic reduction vs. 2018 baseline
- 150% for the % volumes of key ingredients sourced from farmers adopting regenerative agriculture practices
- 102.4% for the number of servings of affordable nutrition with micronutrient fortification (billions)
- 120% for the % of management positions held by women

C Long-term Incentives

Incentive	Plan 1	Plan 2	Plan 3
Type of awards	PSUs	-	-
Vesting period for time-vesting awards	NR	-	-
Performance period	3 years	-	-
Sale restriction after performance/vesting period	2 years	-	-
Absolute performance criteria for vesting	Yes	-	-
Relative performance criteria for vesting	Yes	-	-
Sustainability criteria for vesting	Yes	-	-
Initial grant for the highest paid (in % of the base salary)	150%	-	-
Minimum final vesting (in % of initial grant)	0%	-	-
Maximum final vesting (in % of initial grant)	200%	-	-
Maximum payout (valued at date of grant, in % of the base salary)	300%	-	-

Comments

Plan 1

Under this plan, participants receive performance share units (PSUs) that are converted into shares at the end of a 3-year period depending on the company's performance. The shares received at the end of the performance period remain blocked for 2 additional years. The target grant value corresponds to 150% of the base salary for the CEO and 100% of the base salary for the other members of the executive management.

The level of vesting after the 3-year performance period is determined by the degree by which the following 4 performance measures are met:

- Average underlying EPS growth in constant currencies: 40% weighting
- Relative Total Shareholder Return (TSR) measured against the STOXX Global 1800 Food & Beverage Gross Return Index: 20% weighting
- Return on Invested Capital (ROIC) improvement: 20% weighting
- Reduction in greenhouse gas emissions: 20% weighting

The vesting scales are as follows:

Average underlying EPS growth

- 1% growth and below: no vesting
- 6% growth: 100% vesting
- 11% growth and above: 200% vesting

Vesting is determined by linear interpolation between the above points.

Relative TSR

- TSR is 20% below the TSR of the benchmark: no vesting
- TSR matching the TSR of the benchmark: 100% vesting
- TSR is 20% or more above the TSR of the benchmark: 200% vesting

Vesting is determined by linear interpolation between the above points.

ROIC

- 12% ROIC or below: no vesting
- 14% ROIC: 100% vesting
- 16% ROIC or above: 200% vesting

Vesting is determined by linear interpolation between the above points.

Reduction of Greenhouse Gas (GHG) emissions

- 26% reduction or below: no vesting
- 28% reduction: 100% vesting
- 30% reduction or above: 200% vesting

Vesting is determined by linear interpolation between the above points and the base period is 2018. The remuneration report does not mention which scopes are covered.

In February 2026, the PSUs granted under the 2023 plan vested with a payout factor of 79%, reflecting the level of achievement across the performance criteria. GHG emissions reduction was achieved at maximum level, while the financial criteria, i.e. underlying EPS, TSR and ROIC were below target at respectively 40%, 82% and 34% of the target.

The previous payout were:

- 2022 plan: 79%
- 2021 plan: 92%
- 2020 plan: 77%
- 2019 plan: 114%
- 2018 plan: 177%
- 2017 plan: 189%
- 2016 plan: 127%
- 2015 plan: 85%
- 2014 plan: 72%
- 2013 plan: 100%
- 2012 plan: 105%
- 2011 plan: 70%

4.6 Share and Option Holdings

A Members of the Executive Management

Name	Function	31.12.2025 Shares	31.12.2025 Options	31.12.2024 Shares	31.12.2024 Options
P. Navratil	CEO	2'429	0	NA	NA
S. Presley	OE	NA	NA	NA	NA
Total other executives	–	294'085	0	416'832	0
Total		296'514	0	416'832	0

B Board Members (Outside Executive Management)

Name	Function	31.12.2025 Shares	31.12.2025 Options	31.12.2024 Shares	31.12.2024 Options
P. Isla Álvarez de Tejera	Ch	19'373	0	15'334	0
D. Boer	VCh, LD	14'430	0	10'391	0
M. Ineichen-Fleisch	VCh	35'343	0	8'231	0
P. Aebischer	Mbr	20'931	0	18'911	0
R. Blair	Mbr	3'908	0	1'645	0
R. Fassbind	Mbr	65'718	0	62'083	0
C. Leong	Mbr	5'412	0	3'392	0
L. Maestri	Mbr	5'876	0	3'683	0
L. Majele Sibanda	Mbr	6'823	0	4'803	0
G. Matchett	Mbr	2'193	0	0	0
D. Paliwal	Mbr	11'033	0	8'609	0
P. Bulcke	Ex-Ch	NA	NA	1'545'209	0
H. de Mora (†)	Ex-Mbr	NA	NA	13'221	0
Total		191'040	0	1'695'512	0

Comments

The above shareholdings include shares that are subject to a three-year blocking period.

5. Remuneration Requested

Executive Management

Item	Component	Type	Amount requested (CHF)	Nb. of pers. (FTE)	Modality
5.2	Base salaries	Cash	13'000'000	11.0	Prospective
5.2	Short-term variable remuneration	Cash, shares	20'500'000	11.0	Prospective
5.2	Long-term variable remuneration	Shares	14'000'000	11.0	Prospective
5.2	Pension contributions	Other	2'500'000	11.0	Prospective
5.2	Other remuneration	Other	5'000'000	11.0	Prospective

Total remuneration requested for the executive management: 55'000'000

Comments

Ethos notes that the amount requested for the long-term variable remuneration (CHF 14 million) corresponds to the value of the initial grant of performance share units (PSUs) under the long-term plan. The leverage of up to 2 times the initial grant (in case of overachievement of the performance objectives at the end of a 3-year performance period) is not included in the requested amount. Therefore, the requested amount of CHF 55 million does not represent the maximum potential remuneration.

Board of Directors

Item	Component	Type	Amount requested (CHF)	Nb. of pers. (FTE)	Modality
5.1	Fixed fees	Cash	4'700'000	13.0	Prospective
5.1	Fixed fees	Shares	4'700'000	13.0	Prospective
5.1	Social security contributions	Other	600'000	13.0	Prospective

Total remuneration requested for the board of directors: 10'000'000

6. Board of Directors

Composition after the General Meeting of 16.04.2026

Committee	Executive	Affiliated non-executive	Independent non-executive	Total
Board of Directors	0	2	11	13
Audit committee	0	0	4	4
Nomination committee	0	1	3	4
Remuneration committee	0	1	5	6
Sustainability committee	0	1	3	4

Election procedure for directors	Individual
Mandate duration	1 year
Maximum term of office	12 years*
Mandatory age limit	72 *
Single signature	Yes**
Number of board meetings during the past year	18 (2h35 on average)
Number of audit committee meetings during the past year	5 (2h33 on average)
Number of remuneration committee meetings during the past year	7 (0h52 on average)
Number of nomination committee meetings during the past year	6 (0h55 on average)
Number of chair's committee meetings during the past year	9 (1h42 on average)
Number of sustainability committee meetings	4 (2h05 on average)
Individual attendance rate at board meetings disclosed	Yes

The following changes in the board's composition will take place at the AGM:

- Ms. Fama Francisco and Mr. Thomas Jordan are proposed for election as new nominees.
- Ms. Marie-Gabrielle Ineichen-Fleisch, Dr. Renato Fassbind and Mr. Luca Maestri are proposed as new members of the remuneration committee.
- Mr. Dinesh Paliwal is proposed as chair of the remuneration committee.
- Mr. Dick Boer will chair the new nomination and corporate governance committee.

The chair's committee also acts as corporate governance committee. Effective as of the 2026 AGM, the chair's committee will be dissolved, with its finance responsibilities assumed by the new audit and finance committee and its corporate governance duties by the newly combined nomination and corporate governance committee. In addition, the sustainability committee will become the science, technology and sustainability committee.

The board of directors reserves at least one full day per year to discuss the long-term strategy of the company. In addition, the board visits every year one operating company for three to five days (in 2025: Nestlé Greater China).

In 2025, all board members attended all board meetings, except Ms. Sibanda, Mr. Blair and Ms. Matchett who attended 17 out of 18 meetings (i.e. 94% attendance), 16 out of 18 meetings (i.e. 88% attendance) and 15 out of 18 meetings (i.e. 83% attendance), respectively. This corresponds to an average attendance of 97%.

No information is provided regarding attendance at committee meetings.

*The maximum term of office and age limit are set in the organisational rules and therefore can be modified without shareholders' approval.

**Mr. Pablo Isla Álvarez de Tejera (chair) and Dr. Renato Fassbind have single signature.

Pablo Isla Álvarez de Tejera		Up for Re-election
Affiliated	Chair	
Nationality	Spanish	
Age	62	
Director since / term ends	2018 / 2027	
Committee memberships	– Nomination committee	
Affiliation	– Miscellaneous	
	He receives an annual remuneration of CHF 3.5 million.	
Main activity	none	
Directorships	– L'Oréal (listed), France - Vice chair (proposed for election) – Bertelsmann, Germany - Member – Fonte Films, Spain - Chair	
Comments	Global Senior Advisor at Cinven (2024-2025). Global Senior Advisor at General Atlantic (2022-2023). CEO (2005-2019) and Executive Chair (2019-2022) of Inditex. Co-Executive Chair of Altadis (2000-2005).	

Dick Boer		
Independent	Vice chair and Lead director	Up for Re-election
Nationality	Dutch	
Age	69	
Director since / term ends	2019 / 2027	
Committee memberships	<ul style="list-style-type: none"> – Nomination committee, Chair – Remuneration committee – Sustainability committee 	
Main activity	none	
Directorships	<ul style="list-style-type: none"> – Shell (listed), United Kingdom - Vice chair and Lead director – SHV Holdings, Netherlands - Member 	
Other relevant mandates	– Royal Concertgebouw, Netherlands - Chair	
Comments	CEO of Ahold Delhaize (2016-2018). CEO of Ahold (2011-2016). COO of Ahold Europe (2006-2011).	

Marie-Gabrielle Ineichen-Fleisch		
Independent	Vice chair	Up for Re-election
Nationality	Swiss	
Age	65	
Director since / term ends	2023 / 2027	
Committee memberships	<ul style="list-style-type: none"> – Nomination committee – Remuneration committee 	
Main activity	none	
Directorships	<ul style="list-style-type: none"> – BVZ Holding (listed), Switzerland - Member – KIBAG Holding, Switzerland - Member – F.G. Pfister Holding, Switzerland - Member – Schweizerische Mobiliar Genossenschaft, Switzerland - Member 	
Other relevant mandates	– Swisscontact, Switzerland - Member	
Comments	State Secretary and Director of the Swiss State Secretariat for Economic Affairs (SECO, 2011-2022). Head of the World Trade Division of the SECO, as well as Swiss Ambassador and Delegate for Trade Agreements and Switzerland's Chief Negotiator to the World Trade Organization (2007-2011).	

Prof. Dr. Patrick Aebischer
 Affiliated Member Up for Re-election

Nationality	Swiss
Age	72
Director since / term ends	2015 / 2027
Committee memberships	<ul style="list-style-type: none"> – Remuneration committee – Sustainability committee, Chair
Affiliation	<ul style="list-style-type: none"> – Business relationship <p style="margin-left: 40px;">Chair and co-founder of Amazentis which entered into a global partnership with Nestlé Health Science in 2019 to develop a new cellular nutrient.</p>
Main activity	– Limani Partners, Switzerland - Managing Partner
Directorships	<ul style="list-style-type: none"> – PolyPeptide Group (listed), Switzerland - Vice chair and Lead director – Amazentis, Switzerland - Vice-chair, co-founder and co-owner – Vandria, Switzerland - Chair – Swiss Vaccine, Switzerland - Member – Healthspan, Switzerland - Member
Other relevant mandates	<ul style="list-style-type: none"> – Fondation Swiss Polar, Switzerland - Chair – Association Forel Heritage, Switzerland - Chair – Geneva Science and Diplomacy Anticipator Foundation, Switzerland - Vice chair – Fondation Claude Nobs, Switzerland - Member – Fondation du domaine de Villette, Switzerland - Member – Fondation du centre culturel de Verbier, Switzerland - Member – Fondation Defitech, Switzerland - Member
Comments	<p>Senior Partner of NanoDimension Management (2017-2025). Professor of Neurosciences at the Swiss Federal Institute of Technology, EPFL (2000-2019). President of the EPFL (2000-2016).</p>

Rainer M. Blair
 Independent Member Up for Re-election

Nationality	US Citizen
Age	62
Director since / term ends	2023 / 2027
Committee memberships	– Audit committee
Main activity	– Danaher (listed), USA - CEO
Directorships	– Danaher (listed), USA - Member
Comments	<p>Various positions at Danaher since 2010, including:</p> <ul style="list-style-type: none"> - Executive Vice President (2017-2020) - Vice President, Group Executive (2014-2017) CEO of MAPEI Americas (2006-2009).

Dr. oec. Renato Fassbind

Independent Member Up for Re-election

Nationality Swiss
 Age 71
 Director since / term ends 2015 / 2027
 Committee memberships – Audit committee, Chair
 – Remuneration committee
 Main activity none
 Comments Certified Public Accountant.
 Senior Advisor to Credit Suisse Group (2010-2012).
 CFO of Credit Suisse Group (2004-2010).
 CEO of Diethelm Keller Holding (2002-2004).
 CFO of ABB (1997-2002).

Fama Francisco

Independent Member New Nominee

Nationality US Citizen
 Age 58
 Director since / term ends 2026 / 2027
 Committee memberships none
 Main activity – Procter & Gamble (listed), USA - CEO, Baby, Feminine and Family Care
 Directorships – HP (listed), USA - Member
 Comments Various roles at Procter & Gamble since 1989, including:
 - President, Global Baby Care (2018-2019)
 - President, Global Feminine Care (2015-2018).

Dr. oec. Thomas Jordan
 Independent Member New Nominee

Nationality	Swiss
Age	63
Director since / term ends	2026 / 2027
Committee memberships	none
Main activity	none
Directorships	– Zurich Insurance Group (listed), Switzerland - Member
Other relevant mandates	– Nicolas Copernicus Academy, Poland - Member, Economic and Management Sciences Chamber – Swiss Economic Policy Foundation, Switzerland - Member, Advisory board
Comments	Honorary Professor at the University of Bern since 2003. Several positions at the Swiss National Bank (1997-2024), ultimately as CEO (2012-2024)

Chris Leong
 Independent Member Up for Re-election

Nationality	Malaysian
Age	59
Director since / term ends	2022 / 2027
Committee memberships	– Sustainability committee
Main activity	– Ecolab (listed), USA - Chief Marketing and Innovation Officer
Comments	Various functions at Schneider Electric since 2012, including: - Chief Sustainability Officer (January-June 2025) - Chief Marketing Officer (2015-2025) - Executive Vice President, Digital Customer Experience (2013-2015) Various positions held at Nokia (2005-2011), including: - Senior Vice President Greater China, Japan and Korea (2010-2011) - Senior Vice President Global Marketing (2008-2009) - Senior Vice President Greater China Marketing (2006-2007) Various positions held at WPP (1991-2005), including: - President of Grey South East Asia (2003-2005) - Managing Director of Bates Singapore (1999-2002)

Luca Maestri		
Independent	Member	Up for Re-election
Nationality	Italian	
Age	63	
Director since / term ends	2022 / 2027	
Committee memberships	<ul style="list-style-type: none"> - Audit committee - Remuneration committee 	
Main activity	- Apple (listed), USA - Vice President Corporate Services	
Directorships	- UBS (listed), Switzerland - Member (proposed for election)	
Comments	CFO of Apple (2014-2024). Vice President and Corporate Controller of Apple (2013-2014). CFO of Xerox Corporation (2011-2013). CFO of Nokia Siemens Networks (2008-2011). Various positions at General Motors Corporation (1988-2008) including: - CFO GM Europe (2007-2008) - CFO GM Brasil (2005-2007).	

Lindiwe Majele Sibanda		
Independent	Member	Up for Re-election
Nationality	Zimbabwean	
Age	63	
Director since / term ends	2021 / 2027	
Committee memberships	- Sustainability committee	
Main activity	<ul style="list-style-type: none"> - ARUA Centre of Excellence in Sustainable Food Systems, University of Pretoria, South Africa - Professor 	
Other relevant mandates	<ul style="list-style-type: none"> - National University of Science and Technology, Zimbabwe - Chair - Foundation Board of the Geneva Science and Diplomacy Anticipator Foundation, Switzerland - Member 	
Comments	Founder and managing director of Linds Agricultural Services (Zimbabwe). Vice President country support, policy and partnerships at Alliance for a Green Revolution in Africa (2017-2018). CEO and head of diplomatic mission at Food, Agriculture and Natural Resources Policy Analysis Network (2004-2017).	

Geraldine Matchett		Up for Re-election
Independent	Member	
Nationality	Swiss	
Age	54	
Director since / term ends	2024 / 2027	
Committee memberships	– Audit committee	
Main activity	none	
Directorships	– ABB (listed), Switzerland - Member – Swiss Re (listed), Switzerland - Member	
Other relevant mandates	– FCLTGlobal, USA - Member – Greenhouse Gas Protocol (GHGP), Switzerland - Chair	
Comments	Chartered accountant. Positions at Royal DSM-Firmenich (formerly Royal DSM): - Co-CEO and CFO (2020-2023) - CFO (2014-2020) Executive of the World Business Council for Sustainable Development (2020-2023). CFO of SGS (2010-2014). Group Financial Controller of SGS (2004-2010).	

Dinesh C. Paliwal		Up for Re-election
Independent	Member	
Nationality	US Citizen	
Age	69	
Director since / term ends	2019 / 2027	
Committee memberships	– Nomination committee – Remuneration committee, Chair	
Main activity	– KKR (listed), USA - Partner, Americas Private Equity	
Directorships	– Marelli (participation of KKR), Japan - Chair – Koki Holdings Co (participation of KKR), Japan - Member	
Comments	CEO of Harman International (2007-2020). President of ABB Switzerland (2006-2007). CEO of ABB USA (2004-2007).	

7. Sustainability

7.1 Sustainability reporting

	2025	2024	Trend
Report is made available in advance of the general meeting	Yes	Yes	
Reporting standard	GRI and SASB	GRI and SASB	→
External verification	Limited assurance	Limited assurance	→

7.2 Climate change strategy

GHG emissions scope 1 and 2		2025	2024	Trend
Scope 1	Tonnes	2'820'000	3'020'000	↑
Scope 2 (market based)	Tonnes	220'000	240'000	↑
Scope 2 (location based)	Tonnes	2'480'000	2'420'000	↓
Total scope 1 and 2 (market based)	Tonnes	3'040'000	3'260'000	↑
Total scope 1 and 2 (location based)	Tonnes	5'300'000	5'440'000	↑

Emissions data from 2024 have been restated by the company due to acquisitions, divestitures, emissions factor restatements and adjusted scope.

GHG emissions scope 3		2025	2024	Trend
Purchased goods and services	Tonnes	56'430'000	ND	
Capital goods	Tonnes	2'720'000	ND	
Fuel and energy related activities	Tonnes	940'000	ND	
Upstream transportation and distribution	Tonnes	1'700'000	ND	
Waste generated in operations	Tonnes	50'000	ND	
Business travel	Tonnes	110'000	ND	
Employee commuting	Tonnes	360'000	ND	
Upstream leased assets	Tonnes	110'000	ND	
Downstream transportation and distribution	Tonnes	7'510'000	ND	
Processing of sold products		NR	ND	
Use of sold products	Tonnes	400'000	ND	
End-of-life treatment of sold products	Tonnes	1'460'000	ND	
Downstream leased assets		NR	ND	
Franchises		NR	ND	
Investments	Tonnes	220'000	ND	
Total scope 3 disclosed	Tonnes	74'800'000	81'040'000	↑

The company publishes its breakdown of scope 3 emissions for the first time in 2025. The company also discloses 8.19 MtCo2e of indirect use of sold product emissions (for instance the energy consumed to cook Nestlé sold products) and 2.79 MtCo2 of scope 3 emissions non-integrated within the disclosed categories for the time being.

Total GHG emissions scope 1,2 and 3 disclosed		2025	2024	Trend
Total scope 1,2 (market based) and scope 3 disclosed	Tonnes	77'840'000	84'300'000	↑
Total scope 1,2 (location based) and scope 3 disclosed	Tonnes	80'100'000	86'480'000	↑

Targets to reduce GHG emissions validated by SBTi	2025	2024	Trend
SBT near-term	1.5°	1.5°	→
SBT long-term	1.5°	1.5°	→
SBT net-zero	Yes	Yes	→

Comment on SBTi website

Overall Net-Zero Target Nestlé commits to reach net-zero GHG emissions across the value chain by 2050 from a 2018 base year. Near-Term Targets Energy and industry: Nestlé commits to reduce absolute scope 1, 2 and scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, waste generated in operations, upstream transportation and distribution, business travel, employee commuting, downstream transportation and distribution and end-of-life treatment of sold products 50.4% by 2030 from a 2018 base year*. Nestlé also commits to increase annual active sourcing of renewable electricity from 33.4% in 2018 to 100% by 2025 through 2030. *The target boundary includes biogenic emissions and removals from bioenergy feedstocks FLAG: Nestlé commits to reduce absolute scope 3 FLAG GHG emissions 50% by 2030 from a 2018 base year*. Nestlé also commits to no deforestation across its primary deforestation-linked commodities, with a target date of 2025. *The target includes FLAG emissions and removals. Long-Term Targets Energy and industry: Nestlé commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by 2050 from a 2018 base year*. *The target boundary includes biogenic emissions and removals from bioenergy feedstocks FLAG: Nestlé commits to reduce absolute scope 3 FLAG GHG emissions 75% by 2050 from a 2018 base year*. *The target includes FLAG emissions and removals.

7.3 Environment

		2025	2024	Trend
Total waste generated	Tonnes	1'839'067	1'771'759	↓
Water consumption	M3	44'700'000	45'000'000	↑
Energy consumption	GJ	77'120'623	78'784'554	↑

2024 waste generated data have been restated by the company.

7.4 Corruption

	2025	2024	Trend
Public policy	Complete	Complete	→
Confidential whistleblowing system	Complete	Complete	→

7.5 Employees

	2025	2024	Trend
Public policy on mobbing/harassment	Best practice	Best practice	→
% of women in the total workforce	40.40	40.30	↑
% of women in executive management	38.46	40.00	↓
% of employee turnover (overall)	ND	ND	
% of employee turnover (voluntary)	ND	ND	
Lost time incident rate	ND	ND	
Fatalities	2.00	4.00	↑

The company does not disclose its LTIR but its total recordable injury rate per million hours worked which is 1.13 (1.14 in 2024).

7.6 Human rights

	2025	2024	Trend
Public policy on human rights of communities	Best practice	Best practice	→
Public supplier code of conduct	Yes	Yes	→
Outcomes of audits of compliance of the sustainability requirements for suppliers disclosed	Yes	No	↑

Report issued:

27.03.2026

Analyst:

Emilie Fournier

About Ethos

The Ethos Foundation aims at promoting socially responsible investment as well as a stable and prosperous socio-economic environment. Ethos is composed of more than 250 Swiss pension funds and other tax-exempt institutions. Its subsidiary Ethos Services is an acknowledged provider of consulting services comprising socially responsible investment (SRI) funds, proxy voting reports, investor engagement programmes, sustainability analyses, as well as climate analyses & reporting. For further information: www.ethosfund.ch.

Frequently used abbreviations

AGM	Annual General Meeting
EGM	Extraordinary General Meeting
ND	Not disclosed
NR	Not relevant
COO	Chief Operating Officer
OE	Other Executive Function
Ex-	Former
STI	Short-term incentive
LTI	Long-term incentive
PSU	Performance Share Unit
RSU	Restricted Share Unit
KPI	Key Performance Indicator
ESG	Environmental, Social and Governance
GHG	Greenhouse gas
CDP	Carbon Disclosure Project
GRI	Global Reporting Initiative
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets Initiative
TCFD	Task Force on Climate-related Financial Disclosures

Disclaimer

Ethos' analyses are based on information gathered from sources available to investors and the general public, e.g. company reports, websites and direct contacts with company officers. Ethos processes the information received and formulates its own voting recommendations in accordance with its voting guidelines (www.ethosfund.ch). Despite multiple verifications, the information provided cannot be guaranteed accurate and Ethos shall assume no liability with respect to the consequences of relying on this information. The analyses are intended to help investors (members or clients of Ethos or any other potential users) make informed decisions at companies' general meetings but cannot, in any way, be considered as a portfolio investment tool or advice for investing in securities. The voting decision is the sole responsibility of the user of this report.

© Ethos. All rights reserved. The content of this document, including all analyses and data, conclusions, and visualizations, are intended for the exclusive use of the recipient and should not be copied, distributed, or reproduced in whole or in part, nor passed to any third party without the express written permission of Ethos. By using this document, the recipient agrees to adhere to the terms and conditions set forth by Ethos and/or its content providers regarding the use of the provided data. In particular, the recipient shall not (i) use any engine, software, tool, agent or other device (including any linking, deep-linking, framing or page-scraping, web-scraping, optical character recognition, robotic process automation, robots, spiders or other automatic devices, programs, data stripping mechanisms, algorithms, code(s) or methodologies, or any similar or equivalent automated or manual processes) to access, acquire, monitor, copy, distribute, display, navigate or search any portion of data forming part of this document; (ii) use any data forming part of this document to develop, build, train, structure, run or test machine learning algorithms, software models or robotic process automation technologies (whether such technologies are data driven or use human resources to assist with such machine learning or robotic process automation); (iii) use any part of the data forming part of this document in conjunction with artificial intelligence or data analytics technologies; (iv) use or permit the use of any part of the data forming part of this document in connection with any GPT, machine learning or similar generative artificial intelligence system or model (including sharing any data forming part of this document with any external provider of the foregoing).



Place de Pont-Rouge 1
Case Postale 1051
CH-1211 Genève 26

Zurich Office:
Glockengasse 18
CH - 8001 Zürich

info@ethosfund.ch
www.ethosfund.ch
T +41 58 201 89 89