

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

NESTLÉ
2023 REPORT
SUBMITTED ON 31 JULY 2024

Sustainability dimension	Code aspirational objective (1-7)	Individual commitments with baseline	Progress on KPIs and goals (qualitative and / or quantitative)	Additional information (optional)	Comments (optional)
Nutritional / Social	1	Product reformulation Reduce sodium in our global portfolios by 2025 and 2030 in key categories.	As announced in Nestlé's 2022 report to the EU Code of Conduct, initial reductions are targeted for the end of 2025 and a second set of further reductions by 2030.	During 2023, we brought forward several actions to support balanced and sustainable diets. In specific, we: – Published Good for You, our new Nutrition Strategy. – Set an ambitious 2030 target to increase the sales of more nutritious products. – Reported transparently on the nutritional value of our global portfolio. – Strengthened our responsible marketing practices. – Continued to improve the nutrition and taste of our products.	

				Read more on page 46 of our 2023 CSV Sustainability Report (here).	
Nutritional / Social	1, 3	Transparent information to consumers Implement Nutri-Score across brands of Nestlé's wholly-owned businesses in continental Europe.	In 2023, we continued to implement Nutri-Score in several countries across Europe, including Austria, Belgium, France, Germany, Luxembourg, Portugal, Spain and Switzerland. In Europe, our Garden Gourmet brand launched fish-style crispy fillets and nuggets. Made with wheat and pea protein, the products are high in protein, low in saturated fat and have a Nutri-Score A. Cereal Partners Worldwide, the international breakfast joint venture between Nestlé and General Mills, is also implementing Nutri-Score on its product packaging.	Read more in our Ask Nestlé webpage on Nutri-Score. Nutri-Score features in the annual portfolio transparency reporting for France and Germany: webpage. Our Reporting Scope and Methodology for Nutritional Value Transparency 2023 can be found here.	In May 2024, Nestlé announced that it will adopt the recently revised Nutri-Score algorithm and to gradually implement it on Nestlé in-scope products by the end of 2025 (including Cereal Partners Worldwide). A two-year transition period has been designed to allow operators to transition over to the new algorithm. This is in line with our long-standing commitment to support consumers make informed decisions towards healthier and more balanced diets. More information will be shared in our 2024 submission to the EU Code of Conduct.
Nutritional / Social	1	Restrict Promotion of HFSS food products No advertising for food and beverage products to children under the age of twelve on TV, print, on Pack and at Point of sales and to children under 13 online (social media platforms in particular) except for products which fulfil	96.8% compliance with Nestlé Marketing Communication to Children policy* * For 2023, EU pledge monitoring results for TV, influencers, websites and social media are used as a proxy for compliance with the Nestlé Marketing Communication to Children Policy. Compliance was assessed against our policy criteria applicable during H1	Read more on page 49 of our 2023 CSV Sustainability Report (here)	In 2023, we published two new policies to further strengthen our responsible marketing practices. We broadened our commitment to market breast milk substitutes responsibly: we expanded Nestlé's Policy for implementing the WHO Code and stopped promoting formula for babies under six months of age worldwide. This complements our stricter practices in 163 countries, most

		common nutritional criteria. No communication related to products in primary schools, except where specifically requested by, or agreed with, the school administration for educational purposes.	2023. Compliance against our updated policy– implemented as of July 1, 2023 – will be reported in the following year.		of which have higher infant mortality and acute child malnutrition rates, where we do not promote formula for babies under 12 months of age as a minimum. Compliance with our Policy is mandatory and embedded in the Corporate Business Principles and we will continue to publicly report on it. We extended our Marketing Communication to Children Policy to young people up to the age of 16. It prohibits direct advertising of confectionery, ice cream and water-based beverages with added sugars to this age group. We are among the first major food and beverage companies to voluntarily apply such strict standards worldwide. In addition, our new policy: – Bans all product marketing communication targeting children aged zero to six. – Rules out collecting personal data from minors for use in marketing communication. – Restricts partnerships to adult influencers only
Social / Environmental	5, 7	Responsibly Sourced Goals are:	Palm oil: 100% (29.0% increase from 2022) Cocoa: 85.5% (17.2% increase from 2022)	Read more on page 31 of our 2023 CSV Sustainability Report (here)	<u>Palm oil:</u> In 2023, 100% of our crude palm oil (CPO) was from Roundtable on Sustainable Palm Oil (RSPO) certified sources. 55% of our Palm Kernel Oil (PKO) volume was

		Source 100% certified sustainable palm oil by 2023; Source 100% sustainable cocoa and coffee by 2025; Source 100% of key ingredient volumes Responsibly Sourced by 2030.* * In 2023, we renamed 'Ingredients Responsibly Sourced' from 'Ingredients Produced Sustainably'. All methodologies, metrics and targets remain the same as 2022. This KPI measures the performance of volumes at origin level against the requirements of the Nestlé Responsible Sourcing Standard and the progressive delivery of positive impacts on people, nature and climate in Nestlé's sourcing origins. Priority raw materials refers to 14 key agricultural raw materials that cover 95% of our annual sourcing by volume: cereals and grains; cocoa; coconut; coffee; dairy; fish and seafood; hazelnuts; meat, poultry and eggs;	Coffee: 92.8% (4.8% increase from 2022) 36.2% of key ingredients Responsibly Sourced in 2023		covered with Roundtable on Sustainable Palm Oil (RSPO) certified sources and the remaining with 20 times CSPO RSPO volumes. <u>Cocoa</u>: The % cocoa sourced through the Nestlé Cocoa Plan includes volumes of Rainforest Alliance certified mass balance cocoa. We also include verified Nestlé Cocoa Plan volumes and farm data provided by suppliers. <u>Coffee</u>: 92.5% Nescafé coffee sourced through the Nescafé Plan (87.0% in 2022). 94.4% Nespresso coffee sourced through the Nespresso AAA Sustainable Quality™ Program (93.1% in 2022). Our Reporting Scope and Methodology for ESG Key Performance Indicators document provides details and definitions and can be found here.
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		palm oil; pulp and paper; soy; spices; sugar; and vegetables.			
Social	5, 7	Human Rights / Child Labor Ensure human rights are promoted and respected across our value chain by assessing, addressing and reporting progress on salient human rights risks by 2025.	In December 2021, we published our new Nestlé Human Rights Framework and Roadmap (link). During 2023, we: - Released a new human rights policy and a set of dedicated Salient Human Rights Issue Action Plans . – Further strengthened our governance structure by establishing a new Human Rights Steering Committee, as well as new multi-functional teams and local dedicated human rights coordinators in priority markets to oversee the implementation of our Human Rights Framework and Roadmap and associated action plans. – Continued to implement programs and initiatives on the ground to assess and address risks and report on progress and challenges.	Read more on page 35 of our 2023 CSV Sustainability Report (here)	.
Social	5	Youth Provide 20,000 apprenticeships and traineeships and 20,000 jobs for young people by 2025 in Europe, Middle East and North Africa,	In 2023, as part of our Nestlé needs YOUth program, we provided: Job opportunities: 7,285 Internships & apprenticeships:	Nestlé internal reporting	

		with a specific emphasis on digital and green skills.	3,356		
Social	5	Diversity & Inclusion Increase the proportion of women in senior management positions.	By the end of 2023: – All markets had completed diversity, equity and inclusion (DE&I) self-assessments and set action plans to continue making progress. – Women held 46.4% of all management positions. – Women held 34.6% of senior management positions. – Women held 25% of our Executive Board positions. – Local employees represented 85.7% of senior executive leaders at the management committee level in our markets.	Read more on page 53 of our 2023 CSV Sustainability Report (here)	The definition of this KPI changed in 2023 from 'women in the top 200+ senior executive positions (%)'. External recognition in 2023: – Bloomberg Gender-Equality Index recognized Nestlé for our transparency in gender reporting for the fifth consecutive year. – Forbes included Nestlé in the European Diversity Leaders list. – The Times of London and Business in the Community recognized Nestlé UK and Ireland as one of the top 50 employers for gender equality. – The Impulse Award for the Promotion of Women FEDEPE was awarded to Nestlé Spain.
Social / Environmental	6	Animal welfare Goal: Source 100% of purchased eggs for food products from cage free sources by 2025 worldwide	72.9% of cage-free eggs sourced globally by the end of 2023. We continue to work with our suppliers to develop in-country resources and source cage-free eggs when available, and remain focused on meeting our target by the end of 2025.	Read more on page 31 of our 2023 CSV Sustainability Report (here)	

Social / Environmental	6	Animal welfare European Better Chicken Commitment: improve animal welfare standards for broilers by 2026.	European Better Chicken Commitment: In 2023, we continued to engage suppliers towards implementing animal welfare practices in line with the European Better Chicken Commitment.	Read more on the European Better Chicken Commitment (link)	
Environmental	3, 6	Climate Goal: Achieve 20% reduction of emissions by 2025, 50% reduction by 2030, Net Zero by 2050 (considering 2018 baseline + company growth).	At the end of 2023, we: – Achieved a reduction in emissions of 12.75% vs. 2018 baseline. With removals, a 13.58% net reduction vs. 2018. – Are more than halfway to our 2025 Net Zero Roadmap target of 20% absolute emissions reductions against a 2018 baseline. – Identified over 80% of the supply chain initiatives needed to hit this objective. – Are planning further GHG emissions reductions to reach a 50% cut in absolute terms across our net zero scope by 2030.	Read more on page 7 of our 2023 CSV Sustainability Report (here)	Our Reporting Scope and Methodology for ESG Key Performance Indicators document provides details and definitions and can be found here. We conducted the following stakeholder engagement activities on climate: – Published the Nestlé Climate Advocacy Industry Associations Review. – Provided ongoing support to the International Chamber of Commerce, Business for Nature and the World Business Council for Sustainable Development in calling for strong action by policymakers to safeguard natural resources. – Supported efforts to place food systems at the heart of climate action, backing the COP28 Action Agenda on Regenerative Landscapes and the Emirates Declaration on Resilient Food Systems, Sustainable Agriculture and Climate Action.

					– Partnered with key suppliers to commit to climate change mitigation. – Shared guidance on regenerative agriculture techniques such as improved grazing patterns and tree planting.
Environmental	2, 3, 4	Climate Goal: Planting 200 million trees by 2030 in our supply chain and sourcing landscapes	As part of our Global Reforestation Program, we continue to identify new largescale reforestation projects in our supply chain and sourcing landscapes, supporting Nestlé's Net Zero Roadmap. During 2023, we confirmed new projects in Brazil, Colombia, Côte d'Ivoire, Mexico and Vietnam. During 2023, a total of 14,697,500 trees were secured for planting.	Read more on page 25 of our 2023 CSV Sustainability Report (here) Our Reporting Scope and Methodology for ESG Key Performance Indicators document provides details and definitions and can be found here . Read more about Nestlé's Global Reforestation Program (here).	
Environmental	3, 4	Climate Accelerate progress towards halving food waste 2030 and achieve zero waste for disposal in our sites.	We continue to take innovative but practical steps to reduce food waste, including extending shelf-life of products, clarifying labelling and creating energy from waste. Across several countries in Europe, we collaborate with the B-Corp TooGoodToGo to help remove consumer confusion around consumption dates and prevent food from being needlessly discarded.	Read more on Nestle.com here	Food loss and waste account for a low percentage of our emissions but are complex to address. They accounted for 710,275 tonnes of CO ₂ e in our 2018 baseline study. We aim to reduce food loss and waste at every stage of our value chain.

Environmental	3, 4	Climate Goal: Increase the proportion of renewable electricity that we use through power purchase agreements, green tariffs, renewable energy certificates and on-site production to achieve 100% renewable electricity by 2025.	By year-end 2023, we sourced 91.9% renewable electricity in our manufacturing sites compared with 78.4% in 2022.	Read more on page 12 of our 2023 CSV Sustainability Report (here)	We plan to adopt renewable thermal energy sources in our plants wherever feasible.
Environmental	3, 6, 7	Nature and biodiversity Goal: Deforestation-free primary supply chains for palm oil, sugar, beef, soya and pulp and paper by end-2022. Deforestation-free supply chains for coffee and cocoa by end-2025.	By the end of 2023, 93.4% of our primary supply chains for coffee, cocoa, meat, palm oil, pulp and paper, soy and sugar were assessed as deforestation-free, according to Nestlé standards. The decrease from 99.1% in 2022 is driven by two factors: increasing the number of commodities in this indicator and increasing the types of ingredients covered within our original commodities. In 2023, we included coffee and cocoa for which we have been assessing deforestation risks for less time. We have also included, for the first time, some ingredient derivatives such as lecithin derived from soy.	Read more on page 18 of our 2023 CSV Sustainability Report (here)	Our objective was to achieve 100% deforestation-free supply chains for meat, palm oil, pulp and paper, soy and sugar by 2022 and we achieved 99.1% for these raw materials by this date. We remain committed to working toward 100% for meat, palm oil, pulp and paper, soy and sugar, as well as toward achieving 100% deforestation-free supply chains for cocoa and coffee by 2025. The commitment on this topic will be updated accordingly in our 2024 report to the EU Code of Conduct.
Environmental	3, 6	Climate Goal: Source 20% of key ingredients through regenerative agricultural methods by 2025, 50% by 2030.	By the end of 2023, we: – Sourced 15.2% of fresh milk, dairy derivatives, cocoa, green coffee, cereals, soy and vegetables from selected suppliers and farmers adopting	Read more on page 22 of our 2023 CSV Sustainability Report (here)	Our Reporting Scope and Methodology for ESG Key Performance Indicators document provides details and

			regenerative agricultural practices*. – Reached more than 148 000 coffee farmers in 16 countries via the Nescafé Plan 2030 with trainings on regenerative agricultural practices. * In 2023, the following ingredients are included in the numerator: dairy (fresh milk and dairy derivatives), coffee (excluding blended green coffee and blue bottle), cocoa, cereals and grains, soy, and vegetables. The denominator includes all raw materials in scope: coffee, cocoa, dairy, sugar, cereals and grains, meat, poultry and eggs, palm oil, soy, vegetables, fish and seafood. Examples of regenerative agriculture initiatives in Europe: - The Landscape Enterprise Networks (LENs) initiatives in Hungary, Italy, Poland and the United Kingdom bring together farmers, experts and businesses. The collaborative projects highlight the economic value to farmers of wheat and other crops, of ecosystem services, and also help establish measures to protect and enhance them. In the United Kingdom, results for 2023		definitions and can be found here. We are taking action based on our five pillars: diverse cropping systems and livestock integration; biodiversity; collective and landscape actions; soil health; and water security and quality. Our approach, set out in the Nestlé Agriculture Framework, encourages the development of locally relevant solutions, adapted to the wide range of ingredients used in our products. The framework includes key concepts from conservation agriculture, agroecology and precision farming.
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			included seven kilometers of hedgerows planted and 16000 hectares of land worked on using regenerative agricultural practices to deliver soil, water health and biodiversity improvements. - Nestlé France remains committed to the Sols Vivant (Living Soils) initiative. The initiative promotes the widespread uptake of farming approaches and economic models aligned to regenerative agricultural practices, which support soil health. Working with industry partners, the project expanded in 2023 to reach 340 farmers, 15 suppliers and produce 115,000 tonnes of raw materials – mainly wheat, but also corn, sugar beet and vegetables.		
Environmental	4, 6	Packaging a) More than 95% of our plastic packaging to be designed for recycling by 2025 and continue to work toward 100% being recyclable or reusable. b) Reduce the use of virgin plastic in our packaging by one third by 2025, versus our 2018 baseline.	By the end of 2023: a) 83.5% of our plastic packaging was designed for recycling*; 41.5% of our packaging was made from recycled and/or renewable materials. * As per EMF "New Plastics Economy Commitment – Commitments, Vision and Definitions" (Feb. 2020).	Read more on page 41 of our 2023 CSV Sustainability Report (here) Our Reporting Scope and Methodology for ESG Key Performance Indicators document provides details and definitions and can be found here.	The commitments reported in this section have been changed versus our 2022 report to the EU Code of Conduct, in order to align with our Group-wide commitments on packaging circularity that have evolved over the past year.

		c) Increase the use of rPET in our bottles in Europe.	b) Virgin plastic in our packaging had reduced by 14.9% since 2018. c) During 2023, our Nestlé Waters brands continued to increase the incorporation of recycled PET globally into their bottles. In France, the brand Vittel implemented 100% rPET in its water bottles across its entire portfolio in 2023, excluding bottle caps and labels		
Environmental	3, 4, 6	Water Work to achieve water efficiency and sustainability across our operations - certify all bottling water plants with the Alliance for Water stewardship (AWS) standard by 2025.	During 2023, 23 Nestlé Waters sites were certified to the AWS standard (versus 21 sites in 2022), representing 52.3% of our sites that are required to be certified.	Read more on page 29 of our 2023 CSV Sustainability Report (here)	
Environmental	3, 4, 6	Water We will lead the regeneration of the water cycle to help create a positive water impact everywhere our waters business operates by 2025.	Since 2021, Nestlé Waters has been identifying and implementing projects designed to help regenerate local water cycles in areas where we operate. We are designing projects that enable watersheds to capture more water than is used in bottling operations. More than 40 water regeneration projects at our Nestlé Waters sites are underway, each one tailored to local challenges. These are a mix of nature-based and technical solutions to improve water quality or quantity	Read more on page 29 of our 2023 CSV Sustainability Report (here)	

			and help create a positive water impact. Examples of regeneration projects in Europe: Naleczowianka, Poland; Herrera del Duque, Spain (read more).		
Environmental	3, 4, 6	Water Transparent disclosure of the use of water in operations demonstrating continuous improvement.	In 2023, total water withdrawals at Nestlé factories were 95.6 million m3 (versus 97.1 million m3 in 2022). We delivered an absolute reduction of 7.6 million m3 of water, exceeding our goal to reduce water use in our factories by 6 million m3 between 2021 and 2023. During 2023, we measured our factories' water performance in the following ways: – Total water withdrawn from surface water (5.0 million m3), from ground water (58.8 million m3), from produced water (1.4 million m3) and from third-party suppliers (31.8 million m3). – Total water discharged through 2023 was (48.4 million m3); our total water consumed was (47.2 million m3). – Quality of effluents treated internally and discharged to the environment. – Water withdrawn in regions with high or extremely high baseline water stress (36.7%).	Read more on page 28 of our 2023 CSV Sustainability Report (here)	

			– Water consumed in regions with high or extremely high baseline water stress (48.6%). – One water-related incident that incurred a fine or penalty in 2023 as per the Carbon Disclosure Project (CDP) reporting framework.		
Environmental	3, 4, 6	Water Sustain water quality at natural mineral & spring water sources by partnering with farmers in catchment area to limit or reduce the use of chemicals in the catchment area.	During 2023, Nestlé was one of the 17 companies selected to pilot-test the new Science Based Targets Network (SBTN) Freshwater target-setting methodology. This pilot allows us to perform a detailed assessment of water-related impacts, including risks and opportunities within our value chain, following a strict science-based approach. We expect our contribution to the pilot will help refine and improve the method before the official public launch.	Read more on page 29 of our 2023 CSV Sustainability Report (here)	Water is one of the five pillars of our Nestlé Agriculture Framework : diverse cropping systems and livestock integration, collective and landscape actions, soil health, biodiversity, water security and quality. The Nestlé Responsible Sourcing Core Requirements defines mandatory best practices on water and natural resources conservation.