



Nestlé Good food, Good life

SUSTAINABILITY COMMITTEE CHARTER

Approved by the Board of Directors
Vevey, 9 November 2023

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Abbreviations

SC Sustainability Committee

THE SUSTAINABILITY COMMITTEE CHARTER

1. PURPOSE

The Sustainability Committee (SC) reviews the Company's sustainability strategy including the measures which ensure the Company's sustainability and how its long-term strategy relates to its ability to create shared value.

2. COMPOSITION

The Board of Directors (the "Board") appoints the Chair and the members of the SC for a period of one year. The Chair shall be an independent and non-executive member of the Board. The other members shall include a minimum of two independent and non-executive members of the Board.

3. POWERS AND DUTIES

Under its Articles of Association, Nestlé shall, in pursuing its business purpose, aim for long-term, sustainable value creation. Nestlé is conscious of the interdependence of economic, social and environmental interests and seeks to reconcile them in its daily business activities. Sustainability is an integral part of Nestlé's strategy and behaviour in business as described in Nestlé's Corporate Business Principles.

The Board is responsible for the Company's strategy and organization and provides oversight over its financial and non-financial performance and reporting. The Board approves the Company's environmental, social and governance (ESG)/sustainability strategy proposed by management including the measures which ensure the Company's sustainability and how its long-term strategy relates to its ability to create shared value. This includes overseeing the identification and implementation of both statutory and internal disclosure rules on ESG/sustainability matters. The Board approves the Company's report on non-financial matters. It is assisted in its tasks by the SC and the Audit Committee.

The SC has oversight over the structure and content of the Company's ESG/sustainability reporting and validates that the Company's overall approach is in line with the Company's ESG/Sustainability strategy and applicable reporting requirements and regulations.

The AC has oversight over the accuracy of the Company's financial and ESG/sustainability reporting and validates that the data reported complies with applicable ESG/Sustainability reporting requirements and regulations.

The SC shall

- a) review reports and give advice on measures which ensure the **long-term sustainability** of the Company in its economic, social and environmental dimensions;
- b) monitor the Company's performance against selected external sustainability **indexes** and **internal metrics**;
- c) review the annual **Creating Shared Value and Sustainability report**;
- d) review, comment and provide guidance on the Company's plans and actions with regard to ESG/Sustainability topics including, but not limited to:
 - ❖ **Climate change** and related matters, including nature and biodiversity;
 - ❖ **Plastics and packaging** and the Company's progress towards ensuring that no packaging ends up as litter, in landfill or oceans;
 - ❖ **Water management** in agriculture, communities, factories and watersheds;
 - ❖ **Responsible sourcing** in the Company's key commodities including the commitment to end deforestation.
- e) ensure the Company carries out **human rights** due diligence and reports on its most severe risks to human rights, including how the Company is addressing those risks;
- f) review the Company's **diversity and inclusion management** and employee health and wellbeing;
- g) periodically discuss how other **material non-financial issues** affect financial performance and how the Company's long-term strategy relates to its ability to **create shared value**;
- h) periodically review the Company's significant **stakeholders** and their material interests and review emerging **trends in sustainability**.

4. ORGANISATION

The SC shall meet at least four times a year. The Chair shall prepare an agenda in advance of each meeting, in consultation with the CEO. At least two members of the SC must be present to have a quorum.

The Chair shall appoint a Secretary to the Committee. Minutes of the proceedings and the resolutions of the SC shall be signed by the Chair and the Secretary and made available prior to the next meeting and approved at that next meeting.

The SC may ask members of management or outside consultants to attend the meeting or make presentations.

In case of need, the Board is free to appoint additional members to the SC for specific situations where a particular experience is required.

The Chair shall report to the Board after each meeting of the SC and keep the Board updated on the material sustainability issues that may affect the Group.

5. OTHER RESPONSIBILITIES

The SC shall

- a) periodically review and reassess the adequacy of this Charter and submit proposed changes to the Board for approval;
- b) conduct an annual self-evaluation of its own performance.

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