



Nestlé Good food, Good life

Annual Review 2023



Nestlé.
We unlock the power of food
to enhance quality of life for everyone,
today and for generations to come.

Our purpose

Nestlé. Unlocking the power of food to enhance quality of life for everyone, today and for generations to come.



Front cover

Milo

As the world's leading chocolate malt beverage, *Milo* delivers nutritious energy and encourages kids to stay active and grow with sports, engaging over 30 million kids annually through grassroots sports programs.

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Accompanying reports

Corporate Governance Report 2023
Compensation Report 2023
Financial Statements 2023

Online

You can find more information about the Nestlé Group at www.nestle.com

Find out more about Creating Shared Value at www.nestle.com/csv

Our financial performance

Our Nutrition, Health and Wellness strategy is fundamental to how we create value.

A summary of the 2023 full-year results is shown here. For full results, please consult the 'Financial review' section.

Group sales (in CHF) 93.0 billion	Organic growth * +7.2%	Real internal growth * -0.3%
Underlying trading operating profit* (in CHF) 16.1 billion	Underlying trading operating profit margin * 17.3%	Underlying trading operating profit margin * +40 Basis points Constant currency
Trading operating profit* (in CHF) 14.5 billion	Trading operating profit margin * 15.6%	Trading operating profit margin * +190 Basis points Constant currency
Earnings per share (in CHF) 4.24	Earnings per share +23.7%	Underlying earnings per share * +8.4% Constant currency
Operating cash flow (in CHF) 15.9 billion 32.1% of net financial debt	Free cash flow* (in CHF) 10.4 billion	
Proposed dividend (in CHF) 3.00	Proposed dividend increase +1.7%	

* Financial performance measures not defined by IFRS Accounting Standards. For further details, see 'Financial review' on page 34.

Our business

We apply our expertise in nutrition, health and wellness to help people and pets live happier, healthier lives. We do this alongside ambitious sustainability goals to generate significant value for our shareholders and other stakeholders alike.

What we sell (in CHF billion)

Powdered and
Liquid Beverages

24.8

PetCare

18.8

Nutrition and
Health Science

15.3

Prepared dishes
and cooking aids

11.7

Milk products
and Ice cream

11.0

Confectionery

8.1

Water

3.3

Where we sell (in CHF billion)

NA
32.5

EUR
22.3

LATAM
12.8

AOA
19.9

GC
5.5

Number of employees

270 000

Number of countries we sell in

188

Total group salaries and social
welfare expenses (in CHF)

14
billion

Corporate taxes paid in 2023
(in CHF)

2.8
billion

Our key non-financial performance

We create shared value through our social and environmental commitments and supporting actions.

To measure our progress, we use a comprehensive set of indicators that support our business performance and generate value for our shareholders and other stakeholders. Some key performance indicators are included here – the full set is in our *Creating Shared Value and Sustainability Report*.

Climate

We aim to reduce our greenhouse gas (GHG) emissions by 20% by 2025 and 50% by 2030 from 2018 levels, on the road to net zero by 2050 at the latest

Our KPI *

13.58%

net reduction of GHG emissions versus 2018 baseline ^(a)

(a) Covers emissions related to our net zero commitment. Net reductions (%) includes removals from both insetting and landscape projects.

Nature

We aim to achieve and maintain 100% assessed deforestation-free primary supply chains (for meat, palm oil, pulp and paper, soy and sugar) by 2022 and 2025 for cocoa and coffee

Our KPI *

93.4%

assessed deforestation-free for stated primary supply chains

Packaging

By 2025, we aim to reduce virgin plastics by one third versus our 2018 baseline

Our KPI *

14.9%

virgin plastic reduction versus 2018 baseline

Diversity, equity and inclusion

Our KPI *

46.4%

management positions held by women

Youth

By 2030, our ambition is to help 10 million young people around the world have access to economic opportunities

Our KPI *

7.74 million

young people around the world with access to economic opportunities since 2017

Health and Nutrition

Our KPI *

127.6 billion

servings of affordable nutrition with micronutrient fortification provided in 2023

* Non-financial performance metrics are defined in the Reporting Scope and Methodology for ESG KPIs document available at www.nestle.com/esg-kpis

EY has performed limited assurance on the six key performance indicators on this page. The assurance statement with EY's independent conclusion can be found at www.nestle.com/assurance-statement

Pursuing significant global opportunities

Dear fellow shareholders,

As the *Good food, Good life* company, Nestlé is proud to provide consumers with products they love and rely on. Even in the face of ongoing global challenges this past year, we stay true to our long-term ambitions and see a bright future with emerging opportunities.

Nutrition, Health and Wellness is our past, present and future, and within that frame we continue to set new priorities. Our innovation capabilities enable us to consistently meet the rising expectations of a growing population. Portfolio optimization over the past years allows us to focus our efforts on our proven brands. Our operational excellence enables us to dependably deliver sustainable, profitable growth. And we continue to do business in a way that creates shared value for both our shareholders and society.

Encouraging balanced diets

Foods and beverages are major drivers of long-term health, and consumers increasingly recognize this. We will continue to develop nutritious products that support people's well-being, and we believe that such products will see increased demand in the years to come.

In fact, in 2023, we reconfirmed our ambition to prioritize the development of our more nutritious products. This entails launching new products and renovating existing ones. It involves expanding micronutrient fortification, growing our affordable offerings, reducing sugar and salt content, and increasing our use of plant-based ingredients in our recipes.

Additionally, we are actively guiding people towards a more balanced diet by making the nutritional value of our portfolio more transparent. We are strengthening our responsible marketing of indulgent products, providing clear front-of-pack portion guidance, and engaging with and informing consumers through our various online communities around the world.

Supporting healthy aging

Nestlé's food and beverage portfolio caters to people at each stage of their life. It starts with the first 1000 days and continues into adulthood and old age. With a rapidly aging global population, we see an opportunity to provide products that can support the nutrition, health and wellness of older people. We can help boost their energy levels, enhance their cognitive health, support their mobility, and improve their general physical and mental health.

We already offer several Nestlé Health Science and dairy products that are specifically targeted to seniors. Take, for example, successful brands like *Boost*, *Pure Encapsulations* or *Molico*. With our capabilities, we believe that we can leverage this trend across all of our categories to further grow.

Investing in innovation

We are investing in our future through innovation and entrepreneurship. Through our main research center in Switzerland and 23 sites globally, and with an industry-leading R&D budget, we develop products tailored to the diverse needs of people and pets while reducing our environmental footprint. Experts at our newly inaugurated Institute of Agricultural Sciences, for example, develop solutions in the areas of plant science, agricultural systems and dairy livestock. This is in addition to our four other research institutes looking at health sciences, food sciences, food safety and packaging.

Digital technologies, including artificial intelligence (AI), are supporting sharper decision-making and increased speed across the entire company. From procurement to e-commerce, digital analytics facilitate efficiency and



U. Mark Schneider, Chief Executive Officer (left), and Paul Bulcke, Chairman (right)

effectiveness. Data science and AI increasingly support us with innovation by revealing and predicting consumer demands, while also helping us bring new products to market faster.

Creating Shared Value

Creating Shared Value is how we do business at Nestlé, generating value not only for our shareholders but also for society. Nestlé’s long-term success is supported by this approach.

An example of this is Nestlé’s efforts to advance regenerative food production by helping protect, renew and restore natural resources. To that end, we are supporting farmers and strengthening their communities. We are delivering on our commitments in a way that appeals to consumers’ increased expectations.

Remaining dedicated and dependable

Every year, our people show us how much can be achieved when we steadfastly pursue opportunities. We know that we do not have all the answers, but with our

global mindset combined with our expert knowledge of local consumers and markets, we are confident we can deliver on our ambition and our commitments.

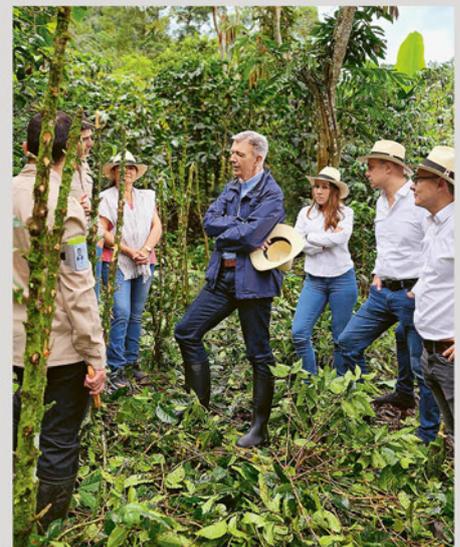
People all over the world rely on Nestlé for good food and beverages. Our proven value creation model allows us to invest, innovate and grow even in challenging times, and makes us dependable for our shareholders and other stakeholders. We are grateful for the support of our employees, business partners, consumers and communities. And we thank you, our shareholders, for your continued trust.

Paul Bulcke
Chairman

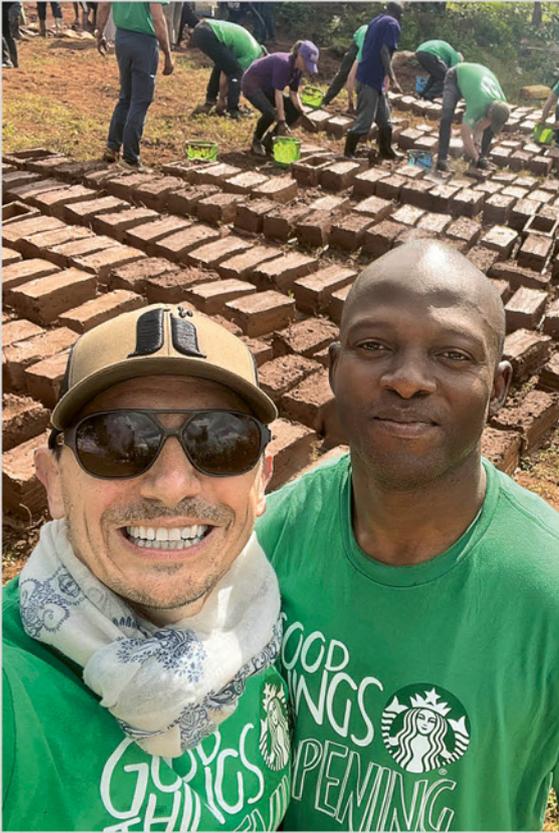
U. Mark Schneider
Chief Executive Officer

Our people on the ground

We engage with our fellow employees, business partners and community members. From meeting with farmers to visiting retailers, touring our factories and doing volunteer work, our culture encourages and supports connecting with internal and external stakeholders.









Implementing our growth strategy



Garden Gourmet Marine-Style Crispy Filet
Our Garden Gourmet Marine-Style Crispy Filet launched in several European countries in 2023, expanding the range of plant-based fish alternatives, which includes the popular Garden Gourmet Vuna.

Our purpose is unlocking the power of food to enhance quality of life for everyone, today and for generations to come. To achieve this, we pursue growth through rapid innovation, operational efficiency, and disciplined resource and capital allocation.

Our portfolio is diversified, both in terms of geography and category. We have products for people at all life stages that can be consumed as part of a balanced diet. We want to contribute to people's health through nutrition and aim to help people of all ages live better. Our innovation capabilities ensure we deliver products that meet consumer needs and preferences, and are good for the planet. Through digital technologies, we are able to be more agile and make better and faster decisions.

Driving organic sales growth

Organic sales growth is key to our growth ambition. Our portfolio is geared to deliver sustained mid single-digit organic sales growth based on investment in attractive categories and regions, impactful innovation and execution discipline. Our knowledge of local consumers coupled with our scientific and technological expertise help us deliver innovations that support business growth, while meeting consumer needs. We also see many opportunities for growth through cross-fertilization between categories and geographies.

In addition to core innovation activities focused on food safety, taste, nutrition and sustainability, we have intensified research in high-growth categories, such as early-life and therapeutic nutrition, alternative proteins, and coffee and systems technology. Ecosystem building and business model innovation are also increasingly a focus of our categories.

Alongside innovation, we continue to optimize our portfolio to focus on stronger brands and products.

Innovating across life stages and health needs

The foods and beverages people consume play a pivotal role in their overall health. From pre-conception to early life, through to childhood, adulthood and old age, we aim to meet people's nutritional and health needs throughout their lives.

Nestlé has deep roots in infant nutrition. For years, we have researched the composition of nutrients and bioactives present in breastmilk as well as the role of probiotics in nutrition and health. Exploring the interaction between these different components, Nestlé experts discovered a proprietary probiotic strain, *B. infantis*, that unlocks beneficial aspects of six human

milk oligosaccharides (HMOs). This led to the launch in 2023 of our proprietary blend, *Sinergy*, for use in infant formulas to support immunity and gut health.

As we continue our tradition of supporting children's health, we also need to consider an aging population that is living longer. Under our R+D Accelerator initiative, we developed the *Nestlé Goodnes* range of products in 2023 to support healthy aging. It helps optimize people's energy levels, restore their sleep quality and improve their focus through patented nutritional blends. The products were piloted in France, Singapore and the UK. Additionally, we launched the Nestlé *N3* range in China that helps people maintain their overall health and well-being as they age.

Expanding alternative proteins

In 2023, we added to our plant-based portfolio by launching a range of vegan alternatives to fish filets, nuggets and fingers that stand out for their strong nutrition credentials, as well as their great taste and texture that is close to white fish. *Garden Gourmet* launched *Marine-Style Crispy Filet* and *Marine-Style Crispy Nuggets* in Europe, and *Harvest Gourmet* launched *Crispy Fish-Free Fingers* in Asia.

We also continued to explore new concepts for dairy alternatives. Made with a blend of oat and fava, the new *natural bliss* beverages are a good source of high-quality protein. Our teams chose fava beans because of their many health benefits and good taste.

In addition, we combined the goodness of milk with plant-based ingredients in our new *Nido Milk & Soya* instant powder launched in Central and West Africa and



Nestlé is exploring emerging technologies like animal-free dairy beverages made with precision fermentation, which led to a pilot for *Cowabunga* in the United States.



Grown by only 59 Colombian farmers and developed to create a unique tasting experience, the new Nespresso N°20 encapsulates over 20 years of expertise.

in our *Bear Brand Doble Protein* powdered beverage piloted in the Philippines. Both products are highly nutritious and affordable.

Making innovation faster and more efficient

We are using AI and data science to complement our R&D capabilities and manage complexities during innovation. Our new recipe optimization tool uses advanced algorithms to help product developers better manage tradeoffs between ingredients, nutrition, cost and sustainability, while still meeting consumer expectations.

In the development of the new *Nescafé Dolce Gusto Neo* coffee system, our experts optimized the manufacturing process through virtual simulations before applying technical settings on the physical machine. This helped them make quick and efficient decisions to manage the complex interaction between coffee, paper packaging material and the machine to ensure the perfect coffee cup for consumers.

Improving efficiency with digital technologies

Digitalization is enabling better and faster decision-making, in addition to improving cost efficiencies. We are harmonizing our data framework to be able to take advantage of different technologies, like AI.

The Nestlé Supplier Portal, a global digital collaboration platform, supports quality document management, sustainability data collection and supplier performance management. With over 7000 active suppliers in over 40 markets, it covers almost three-quarters of our direct material spend.

Leveraging always-on analytics

We are responding to fast-changing consumer needs in real time, using data to streamline our business processes. Our strategic procurement decisions are more informed, as we increasingly leverage advanced statistical modeling with machine learning and automated price-trend analytics. And by deploying new marketing analytics capabilities at scale, we are building data foundation pipelines that automatically refresh our marketing effectiveness models for faster and smarter investment decisions.

In 2023, we spent 68% of our media budget digitally and acquired 308 million first-party data records. We are on track to meet our 2025 goals of 70% and 400 million respectively. Using AI, this data helps our brands reach target audiences more efficiently and deliver more relevant, personalized messages online.

Accelerating e-commerce

Our ambition for 2025 is that a quarter of our sales come from e-commerce. This will have a significant impact on all markets, brands and roles. To support this, we launched an e-commerce academy that offers personalized learning paths. Over 1500 employees were trained and certified in 2023.

We have also launched our own eB2B platforms in key markets such as Brazil, India, Mexico and Vietnam, and have partnered with other leading platforms, such as the eB2B platform BEES.

Delivering novel technologies



Thanks to our strong global capabilities, we continue to develop exciting innovations that can be applied across different products, brands and categories.

One of our latest unique science-based innovations is Nestlé N3 milk, which offers new nutritional benefits. Made from cow's milk, it has all the essential nutrients found in milk, including proteins, vitamins and minerals. In addition, it also contains beneficial prebiotic fibers and has



The N3 milk products are the result of development work done by experts at R&D Nutrition, R&D Singapore, R&D Beijing and Nestlé Research.

a low lactose content and over 15% fewer calories.

Using a proprietary technology, we use specialized enzymes to break down lactose, a sugar found in cow's milk, while generating prebiotic fibers. Clinical studies showed that the fibers promote the growth of multiple types of bifidobacteria, delivering gut microbiome benefits in healthy adults.

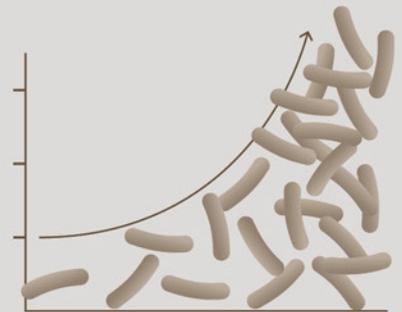
N3 milk was first introduced in 2023, in a range of powdered dairy products in China, tailored to meet the dietary needs of local consumers. The N3 range includes a full cream and a skimmed milk product, both high in protein and perfect for the whole family. To support specific needs for healthy aging, the range includes two products with vitamins, minerals and probiotics to support bone health, muscle growth and strength, and immunity.

N3 milk will be introduced in other product categories later, enabling us to support health and well-being across life stages.

IN FIGURES

up to 3x

beneficial bifidobacteria growth



OUR VOICES

“N3 milk will serve as a basis for nutritious solutions for people with lactose sensitivity or who want to improve their gastrointestinal health.”



Isabelle Bureau-Franz
Head of Nestlé's R&D for Nutrition Switzerland

Creating Shared Value



Nescafé Plan 2030

In Vietnam and other *Nescafé* coffee-sourcing countries, the *Nescafé Plan 2030* supports farmers to use regenerative agriculture practices to reduce GHG emissions, enhance farmer income and improve social and environmental conditions.

Drawing on our purpose – to unlock the power of food to enhance quality of life for everyone, today and for generations to come – we focus our energy and resources on making a positive impact at scale.

We regularly conduct a materiality assessment to identify where Nestlé has the greatest impact on society and the environment, and the topics most important to our business success. In this section, we provide a summary of the top-rated themes from our latest assessment. Our *Creating Shared Value and Sustainability Report* provides more details, including how we are aligning with the Task Force on Climate-related Financial Disclosures recommendations.

Supporting tasty and balanced diets

As a company that stands for *Good food, Good life*, Nestlé is stepping up its measures to help people enjoy a balanced diet.

We are providing complete transparency on the nutritional value of our portfolio. Products with a Health Star Rating (HSR) of 3.5 stars or more – together with specialized nutrition products, such as baby foods, vitamin and mineral supplements, and medical nutrition – are considered nutritious. Together, these products accounted for close to 59% of our food and beverage sales in 2023. Our pet care portfolio is excluded from this assessment.

Looking at people’s diets holistically, we know that people consume food and beverages not only for nutrition but also for enjoyment. Nestlé aims to offer the right products for all these occasions, while also guiding people towards a more balanced diet. We are strengthening our responsible marketing practices, with new rules restricting the marketing to children under the

age of 16 years in effect as of July 2023. We are ensuring that all children’s confectionery and ice cream portions will be 110 kilocalories or less and that all multi-serve products from these two categories have clear front-of-pack portion guidance. And to help people enjoy our products as part of a balanced diet, we will provide more guidance, including recipes, menu planning, healthy lifestyle tips and recommendations for nutritious choices.

Delivering food safety and quality

High standards of food safety and quality are non-negotiable at Nestlé and are fundamental in our engagement with consumers. Quality is integral to our *Corporate Business Principles* and embedded in our purpose and values. The end-to-end approach we take to food safety and quality applies to design, delivery and consumption. We apply international standards and help raise the bar in our industry using rigorous processes and leading scientific techniques.

We update our food safety and quality systems to respond to considerations, such as tightening regulations, changes to suppliers or ingredients, introduction of regenerative agriculture practices, new packaging and geopolitical developments. In 2023, our Quality Assurance Centers performed more than 4.1 million analytical tests for quality and food safety risk assessment and management.

Progressing to net zero

We are more than halfway to our 2025 goal to reduce absolute GHG emissions included in our Net Zero Roadmap and are progressing well. Most of the reductions are due to changes in the way we source raw materials, such as investments in deforestation prevention and regenerative agriculture in our agricultural supply chains.

We have identified more than 80% of the supply chain initiatives needed to hit the 2025 target and are seeking further reductions to reach our planned 50% cut by 2030. For example, through the newly inaugurated Nestlé Institute of Agricultural Sciences, our experts are exploring novel approaches in dairy farming that have the potential to reduce GHG emissions in the areas of cow feed and manure management.

Helping prevent deforestation plays a major role. By the end of 2023, 93.4% of our primary supply chains for cocoa, coffee, meat, palm oil, pulp and paper, soy and sugar were assessed as deforestation-free. The decrease from 99.1% in 2022 is due to the inclusion of coffee and cocoa in this indicator for the first time, where deforestation risk has not been assessed for as long.

SELECT 2023 RATINGS





We are working with partners on packaging solutions, including a pilot of reusable stainless-steel packaging for Nesquik in over 60 German grocery stores.

As of 2023, Nestlé has approved near- and long-term science-based emissions reduction targets with the Science Based Targets initiative (SBTi). The SBTi has validated Nestlé's net-zero science-based target by 2050.

Promoting regenerative agriculture practices

We continue making progress in responsible sourcing, which ensures our raw materials are traceable to point of origin and are farmed using methods aligned to our Responsible Sourcing Standard, while progressively delivering benefits to people, nature and climate. We have set requirements for 14 priority raw materials: cereals and grains; cocoa; coconut; coffee; dairy; fish and seafood; hazelnuts; meat, poultry and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables. Our aim is for 100% of these materials to be responsibly sourced by end of 2030. In 2023, this figure reached 36.2%.

Reforestation within or near our sourcing locations is an essential part of decarbonizing our operations and supply chain. Nestlé became the first food and beverage company to pilot Airbus's new Pléiades Neo satellites. We are using high-resolution images to monitor trees planted in our sourcing regions to ensure they thrive in the long term.

We continue to expand our regenerative agriculture program across a wider range of raw materials and regions, supporting farmers with training. Our farmer relationship management system collects data for over 250 000 farms, helping us track progress on GHG emission reductions and regenerative agriculture practices.

Regeneration is important for water resources as well. Over 40 water regeneration projects are now underway around our water bottling sites. Each one is tailored to local challenges and based on a mix of natural and technical solutions for improving the quality and quantity of water available.

Implementing our vision for packaging and circularity

Our vision remains that none of Nestlé's packaging ends up in landfill or as litter. Our strategy addresses both product design and infrastructure systems for reuse and recycling. By reducing unnecessary packaging, designing better packaging, modeling fair collection systems and supporting good regulation, we aim to support the transition to a waste-free future.

Packaging innovations in 2023 support this transition. Redesigned jars for *Malher Bouillon* are saving 156 tonnes of plastic annually, with a format that is easy to recycle in local systems in Guatemala. In Latin America, *Nescafé* reduced single-serve sticks packaging, saving 44 tonnes of plastic annually.

Innovations to reach this goal go beyond packaging redesign. In Indonesia, we collaborated with a team of start-ups and retail partners to pilot a reusable and refillable dispenser, and single-serve reusable packaging, for *Milo* and *Koko Krunch* brands. Shipping innovations also help. Reusable shipping boxes and reusable pallet bands that replace plastic shrink wrap are cutting plastic use by 100 tonnes annually in China.

Looking at the whole landscape



The farms in our supply chains are not isolated – they are part of broader landscapes and economies. Only by joining forces with other stakeholders can we address complex issues, such as deforestation, while advancing regenerative agriculture practices.

Nestlé has been partnering with others through landscape initiatives that address these issues. Since 2020, a partnership with the Ministry of Water and Forests in Côte d'Ivoire and the



In the UK, Purina Go-Cat cat food and Nestlé Original Shredded Wheat cereal contain ingredients sourced from farmers involved with the LENs program.

Earthworm Foundation has led to a significant reduction in deforestation, as well as the reforestation of almost 1500 hectares in the Cavally Forest Reserve. In 2023, the Cavally project entered a new phase with additional partners to achieve greater impact.

To help scale landscape initiatives, Nestlé supports Landscape Enterprise Networks (LENs) in the UK and Europe. LENs brings together organizations that need nature-based solutions with the farmers who can provide them. In the East of England, Purina and Nestlé Cereal Partners UK are working with water companies and local authorities to fund the introduction of nature-based solutions. Over 60 farmers and land managers will implement these solutions across more than 10 000 hectares of land.

In 2023, we also supported sustainable landscape initiatives in Brazil, Chile and Malaysia. We are also active in numerous landscape initiatives developed by our palm oil suppliers and partners in different parts of Indonesia.

IN FIGURES



15

landscape initiatives supported in 2023

OUR VOICES

“Working at a landscape level can offer various benefits for biodiversity, water stewardship, climate change, human rights and resilient livelihoods.”



Michele Zollinger
Climate Forest Lead,
Global Reforestation
Program
United States

Connecting through our brands

Our broad portfolio of trusted and loved brands are enjoyed by people around the world.

Powdered and Liquid Beverages

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PetCare

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Nutrition and Health Science

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Prepared dishes and cooking aids

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Milk products and Ice cream

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Confectionery

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Water

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POWDERED AND LIQUID BEVERAGES

Perfecting the world's favorite beverages

Our Powdered and Liquid Beverages category includes our coffee, cocoa and malt beverage businesses. This category features iconic coffee brands *Nescafé*, *Nespresso* and *Starbucks*, plus the world's most popular chocolate malt beverage, *Milo*.

At a glance

24.8

Sales (in CHF billion)

20.7%

UTOP margin

26.7%

Percentage of Nestlé's sales

Nespresso

A pioneer of high-quality, sustainable coffee, Nespresso launched its first paper-based home and industrial compostable capsule in France and Switzerland, compatible with *Nespresso Original* machines.

Nescafé Dolce Gusto Neo

Piloted in Brazil and now launched in France and Switzerland, *Neo* is the next generation of *Nescafé Dolce Gusto* coffee systems, combining unique brewing technologies, connectivity and sustainability.



Milo

Milo has strong growth momentum in Malaysia, thanks to a reignited grassroots sports program and the implementation of Nestlé's sugar-reduction technology that reduces sugar while preserving taste.

Nescafé Ice Roast

Launched in Mexico and China, *Nescafé Ice Roast* is Nestlé's first soluble coffee specially crafted to enjoy with cold water or milk over ice, catering to the growing number of cold-coffee lovers.

Building India's coffee culture



Nescafé has been introducing the globally loved coffee experience to Indian consumers. It is playing a lead role in developing at-home consumption of coffee in a country known for its traditional preference for tea.

Nescafé is leading both the creation of the coffee category and the market in India. The brand has introduced its coffee to more than 30 million Indian households in the past seven years.



The Nescafé Plan 2030 is helping communities transition to regenerative agriculture and improve livelihoods, positively impacting 4900 Indian coffee farmers.

Nescafé is particularly focused on growing the coffee culture among Indian youth, establishing the role of coffee in their lives.

Manufactured at the state-of-the-art Nanjangud roastery, Nescafé roasts Indian green coffee beans, tailoring the final product to cater to local taste preferences. Thanks to strategic positioning, Nescafé is increasingly available and easily accessible across the country in three million retail outlets.

By investing in product quality and consistently communicating the relevance of coffee, Nescafé has captured the attention and loyalty of its target audience, recruiting non-coffee drinkers to choose coffee as their beverage of choice. Alongside these efforts to bring coffee culture to India, Nescafé is backing its Nescafé Plan 2030 with actions on the ground. It is helping ensure that the entire value chain of coffee is sustainable as well as socially and economically inclusive.

IN FIGURES

10 million

Indian households introduced to coffee in 2023



OUR VOICES

“Nescafé is on an exciting journey in India, poised to further strengthen its position as a leader, driving both consumer delight and sustainable impact.”



Sunayan Mitra
Coffee & Beverages
Director
India

PETCARE

Caring for pets and people

Our PetCare business delivers life-changing nutrition for pets that helps them thrive. Purina is guided by science and driven by passion to enrich the lives of pets, the people who love them and the planet we all share.

Purina One DualNature

Purina One DualNature, Purina's first carbon-reduced range, has cut the carbon footprint of its products by 15.7% since 2019 by optimizing recipes, manufacturing methods, packaging and logistics.

Purina Pro Plan Vital Systems

Purina Pro Plan Vital Systems 4-in-1 cat food formulas proactively support major systems of health – such as kidneys, brain, digestion and immunity – with meat or fish always the first ingredient.

At a glance

18.9

Sales (in CHF billion)

20.7%

UTOP margin

20.3%

Percentage of Nestlé's sales



Purina Dog Chow

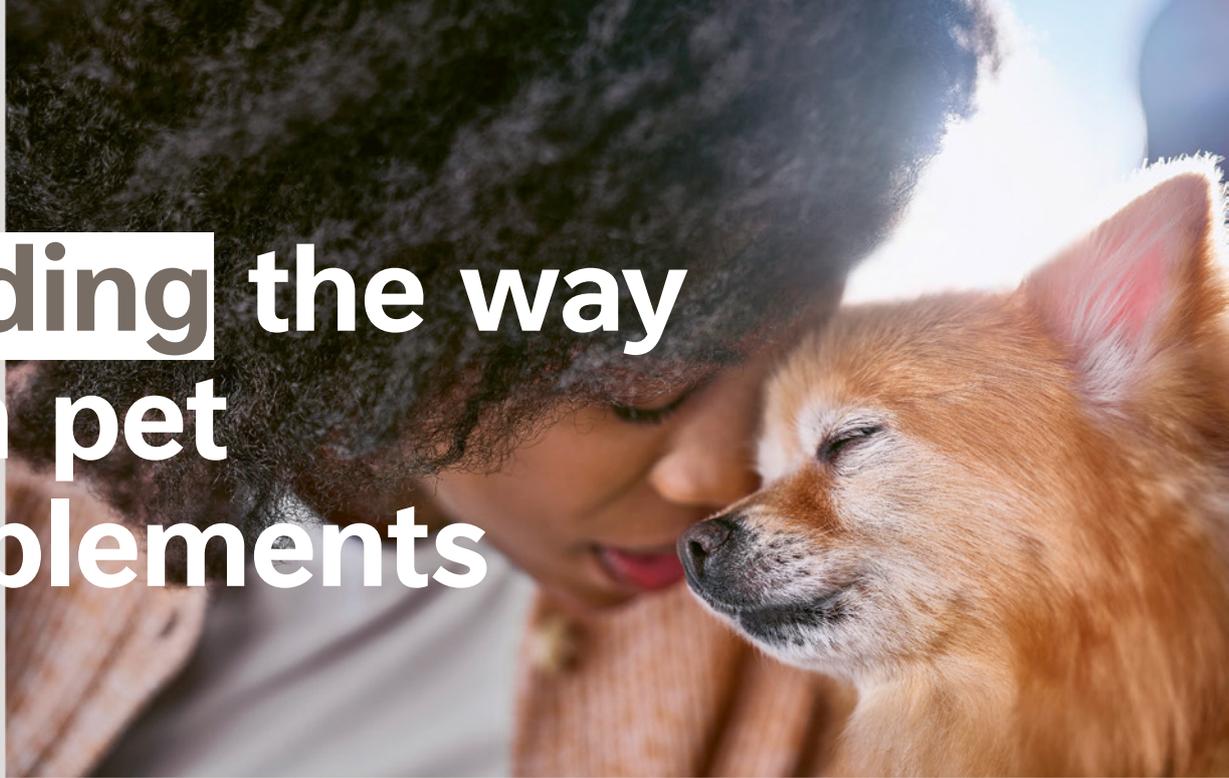
The new product line boasts exciting protein combinations and innovative kibble textures, all fortified with Purina's proprietary *EXTRA*Life, providing dogs with excellent nutrition and delicious taste.



Purina Pro Plan Veterinary Diets

The new *OM Metabolic Response + Joint Mobility* is specially formulated to help dogs lose fat while maintaining muscle, with long-chain omega-3 fatty acids plus glucosamine to help support joint health.

Leading the way with pet supplements



Pet owners are increasingly choosing to customize their pet's nutrition with supplements, toppers and snacks that cater to their pet's individual needs. Purina is responding to this shift in consumer habits with additional health-focused nutrition options.

Purina Pro Plan Veterinary Supplements are specialized supplements for dogs and cats, designed to support their health and address specific conditions.

Digestive disorders are common health issues for pets, varying from

minor upset stomachs to more severe gastrointestinal problems or food allergies. *Purina Pro Plan Veterinary Supplements FortiFlora* is the #1 U.S. recommended probiotic by veterinarians. It is a proprietary probiotic supplement that supports digestive health and helps improve stool quality in dogs and cats.

Water is crucial for cats, just like it is for humans. Many cats dislike drinking water – especially still or stagnant water – which can lead to dehydration. *Purina Pro Plan Hydra Care* addresses this, offering nutrient-enriched water for cats. It contains osmolytes that help cats absorb water at a cellular level, ensuring they stay hydrated.

Like humans, dogs can experience anxiety, which varies across breeds and individuals. *Purina Pro Plan Veterinary Supplements Calming Care* includes a proprietary probiotic strain shown to help dogs and cats manage stress and maintain calm behavior.

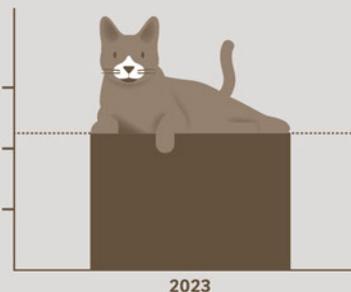


Purina innovates supplements scientifically designed to support various needs, including digestion, immunity, hydration, joint health and calmer behavior.

IN FIGURES

22.6%

organic growth for *Purina Pro Plan Veterinary Supplements* in 2023



OUR VOICES

“Science and nutrition are the foundation of long-term health and the starting point to an amazing life for pets and their owners.”



Brittany Vester Boler
Global Nutrition Director,
Nestlé Purina R&D
United States

Optimizing health through nutrition

Our nutrition business provides science-based products and solutions for mothers, babies and children. Our Nestlé Health Science business supports healthier lives by offering an extensive portfolio of science-based consumer care and medical nutrition.

At a glance

15.3

Sales (in CHF billion)

18.5%

UTOP margin

16.4%

Percentage of Nestlé's sales

Gerber Popped Crisps

Leveraging the goodness of grains and plant protein, this new healthy snack in the China market was created with taste, texture and nutrition ideal for children three years and up.

Vitaflo PKU sphere

Vitaflo PKU sphere helps people with phenylketonuria (PKU) manage their diets with the most advanced nutrition system alongside superior taste, now in a ready-to-drink format and two new flavors.



NAN Supreme Pro

The new *NAN Supreme Pro* is now made with *Sinergity*, a proprietary blend of six age-adapted HMOs and precision probiotic *B. infantis*, to synergistically support infant immunity and gut health.



BOOST Glucose Control

Now available at Costco in the United States, *BOOST Glucose Control* is clinically shown to produce a lower blood sugar response versus a standard nutritional drink in people with type 2 diabetes.

Addressing childhood nutrition deficiency



A collaboration between Nestlé and the Bangladesh Council of Scientific and Industrial Research (BCSIR) has resulted in a groundbreaking product to help combat malnutrition in young children in Bangladesh.

A significant percentage of Bangladeshi children under the age of 5 years suffer from various micronutrient deficiencies. In collaboration with BCSIR, Nestlé Bangladesh developed a cereal-based fortifier, *Cerelac Pushtimix* (*pushtimix* means mix of nutrients in Bangla) to address these deficiencies. Specifically designed to cater to the nutritional needs of Bangladeshi children aged

6 to 60 months, *Cerelac Pushtimix* is fortified with 11 vitamins, 5 minerals and probiotic *B. lactis*.

Cerelac Pushtimix was designed to give parents a simple, accessible format to help combat malnutrition in their young children. Developed as a convenient powder, consumers can easily sprinkle it on homemade foods. The aim is to make it accessible to all children, including those in rural areas, thanks to its affordable price point of BDT 5 (less than 5 Swiss centimes) per 5g sachet.

In 2023, Nestlé Bangladesh was honored with the prestigious SDG Brand Champion Award in Sustainable Partnerships & Institutions. The Bangladesh Brand Forum, in collaboration with the Global Compact Network Bangladesh, bestowed this award in recognition for this successful collaboration's support for the UN Sustainable Development Goals (SDGs).



The single-dose sachets of micronutrient powder can easily be sprinkled on homemade food – like rice, semolina or khichuri – to combat malnutrition.

IN FIGURES



> 4.4 million

Cerelac Pushtimix sachets sold in 2023

OUR VOICES

“This innovation will help empower the nation to eliminate malnutrition while increasing the Nestlé footprint across Bangladeshi households.”



Hafizul Islam
BEO Nutrition
Bangladesh

PREPARED DISHES AND COOKING AIDS

Advancing delicious and nutritious food

Our prepared dishes and cooking aids category provides daily essentials, including bouillons, chilled culinary products, and frozen food and pizzas. Iconic brands such as *Maggi*, *Stouffer's* and *DiGiorno* cater to regional and local tastes.

At a glance

11.7

Sales (in CHF billion)

18.3%

UTOP margin

12.5%

Percentage of Nestlé's sales

Maggi Veg

The new *Maggi Veg* line in Chile and Germany gives consumers shelf-stable options for wholesome and tasty plant-based solutions that are a good source of protein and fiber.



Lean Cuisine Balance Bowls

New tasty and nutritious *Lean Cuisine Balance Bowls* are the first meals to meet the American Diabetes Association frozen entrée nutrition guidelines, helping people manage blood sugar levels.



Totole Recipe Solutions

The expanded *Totole Recipe Solutions* range in China added four new single-portion options that specifically cater to one-person households and independent mealtimes.



Maggi Air Fryer

The new *Maggi Air Fryer* seasoned coating range in Australia enables consumers to make easy, delicious, home-cooked meals in their air fryer, a cooking appliance that is gaining in popularity.

Increasing access to quality meals



Consumers worldwide want food that tastes great while providing the nutrition they need, all within their budgets. To address this challenge, Nestlé is constantly developing products that are delicious, affordable and nutritious.

Plant-based meals can offer quality nutrition, including protein, and many consumers are interested in trying these. In Italy, *Garden Gourmet* is enabling more families to access plant-based products at an attractive price point. The tasty *Garden Gourmet 99kcal Miniburger*, for example,

is made with quinoa, bulgur, carrots and broccoli.

Nestlé uses its innovation expertise to give consumers affordable and nutritious products they can use in their favorite recipes. In 2023, Nestlé launched *Maggi Soya Chunks*, which offers Nigerian consumers a tasty meat alternative for rice, stews and pasta. Not only does this provide a convenient and affordable way to deliver the flavor of meat at a fraction of the cost, *Maggi Soya Chunks* also provides a nutritious source of protein, iron and zinc.

Nestlé continues to create new options that provide quality protein through grains. As part of the International Year of Millets 2023, we launched *Maggi Nutri-licious Masala Oats Noodles with Millet Magic*. This product leverages the power of these ancient grains to bring protein and fiber to Indian consumers in one of their favorite meals.



Building on *MyMenu IQ*, available in over 30 countries to give consumers nutritional scores of meals, Poland added an extra tool for assessing meal affordability.

OUR VOICES

“We innovate to support consumers in creating affordable, delicious and nutritious meals every day.”



Shivani Hegde
Global Category Leader,
Affordable Nutrition
Switzerland

IN FIGURES



12.6%

organic growth for affordable nutrition food products in 2023

MILK PRODUCTS AND ICE CREAM

Responding to evolving preferences

Our milk products business delivers nutritional products for all stages of life, ambient dairy, plant-based alternatives and coffee creamers. Our ice cream business offers a variety of special treats.

At a glance

11.0

Sales (in CHF billion)

24.5%

UTOP margin

11.8%

Percentage of Nestlé's sales

KitKat Pink

Launched in Malaysia with plans for global rollout, the new *KitKat Pink* strawberry cheesecake-flavored ice cream bar is successfully addressing rising demand for unique cross-category brand extension.

Yiyang JiaHeng

The new *Yiyang JiaHeng* milk powder supports healthy aging in China by delivering comprehensive nutrition for seniors in each serving, helping to maintain immunity, mobility and cardiovascular health.



Nido Milk & Soya

Nido Milk & Soya offers an affordable nutrition solution to consumers in Nigeria thanks to a new milk powder fortified with iron that is made from both dairy and soy, providing high quality protein.

Starbucks Vanilla Creamer

Inspired by the popular *Starbucks Vanilla Latte* served at Starbucks stores, this highly anticipated launch continues to support the growing demand for *Starbucks* coffee enhancers in the U.S. market.

Bringing regeneration to the table



Ninho, together with thousands of milk-producing families, delivers nutrition that supports a better future for over 38 million Brazilian children. In support of a bright tomorrow, Nestlé is incentivizing Brazilian dairy farmers to protect and restore natural resources by adopting sustainable farming measures.

The *Nature por Ninho* program trains and incentivizes farmers to adopt regenerative agriculture practices that result in lower carbon emissions and increased carbon sequestration.



Visits from Nestlé's *Regenera* technicians, a *WhatsApp* farmer community and monthly *YouTube* sessions empower farmers to improve sustainability.

By adopting practices, such as water conservation, manure and waste management, minimum cultivation and soil cover, crop rotation and better animal welfare practices, dairy farmers can enable sustainable farming for generations to come.

Farmers in the program can engage in three levels of regenerative agriculture practices: bronze, silver and gold. For each level, the farmer receives an extra bonus in pay per liter of milk. At the end of 2023, 179 *Nature por Ninho* farms were in the gold category, supplying 17 million liters of milk per month.

In 2023, the *Ninho* team embarked on a mission to communicate these best farming practices to consumers, sharing progress on three pillars: animal welfare, soil and water. Through nationwide communication, including *Ninho Forti+* commemorative packs, millions of Brazilian consumers are learning about the difference that comes from the farm.

IN FIGURES



**11 400
acres**

of dairy farms now utilizing regenerative agriculture practices in Brazil

OUR VOICES

“By 2025, our aim is to have 30% of the Brazilian milk in our supply chain coming from gold-category dairy farms.”



Barbara Sollero
Sustainable Agriculture
Manager
Brazil

CONFECTIONERY

Delighting consumers with tasty snacks

Our confectionery business includes the iconic *KitKat* brand and a portfolio of much-loved regional and local brands. The business innovates to create great tasting chocolate products and nutritious snacks.

At a glance

8.1

Sales (in CHF billion)

16.8%

UTOP margin

8.7%

Percentage of Nestlé's sales

KitKat Milo

Following on the heels of the rollout of the most successful cross-brand collaboration in Australia that brings together two popular and distinctive brands, *KitKat Milo* has now also been launched in Japan.

Nestlé Choco Trio

Our leading chocolate heartland brand in Latin America is now expanding to capture the Chocobakery opportunity, bringing together chocolate tablets and biscuits, with a winning, value-up innovation.



Aero Truffle

As the leading aerated tablet brand in Canada, *Aero* is now expanding its offering with a new range of *Aero Truffle* indulgent dessert-inspired flavors like Black Forest, Salted Caramel and Tiramisu.

Nestlé Damak

Nestlé Damak, a leading heritage brand in Türkiye, has invested over a decade in a sustainable pistachio program in Gaziantep that promotes responsible farming practices and benefits communities.

Supporting breaks for good



Our income accelerator program aims to improve the livelihoods of cocoa-farming families and tackle child labor risks in cocoa production, while advancing sustainable farming practices. Now, cocoa from the program has found its way to KitKat.

The program incentivizes and encourages change in cocoa-farming families through a cash incentive paid directly to them through mobile money. It supports four areas: child education,

good agricultural practices (GAP), agroforestry and diversified incomes.

Since the launch in 2022, the program has benefited 10 000 cocoa-farming families in Côte d'Ivoire. It will expand to include Ghana in 2024. Initial results from a report by third-party KIT Royal Tropical Institute are promising, while also informing program improvements. Pruning has increased cocoa farm productivity by more than 20%, on average. School enrollment rates have risen by 8%, reaching 83%. Women are more involved in decision-making, which has improved the allocation of family resources. Cash incentives are primarily used where it matters most, first and foremost for schooling.

We are also putting into practice our ambition to fully segregate our cocoa ingredients. In late 2023, KitKat factories in Hamburg, Germany, and Sofia, Bulgaria, started using 100% segregated chocolate mass from the income accelerator program. We will expand segregation in KitKat factories to most of Europe by early 2024.



The KitKat “Breaks for Good” packs include a QR code so consumers can discover more about the school enrollment pillar of our income accelerator program.

IN FIGURES

160 000

cocoa-farming families planned to be supported by the program by 2030



OUR VOICES

“We are confident that as the program scales, we will see a measurable impact on cocoa farmers’ incomes and an improvement in the lives of children.”



Darrell High
Head Nestlé Cocoa Plan
Switzerland

WATER

Offering more than hydration

Our water business is dedicated to providing healthy hydration and enhancing quality of life while contributing to a sustainable future. The strategic focus is on international premium mineral water brands as well as healthy beverages.

At a glance

3.3

Sales (in CHF billion)

10.6%

UTOP margin

3.6%

Percentage of Nestlé's sales

Vittel+

Following the successful launch of *Vittel+ Immunity* with zinc in 2022, the brand expanded this functional range with two new benefits: *Active* with B vitamins and *Recharge* with magnesium.



PERRIER + STARCK

As *Perrier* celebrates its 160th anniversary, the brand continues to captivate with the launch of a new limited edition of the iconic glass bottle redesigned by visionary creator Philippe Starck.

Nestlé Pure Life

Nestlé Pure Life unveiled a new portfolio architecture design, inspired by the ripples effect, to help consumers navigate across the range while enhancing brand uniqueness and impact on shelf.



S. Pellegrino Essenza

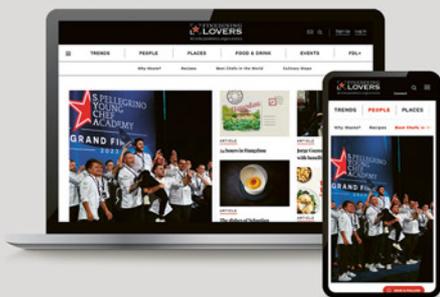
S. Pellegrino Essenza successfully rolled out its vibrant Mediterranean blends range in France, seizing the momentum of the fast-growing flavored sparkling waters market.

Nurturing the art of tasteful living



Sanpellegrino aims to nurture the art of tasteful living, today and for generations to come. This purpose is embodied by our initiatives to support future gastronomic talent, responsible fine dining and fine drinking, and protection of nature.

To nurture the future of gastronomy, the *S. Pellegrino Young Chef Academy* connects talented young chefs across the globe with influential members of the gastronomic world for education, mentoring, networking and career opportunities. Every other year, it hosts



Sanpellegrino's editorial digital platform, *Fine Dining Lovers*, inspires with interviews, stories, recipes and videos about responsible gastronomy.

the *S. Pellegrino Young Chef Academy* competition to discover new talents and inspire the next generation of culinary game changers.

We are partnering with Food for Soul to inspire a culture of responsible dining. Founded by renowned chef Massimo Bottura and Lara Gilmore, Food for Soul aims to prevent food waste while encouraging a healthy and equitable food system. Together, we launched the *Why Waste?* initiative to foster awareness and inspire consumers and chefs through our *Fine Dining Lovers* platform as well as through courses offered to *S. Pellegrino Young Chef Academy* members.

We are also dedicated to protecting the source of taste by managing water resources sustainably and respecting the environment. Our *Acqua Panna* and *S. Pellegrino* plants are already certified to the Alliance for Water Stewardship (AWS) Standard. By 2025, we aim to create a positive water impact everywhere we operate.

IN FIGURES



> 2000

chefs representing 50 nationalities belong to the *S. Pellegrino Young Chef Academy* community

OUR VOICES

“We are pleased with the popularity of the S. Pellegrino Young Chef Academy, helping us build a strong global network of next generation culinary talent.”



Stefano Bolognese
Sanpellegrino
International Business
Unit Director
Italy

Financial review

Key figures (consolidated)

In millions of CHF (except for data per share and employees)	2022	2023
Results		
Sales	94 424	92 998
Underlying trading operating profit ^(a)	16 103	16 053
as % of sales	17.1%	17.3%
Trading operating profit ^(a)	13 195	14 520
as % of sales	14.0%	15.6%
Profit for the year attributable to shareholders of the parent (Net profit)	9 270	11 209
as % of sales	9.8%	12.1%
Balance sheet and Cash flow statement		
Total Equity	42 792	36 387
Net financial debt ^(a)	48 159	49 638
Ratio of net financial debt to total equity (gearing)	112.5%	136.4%
Operating cash flow	11 907	15 941
as % of net financial debt	24.7%	32.1%
Free cash flow ^(a)	6 570	10 403
Capital additions	8 264	7 159
as % of sales	8.8%	7.7%
Data per share		
Weighted average number of shares outstanding (in millions of units)	2 707	2 646
Basic earnings per share	CHF 3.42	4.24
Underlying earnings per share ^(a)	CHF 4.80	4.80
Dividend as proposed by the Board of Directors of Nestlé S.A.	CHF 2.95	3.00
Market capitalization, end December		
	285 865	255 604
Number of employees (in thousands)		
	275	270

Principal key figures ^(b) (illustrative) in CHF, USD, EUR

In millions (except for data per share)	Total CHF 2022	Total CHF 2023	Total USD 2022	Total USD 2023	Total EUR 2022	Total EUR 2023
Sales	94 424	92 998	98 772	103 584	94 010	95 730
Underlying trading operating profit ^(a)	16 103	16 053	16 845	17 880	16 033	16 525
Trading operating profit ^(a)	13 195	14 520	13 802	16 173	13 137	14 947
Profit for the year attributable to shareholders of the parent (Net profit)	9 270	11 209	9 697	12 485	9 230	11 539
Total Equity	42 792	36 387	46 281	43 245	43 444	39 081
Market capitalization, end December	285 865	255 604	309 177	303 784	290 225	274 532
Data per share						
Basic earnings per share	3.42	4.24	3.58	4.72	3.41	4.36

(a) Certain financial performance measures are not defined by IFRS Accounting Standards. For further details, see Foreword on page 34.

(b) Income statement figures translated at weighted average annual rate; Balance sheet figures at year-end rate.

Group overview

Foreword

The Financial review contains certain financial performance measures, that are not defined by IFRS Accounting Standards (thereafter "IFRS"), that are used by management to assess the financial and operational performance of the Group. They include among others:

- Organic growth, Real internal growth and Pricing;
- Underlying trading operating profit margin and Trading operating profit margin;
- Net financial debt;
- Free cash flow; and
- Underlying earnings per share (EPS) and EPS in constant currency.

Management believes that these non-IFRS financial performance measures provide useful information regarding the Group's financial and operating performance.

The *Alternative Performance Measures* document published under www.nestle.com/investors/ publications defines these non-IFRS financial performance measures.

Group sales

Organic growth was 7.2%. Pricing was 7.5%, reflecting cost inflation over the last two years. RIG was –0.3%, impacted by soft consumer demand, capacity constraints and a temporary supply disruption for vitamins, minerals and supplements in the second half. As expected, RIG turned positive in both the fourth quarter and the second half, supported by the benefits from portfolio optimization, improving customer service levels and increased brand support.

Growth was broad-based across most geographies and categories. In developed markets, organic growth was 6.4%, led by pricing with negative RIG. In emerging markets, organic growth was 8.4%, driven by pricing and positive RIG.

By product category, Purina PetCare was the largest contributor to organic growth, with strong momentum across all channels. *Purina ONE*, *Purina Pro Plan* and *Friskies* all recorded double-digit growth. Sales of *Purina Pro Plan* reached almost CHF 3 billion. Coffee saw high single-digit growth, with positive sales developments across brands, supported by strong demand in out-of-home channels. Infant Nutrition posted high single-digit growth, based on continued momentum for premium infant formula, including human milk oligosaccharides (HMOs) products as well as specialty formulas. Dairy reported mid single-digit growth, led by fortified milks, coffee creamers and home-baking products. Confectionery recorded high single-digit growth, fueled by continued double-digit growth for *KitKat*. Prepared dishes and cooking aids posted mid single-digit growth, with robust demand for *Maggi* across geographies and segments. Water posted mid single-digit growth, led by *S.Pellegrino* and *Acqua Panna*. Nestlé Health Science recorded low single-digit growth, as continued strong momentum for Medical Nutrition was partly offset by temporary supply constraints in vitamins, minerals and supplements.

By channel, organic growth in retail sales remained robust at 6.5%. E-commerce sales grew by 13.4%, reaching 17.1% of total Group sales. Organic growth of out-of-home channels was 15.9%.

Net divestitures decreased sales by 0.9%, largely related to the divestment of a majority stake in Freshly as well as the disposal of the *Gerber Good Start* infant formula brand in 2022. The impact on sales from foreign exchange was negative at 7.8%, following significant and broad-based appreciation of the Swiss franc. Total reported sales decreased by 1.5% to CHF 93.0 billion.

	Differences 2023/2022 (in %)		in CHF millions
	in CHF	in local currency	
By principal markets			2023
North America	-1.4%	(a)	32 553
United States	-0.9%	+5.5%	30 034
Canada	-6.2%	+3.5%	2 519
Europe	0.0%	(a)	22 291
France	-0.3%	+3.0%	3 546
United Kingdom	+3.5%	+9.0%	3 529
Germany	-4.5%	-1.3%	2 212
Other markets of geographic area	0.0%	(a)	13 004
of which Switzerland	-0.8%	-0.8%	1 101
Asia, Oceania and Africa	-5.2%	(a)	19 870
Philippines	+0.4%	+9.0%	2 677
India	+1.7%	+13.6%	1 993
Australia	-4.0%	+6.7%	1 450
Other markets of geographic area	-7.3%	(a)	13 750
Latin America	+3.5%	(a)	12 760
Brazil	+10.0%	+13.4%	4 131
Mexico	+13.9%	+6.8%	3 937
Chile	+0.7%	+3.1%	1 312
Other markets of geographic area	-11.2%	(a)	3 380
Greater China	-5.5%	(a)	5 524
Greater China	-5.5%	+5.2%	5 524
Total	-1.5%	(a)	92 998

(a) Not applicable.

Underlying trading operating profit

The underlying trading operating profit margin increased by 20 basis points to 17.3% on a reported basis and by 40 basis points in constant currency. Underlying trading operating profit decreased by 0.3% to CHF 16.1 billion, due to currency appreciation.

Gross profit margin increased by 70 basis points to 45.9%. Pricing, cost efficiencies and portfolio optimization more than offset significant cost inflation.

Distribution costs as a percentage of sales decreased by 60 basis points to 8.3% of sales, mainly as a result of lower freight and energy costs.

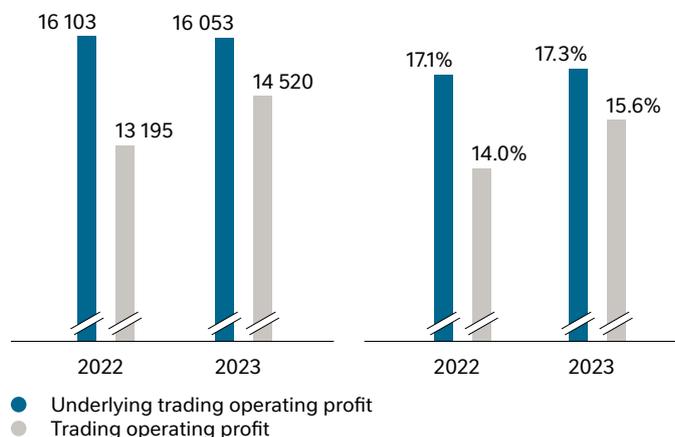
Marketing and administration expenses as a percentage of sales were 18.9%. Within this line item, advertising and marketing expenses were 7.7% of sales, an increase of 80 basis points compared to the prior year.

Restructuring and net other trading items decreased from CHF 2.9 billion to CHF 1.5 billion, reflecting one-off items in the prior year, particularly asset impairments. As a result, trading operating profit increased by 10.0% to CHF 14.5 billion. The trading operating profit margin reached 15.6%, an increase of 160 basis points on a reported basis and 190 basis points in constant currency.

Underlying trading operating profit and Trading operating profit

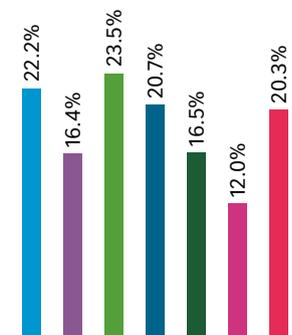
In millions of CHF

In % of sales



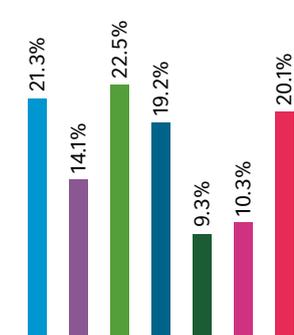
Underlying trading operating profit by operating segment

In % of sales



Trading operating profit by operating segment

In % of sales



- Zone NA
- Zone EUR
- Zone AOA
- Zone LATAM
- Zone GC
- Nestlé Health Science
- Nespresso

Net financial expenses and Income tax

Net financial expenses increased to CHF 1.4 billion, reflecting an increase in interest rates and a higher level of average net debt. The average cost of net debt was 2.5% compared to 2.2% in 2022.

The Group reported tax rate decreased by 600 basis points to 18.2% as a result of one-off items. The underlying tax rate increased by 30 basis points to 21.2%, mainly due to the geographic and business mix.

Net profit and Earnings per share

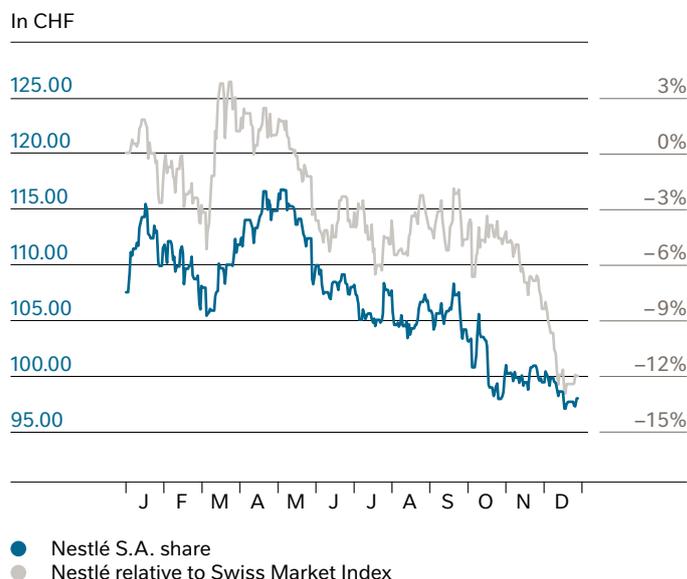
Net profit increased by 20.9% to CHF 11.2 billion. Net profit margin increased by 230 basis points to 12.1% on a reported basis and by 240 basis points in constant currency. The increase was mainly due to lower asset impairments, a decrease in reported taxes and higher income from associates. As a result, earnings per share increased by 23.7% to CHF 4.24 on a reported basis.

Underlying earnings per share increased by 8.4% in constant currency and by 0.1% on a reported basis to CHF 4.80. The increase was mainly the result of strong organic growth and improved underlying trading operating profit margin. Nestlé's share buyback program contributed 1.2% to the underlying earnings per share increase, net of finance costs.

Cash flow

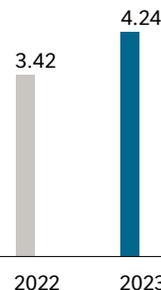
Free cash flow increased to CHF 10.4 billion from CHF 6.6 billion, mainly due to lower inventory levels.

Evolution of the Nestlé S.A. share in 2023



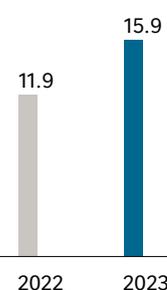
Earnings per share

In CHF

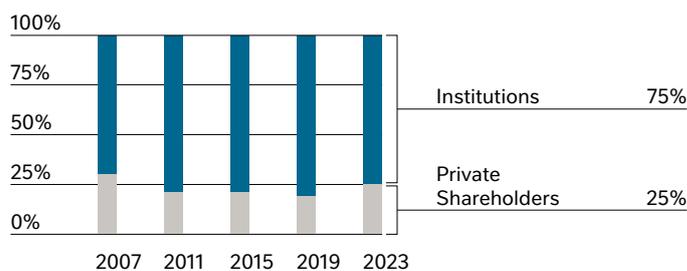


Operating cash flow

In billions of CHF



Share capital by investor type, long-term evolution (a)



(a) Percentage derived from total number of registered shares. Registered shares represent 45.2% of the total share capital. Statistics are rounded, as at 12/31/2023.

Dividend

At the Annual General Meeting on April 18, 2024, the Board of Directors will propose a dividend of CHF 3.00 per share, an increase of 5 centimes. If approved, this will be the company's 29th consecutive annual dividend increase. The company has maintained or increased its dividend in Swiss francs over the last 64 years. Nestlé is committed to maintaining this long-held practice of increasing the dividend in Swiss francs every year.

The last trading day with entitlement to receive the dividend will be April 19, 2024. The net dividend will be payable as from April 24, 2024.

Shareholders entered in the share register with voting rights on April 11, 2024, at 12:00 noon (CEST), will be entitled to exercise their voting rights.

Share buyback program

In 2023, the Group repurchased CHF 5.0 billion of Nestlé shares as part of the three-year CHF 20 billion share buyback program, which began in January 2022. At the upcoming Annual General Meeting, the Board of Directors will propose a reduction of the share capital of 50 million shares from CHF 267 million to CHF 262 million, through the cancellation of shares purchased as part of the share buyback program.

Net debt

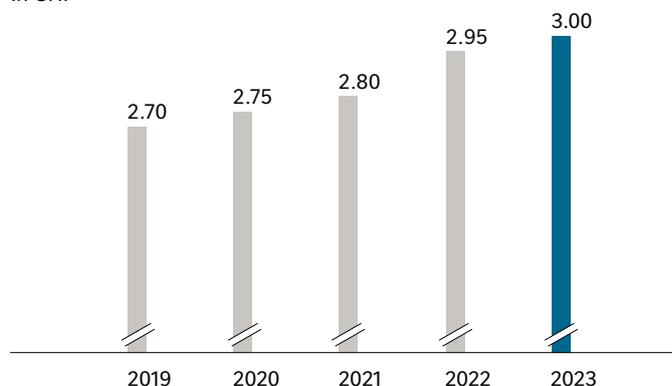
Net debt was CHF 49.6 billion as at December 31, 2023, compared to CHF 48.2 billion at December 31, 2022. The increase largely reflected the dividend payment of CHF 7.8 billion and share buybacks of CHF 5.1 billion.

Return on invested capital (ROIC)

The Group's ROIC was 13.9%, up by 170 basis points.

Dividend per share

In CHF



Portfolio management

Effective September 1, 2023, Nestlé and private equity firm PAI Partners completed the transaction to create a joint venture for Nestlé's frozen pizza business in Europe. Nestlé retains a non-controlling stake with equal voting rights alongside PAI Partners, remaining invested in this business and participating in future growth and value creation in the category.

On September 4, 2023, Nestlé divested *Palforzia*, its peanut allergy treatment business, to Stallergenes Greer, a biopharmaceutical company that specializes in the diagnosis and treatment of allergies. The transaction was closed upon signing.

On September 7, 2023, Nestlé announced an agreement with Advent International to acquire a majority stake in Grupo CRM, a premium chocolate player in Brazil. The transaction is expected to close in 2024, subject to customary regulatory approvals.

Nestlé Waters Operations

Following a transformation plan in France, Nestlé is reviewing operating practices in its natural mineral water operations in several countries. With food safety as a primary goal, practices at some of its production sites may not be in line with the applicable regulatory framework. Nestlé regrets the situation and is currently engaging with the relevant authorities to ensure that its operating practices are fully compliant. The company emphasizes that its water products have always been, and remain, safe to drink. In addition, the unique mineral composition of its natural mineral water brands has always been consistent with the label.

Outlook

2024 outlook: we expect organic sales growth around 4% and a moderate increase in the underlying trading operating profit margin. Underlying earnings per share in constant currency is expected to increase between 6% and 10%.

2025 mid-term targets fully confirmed: mid single-digit organic sales growth and an underlying trading operating profit margin range of 17.5% to 18.5% by 2025. Underlying earnings per share in constant currency to increase between 6% and 10%.

Sales, employees and factories by geographic area

	Sales		Employees		Factories	
	2022	2023	2022	2023	2022	2023
NA	34.9%	35.0%	14.3%	14.5%	57	56
EUR (a)	23.6%	24.0%	28.7%	28.6%	99	96
AOA	22.2%	21.4%	26.2%	26.0%	100	100
LATAM	13.1%	13.7%	21.9%	22.1%	65	65
GC	6.2%	5.9%	8.9%	8.8%	23	23

(a) 8304 employees in Switzerland in 2023.

Employees by activity

In thousands

	2022	2023
Factories	140	134
Administration and sales	135	136
Total	275	270

Product category and operating segment review

In millions of CHF

	2022	2023	Proportion of total sales (%)	RIG (%)	OG (%)
Powdered and Liquid Beverages					
Soluble coffee/coffee systems	16 891	16 648	 67.2%		
Other	8 327	8 138	 32.8%		
Total sales	25 218	24 786		0.0%	+6.4%
Underlying trading operating profit	5 593	5 130	20.7%		
Trading operating profit	5 358	4 945	20.0%		
Water					
Total sales	3 536	3 320		-5.1%	+4.9%
Underlying trading operating profit	277	351	10.6%		
Trading operating profit	241	161	4.8%		
Milk products and Ice cream					
Milk products	10 359	10 092	 91.9%		
Ice cream	930	889	 8.1%		
Total sales	11 289	10 981		-1.6%	+6.1%
Underlying trading operating profit	2 568	2 688	24.5%		
Trading operating profit	2 508	2 601	23.7%		
Nutrition and Health Science					
Total sales	15 678	15 278		-1.6%	+5.4%
Underlying trading operating profit	2 990	2 831	18.5%		
Trading operating profit	1 323	2 291	15.0%		
Prepared dishes and cooking aids					
Frozen and chilled	5 859	5 095	 43.7%		
Culinary and other	6 625	6 571	 56.3%		
Total sales	12 484	11 666		-2.5%	+4.9%
Underlying trading operating profit	2 038	2 136	18.3%		
Trading operating profit	1 508	1 849	15.8%		
Confectionery					
Chocolate	6 139	6 208	 76.6%		
Sugar confectionery	661	676	 8.3%		
Snacking and biscuits	1 318	1 223	 15.1%		
Total sales	8 118	8 107		+1.5%	+8.5%
Underlying trading operating profit	1 364	1 364	16.8%		
Trading operating profit	1 259	1 231	15.2%		
PetCare					
Total sales	18 101	18 860		+2.8%	+12.1%
Underlying trading operating profit	3 706	3 912	20.7%		
Trading operating profit	3 494	3 862	20.5%		

Review of Zones, Nestlé Health Science and Nespresso

Zone North America (NA)

Sales	CHF 26.0 billion
Organic growth	+ 7.3%
Real internal growth	-0.3%
Underlying trading operating profit margin	22.2%
Underlying trading operating profit margin	+ 120 basis points
Trading operating profit margin	21.3%
Trading operating profit margin	+ 270 basis points

- 7.3% organic growth: -0.3% RIG; 7.6% pricing.
- The Zone's underlying trading operating profit margin increased by 120 basis points to 22.2%.

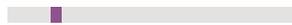
Organic growth was 7.3%, with pricing of 7.6%. RIG was -0.3%, reflecting soft consumer demand, capacity constraints and the winding down of the frozen meals and pizza business in Canada. RIG turned positive in the fourth quarter. Net divestitures reduced sales by 1.7%, as a result of the divestment of a majority stake in Freshly as well as the disposal of the *Gerber Good Start* infant formula brand in 2022. Foreign exchange had a negative impact of 6.8%. Reported sales in Zone North America decreased by 1.3% to CHF 26.0 billion.

Growth in Zone North America was broad-based, driven by pricing as well as continued strong momentum for e-commerce and out-of-home channels. The Zone saw market share gains in pet food, coffee and frozen meals.

By product category, Purina PetCare was the largest growth contributor, with broad-based demand across segments, channels and brands, particularly *Purina ONE*, *Purina Pro Plan* and *Friskies*. Sales for Nestlé Professional and *Starbucks* out-of-home continued to grow at a double-digit rate, led by new customer acquisition. The beverages category, including *Starbucks* products, *Coffee mate* and *Nescafé*, posted mid single-digit growth. *Nido* growing-up milks posted strong double-digit growth. Confectionery in Canada recorded high single-digit growth, driven by *KitKat* and *Aero*. Water saw low single-digit growth, based on a strong sales development in the fourth quarter. *S.Pellegrino* and *Acqua Panna* posted double-digit growth, which more than offset the impact of capacity constraints for *Perrier*. Growth in frozen food was negative, impacted by soft consumer demand and

Zone NA

In millions of CHF

	2022	2023	Proportion of total sales (%)	RIG (%)	OG (%)
United States and Canada	26 328	25 995			
Powdered and Liquid Beverages	3 891	3 892	 15.0%		
Water	1 042	990	 3.8%		
Milk products and Ice cream	3 143	3 065	 11.8%		
Prepared dishes and cooking aids	5 328	4 790	 18.4%		
Confectionery	696	682	 2.6%		
PetCare	10 926	11 504	 44.3%		
Nutrition and Health Science	1 302	1 072	 4.1%		
Total sales	26 328	25 995		-0.3%	+7.3%
Underlying trading operating profit	5 528	5 768	22.2%		
Trading operating profit	4 904	5 546	21.3%		
Capital additions	2 272	2 401	9.2%		

the winding down of the frozen meals and pizza business in Canada. In the U.S., growth in frozen food was close to flat, supported by *Stouffer's*, *Jack's* and *Tombstone*.

The Zone's underlying trading operating profit margin increased by 120 basis points, mainly as a result of the divestment of a majority stake in Freshly and portfolio optimization actions. Pricing and mix also helped to offset cost inflation and a significant increase in advertising and marketing expenses.

Zone Europe (EUR)

Sales	CHF 19.1 billion
Organic growth	+8.2%
Real internal growth	-2.4%
Underlying trading operating profit margin	16.4%
Underlying trading operating profit margin	0 basis point
Trading operating profit margin	14.1%
Trading operating profit margin	-10 basis points

- 8.2% organic growth: -2.4% RIG; 10.6% pricing.
- The Zone's underlying trading operating profit margin was unchanged at 16.4%.

Organic growth was 8.2%, with pricing of 10.6%. RIG was -2.4%, reflecting demand elasticity and capacity constraints. Foreign exchange negatively impacted sales by 4.9%. Net divestitures reduced sales by 3.4%. Reported sales in Zone Europe decreased by 0.2% to CHF 19.1 billion.

Growth in Zone Europe was supported by pricing, strong sales development for e-commerce and continued momentum for out-of-home channels. The Zone saw market share gains in pet food and Infant Nutrition.

By product category, the key contributor to growth was Purina PetCare, driven by differentiated offerings across premium brands *Felix*, *Gourmet* and *Purina ONE*. Coffee saw mid single-digit growth, led by *Nescafé* soluble and ready-to-drink products. Confectionery reported high single-digit growth, with continued market share gains for *KitKat*. Nestlé Professional posted double-digit growth, led by beverages. Infant Nutrition recorded high single-digit growth, based on continued momentum for premium infant formula, particularly *NAN*. Culinary posted mid single-digit growth, with robust sales developments for *Maggi* and *Thomy*. Water saw low single-digit growth, as strong momentum for *S.Pellegrino* and *Acqua Panna* was largely offset by the impact of temporary capacity constraints for *Perrier*.

The Zone's underlying trading operating profit margin was unchanged versus the prior year. Significant cost inflation and higher advertising and marketing expenses offset pricing and portfolio optimization actions.

Zone EUR

In millions of CHF

	2022	2023	Proportion of total sales (%)	RIG (%)	OG (%)
Western Europe	13 334	13 488	 70.6%		
Eastern Europe	4 272	4 022	 21.1%		
Türkiye and Israël	1 522	1 588	 8.3%		
Powdered and Liquid Beverages	5 140	5 066	 26.5%		
Water	1 626	1 573	 8.2%		
Milk products and Ice cream	345	381	 2.0%		
Prepared dishes and cooking aids	2 820	2 610	 13.7%		
Confectionery	3 091	3 027	 15.8%		
PetCare	4 732	5 056	 26.5%		
Nutrition and Health Science	1 374	1 385	 7.3%		
Total sales	19 128	19 098		-2.4%	+8.2%
Underlying trading operating profit	3 138	3 127	16.4%		
Trading operating profit	2 719	2 698	14.1%		
Capital additions	1 489	1 680	8.8%		

Zone Asia, Oceania and Africa (AOA)

Sales	CHF 17.5 billion
Organic growth	+8.3%
Real internal growth	+0.3%
Underlying trading operating profit margin	23.5%
Underlying trading operating profit margin	+60 basis points
Trading operating profit margin	22.5%
Trading operating profit margin	+10 basis points

- 8.3% organic growth: 0.3% RIG; 8.0% pricing.
- The Zone's underlying trading operating profit margin increased by 60 basis points to 23.5%.

Organic growth was 8.3%, with 0.3% RIG. Pricing increased to 8.0%, with broad-based contributions from all geographies and categories. Foreign exchange reduced sales by 13.5%, impacted by significant currency depreciation. Reported sales in Zone AOA decreased by 5.2% to CHF 17.5 billion.

Growth in Zone AOA was supported by pricing as well as continued momentum of e-commerce and out-of-home channels. The Zone saw market share gains in confectionery and coffee.

South-East Asia posted mid single-digit growth, led by the Philippines, with strong sales developments for *Nescafé* and *Maggi*. South Asia recorded strong double-digit growth across most categories. Growth in India was based on continued distribution expansion and new product launches, with strong momentum for *Maggi*, *KitKat* and *Nescafé*. Middle East and Africa saw double-digit growth, with particular strength for affordable offerings in *Maggi*, *NAN* and *Milo*. Japan reported mid single-digit growth, led by Purina PetCare, *KitKat* and ready-to-drink *Nescafé*. South Korea posted high single-digit growth, fueled by *Starbucks* products. The new *Starbucks* soluble coffee offering resonated strongly with consumers. Oceania recorded high single-digit growth, supported by innovation for *KitKat*, Purina PetCare and *Nescafé*.

By product category, Infant Nutrition was the largest growth contributor, led by *NAN*, *Lactogen* and *Cerelac*. Culinary recorded double-digit growth, with continued strength for *Maggi*. Coffee saw high single-digit growth, with robust demand for *Nescafé* and *Starbucks* products, particularly

Zone AOA

In millions of CHF

	2022	2023	Proportion of total sales (%)	RIG (%)	OG (%)
ASEAN	7 112	6 880			
Oceania and Japan	2 964	2 802			
South Asian Subcontinent	3 156	3 042			
Middle-East and Africa	5 252	4 795			
Powdered and Liquid Beverages	6 108	5 767			
Water	641	582			
Milk products and Ice cream	3 636	3 310			
Prepared dishes and cooking aids	2 560	2 476			
Confectionery	1 372	1 332			
PetCare	702	662			
Nutrition and Health Science	3 465	3 390			
Total sales	18 484	17 519		+0.3%	+8.3%
Underlying trading operating profit	4 237	4 109		23.5%	
Trading operating profit	4 133	3 944		22.5%	
Capital additions	930	928		5.3%	

for ready-to-drink offerings. Ambient dairy posted mid single-digit growth, based on increased focus on products with functional benefits. Sales for Nestlé Professional grew at a strong double-digit rate across most geographies and categories, supported by channel penetration and customer acquisition. Confectionery reported high single-digit growth, fueled by strong momentum for *KitKat*. Purina PetCare saw mid single-digit growth, led by *Purina ONE*, *Supercoat* and *Felix*.

The Zone's underlying trading operating profit margin increased by 60 basis points. Pricing, disciplined cost control and portfolio optimization more than offset the impact of input cost inflation and higher advertising and marketing expenses.

Zone Latin America (LATAM)

Sales	CHF 12.2 billion
Organic growth	+9.2%
Real internal growth	+0.3%
Underlying trading operating profit margin	20.7%
Underlying trading operating profit margin	-50 basis points
Trading operating profit margin	19.2%
Trading operating profit margin	-110 basis points

- 9.2% organic growth: 0.3% RIG; 8.9% pricing.
- The Zone's underlying trading operating profit margin decreased by 50 basis points to 20.7%.

Organic growth was 9.2%, with pricing of 8.9%. RIG was 0.3%, turning positive in the second half. Foreign exchange had a negative impact of 5.8%. Reported sales in Zone Latin America increased by 3.2% to CHF 12.2 billion.

Zone Latin America recorded strong growth across all geographies and product categories. Growth was supported by pricing, strong operational execution and continued momentum

Zone LATAM

In millions of CHF

	2022	2023	Proportion of total sales (%)	RIG (%)	OG (%)
Latin America and Caribbean	11 819	12 196			
Powdered and Liquid Beverages	2 422	2 543			
Water	175	129			
Milk products and Ice cream	3 030	3 126			
Prepared dishes and cooking aids	845	888			
Confectionery	2 067	2 218			
PetCare	1 614	1 510			
Nutrition and Health Science	1 666	1 782			
Total sales	11 819	12 196		+0.3%	+9.2%
Underlying trading operating profit	2 501	2 520		20.7%	
Trading operating profit	2 401	2 346		19.2%	
Capital additions	805	923			7.6%

for out-of-home channels. The Zone saw market share gains in pet food, Infant Nutrition and culinary.

Brazil posted strong double-digit growth, with continued momentum for confectionery, Infant Nutrition and beverages. Within beverages, *Nescafé* posted strong sales growth driven by portioned coffee. Mexico reported high single-digit growth, with strong sales developments for dairy, coffee and Nestlé Professional.

By product category, confectionery was the largest growth contributor, reflecting strong demand for *KitKat* and key local brands. In this category, *Chocobiscuits* saw particularly strong growth. Coffee reported high single-digit growth, led by *Nescafé* soluble and ready-to-drink coffee. Dairy posted high single-digit growth, supported by dairy culinary solutions and fortified milks. Infant Nutrition saw high single-digit growth, based on solid momentum for *NAN* infant formula, *Mucilon* infant cereal and *Materna* products. Sales for Nestlé Professional grew at a strong double-digit rate, with continued customer expansion for branded coffee solutions. Culinary posted high single-digit growth, based on new product launches and further traction for *Recetas Nestlé*, the largest online recipe platform in Latin America. Purina PetCare saw mid single-digit growth, following a high base of comparison in 2022.

The Zone's underlying trading operating profit margin decreased by 50 basis points. One-off items in the prior year more than offset pricing and cost efficiencies.

Zone Greater China (GC)

Sales	CHF 5.0 billion
Organic growth	+ 4.2%
Real internal growth	+ 2.5%
Underlying trading operating profit margin	16.5%
Underlying trading operating profit margin	+ 40 basis points
Trading operating profit margin	9.3%
Trading operating profit margin	-640 basis points

- 4.2% organic growth: 2.5% RIG; 1.7% pricing.
- The Zone's underlying trading operating profit margin increased by 40 basis points to 16.5%.

Organic growth was 4.2%, with RIG of 2.5% and pricing of 1.7%. Foreign exchange had a negative impact of 10.2%. Reported sales in Zone Greater China decreased by 5.9% to CHF 5.0 billion.

Growth in Zone Greater China was supported by strong sales developments for out-of-home businesses and e-commerce momentum. The Zone saw market share gains in soluble coffee, pet food and confectionery.

By product category, Nestlé Professional was the largest growth contributor, supported by innovation and distribution expansion. Culinary posted high single-digit growth, with increased demand for *Totole* in out-of-home channels and new product launches. Confectionery recorded mid single-digit growth, led by *Shark* wafer and *Hsu Fu Chi*. Infant Nutrition saw positive growth, led by *NAN* hypoallergenic and specialty offerings. In the fourth quarter, the Zone launched a growing-up milk solution for *illumina* containing human milk oligosaccharides (HMOs). Sales of healthy aging products grew at a double-digit rate, supported by the launch of *N3* milk, a unique science-based innovation that is as nutritious as milk and low in lactose. Coffee reported low single-digit growth, supported by ready-to-drink offerings. Sales for Purina PetCare grew at a double-digit rate, based on new product launches and strong e-commerce momentum.

The Zone's underlying trading operating profit margin increased by 40 basis points, supported by favorable mix and disciplined cost control.

Zone GC

In millions of CHF

	2022	2023	Proportion of total sales (%)	RIG (%)	OG (%)
Greater China	5 351	5 037			
Powdered and Liquid Beverages	1 018	936			18.6%
Water	52	46			0.9%
Milk products and Ice cream	1 121	1 080			21.5%
Prepared dishes and cooking aids	930	902			17.9%
Confectionery	843	800			15.9%
PetCare	127	128			2.5%
Nutrition and Health Science	1 260	1 145			22.7%
Total sales	5 351	5 037		+2.5%	+4.2%
Underlying trading operating profit	862	832			16.5%
Trading operating profit	840	468			9.3%
Capital additions	207	161			3.2%

Nestlé Health Science

Sales	CHF 6.5 billion
Organic growth	+1.6%
Real internal growth	-3.2%
Underlying trading operating profit margin	12.0%
Underlying trading operating profit margin	-160 basis points
Trading operating profit margin	10.3%
Trading operating profit margin	+1930 basis points

- 1.6% organic growth: -3.2% RIG; 4.8% pricing.
- The underlying trading operating profit margin decreased by 160 basis points to 12.0%.

Organic growth was 1.6%, with pricing of 4.8%. RIG was -3.2%, impacted by a temporary supply constraint for the vitamins, minerals and supplements business. Net acquisitions increased sales by 3.1%, largely related to the consolidation of *Orgain* from April 2022. Foreign exchange negatively impacted sales by 6.2%. Reported sales in Nestlé Health Science decreased by 1.6% to CHF 6.5 billion.

Vitamins, minerals and supplements saw negative growth. Sales in the second half decreased following an IT integration issue encountered during the consolidation of U.S. packaging sites. The recovery is taking longer than expected as the extent of the issue was deeper and more complex than initially thought. The resulting supply constraints are expected to be fully resolved by the end of the first half of 2024, with an acceleration of growth expected in the second half of the year. Vitamins, minerals and supplements brand *Pure Encapsulations*

was not affected by the supply issue and saw double-digit growth.

Active Nutrition reported mid single-digit growth, with robust sales developments for *Orgain* and *Vital Proteins*.

Medical Nutrition recorded strong double-digit growth, with market share gains across all segments. Growth was led by adult medical care products, pediatric products and *Vitaflo*. The gastrointestinal portfolio, including *Vowst* and *Zenpep*, saw strong double-digit growth.

By geography, North America saw a sales decrease. Europe reported mid single-digit growth. Other regions combined posted high single-digit growth.

The underlying trading operating profit margin of Nestlé Health Science decreased by 160 basis points, as a result of the impact of temporary supply constraints.

Nestlé Health Science

In millions of CHF

	2022	2023	RIG (%)	OG (%)
Total sales	6 602	6 498	-3.2%	+1.6%
Underlying trading operating profit	899	777	12.0%	
Trading operating profit	(596)	670	10.3%	
Capital additions	1 795	478	7.4%	

Nespresso

Sales	CHF 6.4 billion
Organic growth	+ 5.3%
Real internal growth	+ 2.0%
Underlying trading operating profit margin	20.3%
Underlying trading operating profit margin	- 120 basis points
Trading operating profit margin	20.1%
Trading operating profit margin	- 20 basis points

- 5.3% organic growth: 2.0% RIG; 3.3% pricing.
- The underlying trading operating profit margin of Nespresso decreased by 120 basis points to 20.3%.

Organic growth was 5.3%, with pricing of 3.3%. RIG was 2.0%. Foreign exchange negatively impacted sales by 6.0%. Reported sales in Nespresso decreased by 1.2% to CHF 6.4 billion.

The key growth contributor was the *Vertuo* system, which continued to see broad-based momentum. Growth in out-of-home channels was also strong, with further adoption of the *Momento* system, particularly in the office segment. Innovation continued to resonate with consumers, including the launch of home compostable coffee capsules and the ultra-premium *N°20* limited edition, a unique arabica variety. In 2023, *Nespresso* was recognized as one of the top 100 most valuable brands in the world.*

By geography, North America posted double-digit growth, with continued market share gains. Europe reported low single-digit growth. Other regions combined saw mid single-digit growth.

The underlying trading operating profit margin of Nespresso decreased by 120 basis points. Significant cost inflation and the appreciation of the Swiss franc more than offset pricing actions and cost efficiencies. The business continued to invest in the rollout of the *Vertuo* system as well as in brand marketing.

* Interbrand annual ranking

Nespresso

In millions of CHF

	2022	2023	RIG (%)	OG (%)
Total sales	6 448	6 372	+ 2.0%	+ 5.3%
Underlying trading operating profit	1 388	1 291	20.3%	
Trading operating profit	1 309	1 283	20.1%	
Capital additions	520	282	4.4%	

Principal risks and uncertainties

The Group aims to adopt a risk profile aligned to our purpose and business strategy. We strive to create long-term value through a balance of sustainable growth and resource efficiency. Our culture and values – rooted in respect for ourselves, others, diversity and the future – guide our decisions and actions. Our Creating Shared Value approach helps us prioritize those areas that maximize value creation for shareholders and cultivate positive societal and environmental impacts.

The Nestlé Group Enterprise Risk Management (ERM) framework is designed to assess and mitigate risks in order to minimize their potential impact and support the achievement of Nestlé's long-term purpose and business strategy. A top-down assessment is performed at Group-level once a year. A bottom-up assessment occurs in parallel, resulting in aggregation of the individual market assessments. This creates a good understanding of the company's key risks in order to allocate ownership to drive specific actions around them and take any relevant steps to address them.

Additionally, Nestlé engages with external stakeholders to better understand the issues that are of most concern to them. The materiality assessment (included in the *Creating Shared Value and Sustainability Report*) rates the degree of external stakeholder concern and potential business impact. This helps to ensure that wider sustainability issues are incorporated into the risks and opportunities under consideration across the company.

Risk assessments and any mitigating actions are the responsibility of the individual line management. If Group-level intervention is required, responsibility for mitigating actions will generally be determined by the Executive Board. The annual Group risk assessment is reported annually to the Executive Board, Audit Committee and Board of Directors. Under the Group's governance, the full Board is responsible for risk oversight. Further details of the ERM processes can be found in the *Corporate Governance Report*.

We are committed to transparency and action on climate-related risks and opportunities. We have aligned our reporting disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which can be found in our *Creating Shared Value and Sustainability Report*.

The risks listed below are considered the most relevant for our business and performance. Many of the longer-term mitigation strategies are expanded on in our *Creating Shared Value and Sustainability Report*.

Principal risk *	Description	Potential impact	Key mitigations
Business transformations	Failure of strategic transformations such as large-scale change management projects, restructuring, mergers and acquisitions, etc.	<ul style="list-style-type: none"> – Failure to realize anticipated benefits – Impairments – Low employee morale and/or engagement 	<ul style="list-style-type: none"> – Executive sponsorship of transformations with aligned targets and appropriate levels of resources to support successful execution
Climate change	Climate-related physical disruption (e.g., extreme weather events, water shortages, land use change, deforestation, biodiversity loss, etc.) and transitional disruption (e.g., policy actions, technological advances, market sentiment, etc.) disrupting our operations and/or consumer demand	<ul style="list-style-type: none"> – Volatility in supply of raw materials due to physical climate changes (e.g., water stress, heat stress, etc.) – Policy impacts (e.g., carbon tax, land use restrictions, agricultural subsidy shifts, etc.) on operating costs – Increased consumer and/or stakeholder concern regarding climate change impacting reputation 	<ul style="list-style-type: none"> – Implementation of Nestlé's Net Zero Roadmap – <i>Generation Regeneration</i> activities to support the advancement of regenerative food systems – Progress on mitigations reported in the <i>Creating Shared Value and Sustainability Report</i>, the <i>Climate Risk and Impact Report</i> and Nestlé's CDP questionnaires
Consumer preferences	Failure to adequately anticipate evolving consumer preferences; innovate relevant, competitive products and brands; and/or execute at speed	<ul style="list-style-type: none"> – Negative effect on Nestlé's reputation and/or brands – Failure to achieve growth targets, loss of market share 	<ul style="list-style-type: none"> – Strengthened consumer-centricity of innovation processes – Scientific and nutritional know-how applied to enhance nutrition, health and wellness – Improved accessibility of safe and affordable food
Customer and channel management	Failure to build and maintain trading relationships across traditional and emerging channels	<ul style="list-style-type: none"> – Reduced distribution of our products to consumers – Restricted ability to price impacting margin – Failure to achieve growth targets, loss of market share 	<ul style="list-style-type: none"> – Strategic customer relationship management – Continued acceleration of digital capabilities and expansion of e-commerce and online communication
Environmental stewardship	Failure to comply with legislation or meet expectations concerning the environment (e.g., biodiversity impacts, use of natural resources, air emissions and waste discharges, etc.)	<ul style="list-style-type: none"> – Negative effect on Nestlé's reputation and/or brands – Corporate fines and/or taxation on products/categories – License to operate challenges (e.g., access to water, etc.) – Litigation 	<ul style="list-style-type: none"> – <i>Caring for Water</i> plan to implement water stewardship initiatives – Commitments to improve operational efficiencies (e.g., transition to renewable energy sources, reduction in air emissions, etc.) – Nestlé membership on the Taskforce on Nature-related Financial Disclosures
Ethics and compliance	Failure to act with integrity or in a manner consistent with our purpose and values	<ul style="list-style-type: none"> – Negative effect on Nestlé's reputation and/or brands – Penalties and/or fines – Litigation – Loss of licenses 	<ul style="list-style-type: none"> – <i>Corporate Business Principles</i> and <i>Code of Business Conduct</i> outlining the Group's commitment to integrity – Compliance program and systems, including grievance mechanisms
Geopolitical, societal factors	Adverse instability and/or uncertainty (e.g., political instability, conflicts, trade wars, pandemics or disease outbreaks, labor and/or infrastructure-related risks, etc.)	<ul style="list-style-type: none"> – Reduction in consumer demand across categories and/or channels – Disruption to Nestlé's ability to do business in a country or region – Disruption to supply chain 	<ul style="list-style-type: none"> – Monitoring and ad-hoc continuity plans to mitigate against events – Group-wide geographical and product category spreads – Decentralized management structure – Procurement strategy
Health and safety	Failure to comply with local health and safety regulations and/or nurture safe, healthy workplaces in all countries where Nestlé operates	<ul style="list-style-type: none"> – Negative effect on Nestlé's reputation and/or brands – Penalties and/or fines – Litigation – Injuries or fatalities – Occupational illness or accidents 	<ul style="list-style-type: none"> – Long-term initiatives to promote safe and healthy behaviors – Health and safety policies and procedures – Procedures to comply with local health and safety legislation – Employee Health Strategy (e.g., <i>#HealthyLives</i> to build personal health, safety and well-being awareness among employees, etc.)

Principal risk*	Description	Potential impact	Key mitigations
Human rights	Failure to identify and/or prevent human rights violations in direct operations and extended supply chain (e.g., forced labor, child labor, living income and living wage, freedom of association, etc.)	<ul style="list-style-type: none"> – Negative impact on individuals – Negative effect on Nestlé’s reputation and/or brands – Penalties and/or fines – License to operate challenges – Litigation 	<ul style="list-style-type: none"> – Human Rights Framework and Roadmap – Salient issue action plans – Sustainable sourcing programs (e.g., <i>Nescafé Plan</i>, <i>Nestlé Cocoa Plan</i>, etc.) – Policies, processes and controls to respect and promote human rights – Grievance mechanisms and consequence management
Macro-financial factors	Volatility and/or sudden shocks impacting macro factors (e.g., forex, interest rates, cost of capital, credit ratings, pension liabilities, etc.)	<ul style="list-style-type: none"> – Government intervention (e.g., capital controls, price controls, etc.) impacting operations and financial performance – Impeded access to capital markets 	<ul style="list-style-type: none"> – Appropriate governance and risk mitigation measures to actively manage exposures and long-term asset and liability outlook
Non-financial corporate governance	Failure to comply and/or meet stakeholders’ expectations with regards to non-financial performance and reporting	<ul style="list-style-type: none"> – Negative effect on Nestlé’s reputation and/or brands – Penalties and/or fines – Litigation 	<ul style="list-style-type: none"> – Board oversight supported by the Sustainability Committee – Leadership provided by the ESG & Sustainability Council – Dedicated ESG Strategy & Deployment Unit – Alignment with relevant non-financial reporting frameworks
People retention	Failure to attract and retain skilled, talented employees in a competitive, dynamic marketplace	<ul style="list-style-type: none"> – Negative effect on Nestlé’s reputation and/or brands – Workforce ill-equipped with the skills for the digital age – Failure to achieve growth and profit targets 	<ul style="list-style-type: none"> – Initiatives to improve gender balance and cultural diversity – Development strategies to cope with the demands of a changing work force
Product and plastic packaging	Failure to comply with current or future regulation, source relevant replacement packaging and/or develop new innovative solutions	<ul style="list-style-type: none"> – Specific packaging (e.g., single-use plastic, etc.) and/or elements (e.g., straws, etc.) taxed, banned and/or delisted – Stigmatization and/or obsolescence of products, brands and/or categories – Failure to achieve growth targets, loss of market share 	<ul style="list-style-type: none"> – Transformation of packaging systems, including recyclable or reusable packaging, new packaging materials and collaborations to drive recycling penetration – Nestlé Institute of Packaging Sciences innovation of packaging solutions
Product quality and safety	Major event triggered by a serious food safety, product quality or other product-related non-compliance issue	<ul style="list-style-type: none"> – Serious harm or death – Negative effect on Nestlé’s reputation and/or brands – Failure to meet evolving regulatory requirements – Loss of trust – Penalties and/or fines – Litigation 	<ul style="list-style-type: none"> – Policies, processes and controls to ensure high-quality, safe products and prevention of health risks – Quality and food safety culture
Regulation	Prolonged negative perceptions concerning health implications of processed food and beverage categories	<ul style="list-style-type: none"> – Increase in regulation on industry and/or specific categories – Erosion of consumer confidence in industry – Limitations on marketing and distribution 	<ul style="list-style-type: none"> – Scientific and nutritional know-how focused to enhance nutrition, health and wellness – Policies, including Nestlé Marketing Communication to Children and Nestlé Policy for Implementing the WHO Code
Strategic investment choices	Investment choices evolve over time to include emerging technologies; new business models; creation of, or entry into, new categories; and/or geographic expansion	<ul style="list-style-type: none"> – Broader exposures for the Group – Acceptance of higher risk and return metrics 	<ul style="list-style-type: none"> – Group’s investment choices aligned with strategy and prioritized based on the potential to create value over the long term

Principal risk *	Description	Potential impact	Key mitigations
Supply chain disruption	Major event impacting raw material sourcing, transport, and/or internal or external manufacturing facilities (e.g., commodity shortages, strikes, sanctions, natural disasters, pandemics or disease outbreaks, conflict, etc.)	<ul style="list-style-type: none"> – Impeded ability to ensure supply of key products, ingredients and packaging, including sourcing, transporting to operational facilities and distribution to customers – Increase in input prices and/or production and distribution costs 	<ul style="list-style-type: none"> – Business continuity and disaster recovery plans for key sites – Active price risk management on key commodities – Multiple supply options, including localized sourcing where relevant
Supply chain stewardship	Failure to ensure a transparent, sustainable and resilient food supply chain	<ul style="list-style-type: none"> – Negative effect on Nestlé’s reputation and/or brands – Penalties and/or fines – License to operate challenges – Product shortages 	<ul style="list-style-type: none"> – <i>Generation Regeneration</i> activities to support the advancement of regenerative food systems – Sustainable sourcing programs to achieve transparency and traceability on key raw materials
Systems, security and privacy	Threat of cyber-attacks; new technologies, including AI; and/or failure of internal systems and digital networks disrupting the reliability, security and privacy of data and/or ability to operate	<ul style="list-style-type: none"> – Inability to run operational activities – Loss of confidential information impacting corporate reputation – Loss of consumer trust – Penalties and/or fines – Litigation 	<ul style="list-style-type: none"> – Contingencies and policies to protect hardware and software – Privacy program to guard against data security threats and comply with an evolving regulatory landscape
Taxation factors	Change to or new interpretation of existing tax regulations and/or new tax regulations (e.g., OECD Base Erosion and Profit Shifting, BEPS, etc.)	<ul style="list-style-type: none"> – Failure to comply with tax regulations – Increase in effective tax rates – Increase in the cost of compliance 	<ul style="list-style-type: none"> – Group Tax Management Principles to manage and monitor tax compliance – Processes and tools to ensure compliance with new requirements

* Listed in alphabetical order

Factories

North America (NA)

Canada	2		●				●
United States	54	●		●	●	●	●

Europe (EUR)

Belgium	1		●				
Bulgaria	1						●
Czech Republic	3					●	●
Denmark	1					●	
Finland	2				●	●	
France	14	●	●		●		●
Germany	12	●			●	●	●
Greece	2	●	●				
Hungary	2	●					●
Ireland	1				●		
Italy	6		●			●	●
Netherlands	1				●		
Poland	5		●	●	●	●	●
Portugal	2	●		●	●		
Republic of Serbia	1	●				●	
Russia	6	●		●	●	●	●
Slovak Republic	1					●	
Spain	10	●	●		●	●	●
Sweden	1	●					
Switzerland	10	●	●		●	●	●
Türkiye	3	●	●	●			●
Ukraine	3					●	
United Kingdom	8	●	●				●

Asia, Oceania and Africa (AOA)

Algeria	2		●	●			
Angola	1			●			
Australia	6	●					●
Bahrain	1		●				
Bangladesh	1	●		●	●	●	
Cameroon	1			●		●	
Côte d'Ivoire	2	●				●	
Egypt	2	●	●	●	●	●	
Ghana	1	●		●	●	●	
India	8	●		●	●	●	●
Indonesia	4	●		●	●	●	
Iran	2	●	●		●		
Israel	6	●			●	●	●
Japan	3	●		●	●		●
Jordan	1		●				
Kenya	1	●			●	●	
Lebanon	1		●				
Malaysia	6	●		●	●	●	●
Morocco	1	●		●			
New Zealand	4				●	●	●
Nigeria	3	●	●	●		●	●
Pakistan	4	●	●	●	●		
Papua New Guinea	1	●				●	
Philippines	5	●		●	●		
Qatar	1		●				
Senegal	1			●		●	
Singapore	2	●			●		
Saudi Arabia	5		●				
South Africa	5	●		●	●	●	●
Sri Lanka	1	●		●		●	
Thailand	9	●	●	●	●		●
United Arab Emirates	2	●	●	●	●	●	●
Vietnam	6	●	●	●	●	●	
Zimbabwe	1			●			

The figure in black after the country denotes the number of factories.

- Powdered and Liquid Beverages
- Water
- Milk products and Ice cream
- Nutrition and Health Science
- Prepared dishes and cooking aids
- Confectionery
- PetCare

Corporate Governance and Compliance

Corporate Governance

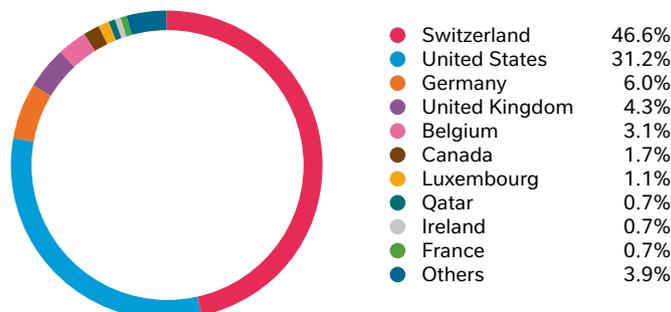
A principles-based approach to governance provides the foundation for our many actions to create sustainable value for our shareholders and shared value for all our stakeholders.

Nestlé's value creation model allows us to continue to invest, renovate and grow. We progress on our path to gradually reduce absolute GHG emissions in our supply chain and continue to support the transition to a regenerative food system. Our engagement on climate action is in line with our detailed Net Zero Roadmap, which our shareholders endorsed at the 2021 Annual General Meeting. As of 2024, we will submit our report on non-financial matters to a vote by shareholders as required by Swiss law. While making our portfolio good for the planet, we further intensified our efforts to provide consumers with nutritious, healthy and enjoyable products and to establish new global best practice in product nutrition transparency.

Nestlé's Board of Directors is engaged in overseeing the direction of the company. We have continued to strengthen the Board by adding new independent directors with diverse experience and skillsets directly relevant to Nestlé, for example, with respect to food systems, food and beverage, digitalization, marketing, sustainability, geopolitics and other topics. Engagement with our shareholders takes place through our roadshows, investor meetings, analyst calls and Chairman's Roundtables, where we meet with investors from Asia, North America, Switzerland, Germany, the UK, France and the Netherlands.

The Chair's and Corporate Governance Committee regularly reviews all aspects of our governance. In 2023, it reviewed the roles and responsibilities with regards to our ESG/sustainability reporting. Our Board approves the ESG/sustainability strategy proposed by management and submits our report on non-financial matters to the Annual General Meeting. Advising on our environmental and social sustainability, including our response to climate change and our human rights due diligence program, the Sustainability Committee has oversight over the structure and content of the ESG/sustainability reporting. The Audit Committee oversees internal and external audit and reviews reports regarding internal controls, compliance, fraud and risk management; it has oversight over the accuracy of our financial and

Share capital distribution by geography



non-financial reporting. Chaired by our Lead Independent Director, the Nomination Committee evaluates Board composition, performance, structure and succession planning, and assesses candidates for nomination to the Board. The Compensation Committee ensures alignment of our remuneration systems with our values, strategies and performance. In 2023, it continued its work to refine the KPIs in our short- and long-term incentive plans and to enhance the related disclosure.

Board of Directors of Nestlé S.A.

Board of Directors of Nestlé S.A. at December 31, 2023

Paul Bulcke (1, 2, 4)
Chairman

U. Mark Schneider (1, 2)
Chief Executive Officer

Henri de Castries (1, 2, 4, 6)
Vice Chairman
Lead Independent Director
Former Chairman and CEO, AXA

Pablo Isla (1, 2, 3)
Former Chairman and CEO,
Inditex

Renato Fassbind (1, 2, 6)
Former Vice Chairman,
Swiss Re AG

Patrick Aebischer (1, 3)
President Emeritus of the Swiss
Federal Institute of Technology
Lausanne (EPFL)

Kimberly A. Ross (1, 6)
Former CFO, Baker Hughes LLC,
Avon Products Inc. and Royal
Ahold N.V.

Dick Boer (1, 3, 5)
Former President and CEO,
Ahold Delhaize N.V.

Dinesh Paliwal (1, 3, 4)
Former President and CEO,
Harman International
Industries Inc.

Hanne Jimenez de Mora (1, 2, 5)
Co-founder, a-connect group

Lindiwe M. Sibanda (1, 5)
Professor Extraordinary, University
of Pretoria, RSA

Luca Maestri (1, 6)
Chief Financial Officer, Apple Inc.

Chris Leong (1, 5)
Chief Marketing Officer,
Schneider Electric

Rainer Blair (1)
President and CEO,
Danaher Corporation

**Marie-Gabrielle
Ineichen-Fleisch** (1, 4)
Former State Secretary and
Director of the Swiss State
Secretariat for Economic Affairs
SECO

Peter Brabeck-Letmathe
Chairman Emeritus

David P. Frick
Secretary to the Board

EY (1)
Independent auditors

- (1) Term expires on the date of the Annual General Meeting 2024
- (2) Chair's and Corporate Governance Committee
- (3) Compensation Committee
- (4) Nomination Committee
- (5) Sustainability Committee
- (6) Audit Committee

For further information on the Board of Directors, please refer to the *Corporate Governance Report 2023*.



Paul Bulcke



U. Mark Schneider



Henri de Castries



Pablo Isla



Renato Fassbind



Patrick Aebischer



Kimberly A. Ross



Dick Boer



Dinesh Paliwal



Hanne Jimenez de Mora



Lindiwe M. Sibanda



Luca Maestri



Chris Leong



Rainer Blair



Marie-Gabrielle Ineichen-Fleisch



David P. Frick
Secretary to the Board

Executive Board of Nestlé S.A.



Executive Board of Nestlé S.A. at December 31, 2023

From left to right

EVP: Executive Vice President
CEO: Chief Executive Officer

For further information on the Executive Board, please refer to the *Corporate Governance Report 2023*.

Greg Behar
Deputy EVP, CEO,
Nestlé Health Science

Stefan Palzer
EVP, Innovation Technology,
Research and Development

Leanne Geale
EVP, Group General Counsel

Steven Wood Presley
EVP, CEO Zone North America

Laurent Freixe
EVP, CEO Zone Latin America

David Xiqiang Zhang
EVP, CEO Zone Greater China

Stephanie Pullings Hart
EVP, Operations

U. Mark Schneider
Chief Executive Officer



Lisa Gibby
Deputy EVP, Chief
Communications Officer

Bernard Meunier
EVP, Strategic Business Units,
Marketing and Sales

Béatrice Guillaume-Grabisch
EVP, Human Resources
and Business Services

David Rennie
Deputy EVP, Nestlé Coffee Brands

Remy Ejel
EVP, CEO Zone Asia,
Oceania and Africa

Marco Settembri
EVP, CEO Zone Europe

Sanjay Bahadur
Deputy EVP, Group Strategy
and Business Development

François-Xavier Roger
EVP, Chief Financial Officer

Visiting a LENS farm
EJ Barker and Sons based at Lodge
Farm, Suffolk, in the UK, is one of
the Landscape Enterprise Networks
(LENS) partner farms implementing
regenerative agricultural management
practices to improve resource
management and biodiversity.
The farm supplies wheat to Purina
and Nestlé Cereal Partners UK.

Compliance

Compliance is our commitment to act with honesty, integrity and respect for our own values, principles and policies, and for the laws and regulations where we operate. It is a non-negotiable requirement for everything we do and enables sustainable business growth. Our comprehensive Compliance Management System, comprised of policies, processes, controls and tools, is regularly reviewed to ensure we proactively uphold our values and address relevant risks, while also meeting the multiple and incremental regulatory requirements.

Nestlé's Board of Directors and Executive Board oversee and promote good practices throughout the company. Management is supported by our Legal and Compliance function, which provides guidance and functional leadership, as well as by all other functions engaged in our risk- and principles-based compliance program. The Group Compliance Committee ensures a continuous evolution of our Integrated Assurance Framework, while market compliance officers and committees ensure a consistent approach across the Group and help identify local compliance priorities. Compliance is monitored through our corporate functions, including Audit, and external auditors.

In 2023, employees completed more than 970 000 e-modules on topics such as our *Corporate Business Principles*, compliance, human rights, security, sexual harassment, antitrust, and diversity and inclusion. We also launched a new mandatory training on transacting ethically and responsibly (with a focus on anti-money laundering) for a selected subset of people managers and a recommended training on anti-bribery and corruption for all employees.

This year marks the last year of the 2021-2023 CARE program cycle, through which we assess our sites on specific aspects of our social compliance including health and safety, environment and working conditions, with the help of independent external auditors. A total of 194 audits were performed in 2023, covering 440 sites. We have enhanced the program in preparation for the new 2024-2026 CARE cycle, particularly in assessing human rights in our sites.

Our Speak Up system, independently operated by a third party, allows us to investigate and address potential non-compliance concerns from employees

and external stakeholders. We have addressed substantiated complaints on issues such as abuse of power and/or mobbing/bullying, labor practices, sexual harassment and conflicts of interest, among others. As a consequence of all the substantiated cases in 2023, 122 employees had to leave our company and 15 service providers were terminated as a result of non-compliance incidents. In 2023, we developed a new training, Conducting Investigations on Behavior-Related Allegations, to guide our markets and serve as a comprehensive toolkit of best practices.

An annual compliance communication plan strengthens and sustains a business ethics and compliance culture. This enables good business decisions and enhances the trust in Nestlé by our stakeholders.

Shareholder information

Stock exchange listing

At December 31, 2023, Nestlé S.A. shares are listed on the SIX Swiss Exchange, Zurich (ISIN code: CH0038863350). American Depositary Receipts (ISIN code: US6410694060) representing Nestlé S.A. shares are offered in the USA by Citibank, N.A., New York.

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Investor Relations
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tel. +41 (0)21 924 35 09
e-mail: ir@nestle.com

As to information concerning the share register (registrations, transfers, dividends, etc.), please contact:
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e-mail: sharerregister@nestle.com

The *Annual Review* is available online as a PDF in English, French and German. The consolidated income statement, balance sheet and cash flow statement are also available as Excel files.

www.nestle.com

April 18, 2024

157th Annual General Meeting

April 19, 2024

Last trading day with entitlement to dividend

April 22, 2024

Ex-dividend date

April 24, 2024

Payment of the dividend

April 25, 2024

2024 three-month sales figures

July 25, 2024

2024 half-year results

October 17, 2024

2024 nine-month sales figures

February 13, 2025

2024 full-year results

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The *Annual Report* contains forward-looking statements which reflect Management's current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include factors such as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, and regulatory developments.

The *Annual Report* is published in English, German and French. The English version is binding for the content.

The brands in italics are trademarks used by the Nestlé Group.

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Société des Produits Nestlé S.A.,
Corporate Identity & Design,
with Large Network

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Niels Ackermann,
Gaëtan Bally,
Matthew Joseph,
Nestlé S.A.

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