

ANNEXURE - 1 TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE FIFTEEN MONTHS FINANCIAL YEAR ENDED 31ST MARCH 2024

NESTLÉ'S PHILOSOPHY ON CODE OF GOVERNANCE

Nestlé India Limited ("the Company"), as a part of Nestlé Group, Switzerland has over the years followed best practices of Corporate Governance by adhering to practices of the Nestlé Group. The significant documents from Nestlé Group, which define the standard of behaviour of the Company, are "The Nestlé Corporate Business Principles", "The Nestlé Management and Leadership Principles" and "The Nestlé India Code of Business Conduct".

The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. Your Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that the highest standards of ethical and responsible conduct are met throughout the organisation. Our governance procedures, which aim to maintain an efficient, knowledgeable, and impartial Board, are a reflection of this belief. We continuously assess our governance procedures and compare them to the best practices. The Board of Directors ("the Board") is in charge of the Company's management, general affairs, strategic direction and performance and is supported by the Board Committees, Managing Director, Key Managerial Personnel and the Management Committee.

BOARD OF DIRECTORS

Composition and category of Directors, attendance of each Director at the Board Meetings and the last Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson, name of the other listed companies where such director is a Director and category of Directorship

Above information as on 31st March 2024 or for the fifteen months financial year ended 31st March 2024, as applicable, is tabulated hereunder:

Director - Category	DIN	No. of Board Meetings attended	Attendance at the last AGM held on 12 th April 2023	No. of outside Directorship held ^A	No. of Membership/ Chairpersonship in other Board Committees ^B		Category of Directorship and name of the other listed companies as on 31 st March 2024
					Member	Chairperson	
Executive							
Mr. Suresh Narayanan	07246738	11	Yes	1	Nil	Nil	Independent Director - Asian Paints Limited
Ms. Svetlana Boldina ^C	10044338	8	Yes	Nil	Nil	Nil	-
Mr. Satish Srinivasan ^D	10173407	5	NA*	Nil	Nil	Nil	-
Mr. David Steven McDaniel ^E	08662504	3	NA*	Nil	Nil	Nil	-
Mr. Matthias Christoph Lohner ^E	08934420	6	Yes	Nil	Nil	Nil	-
Independent Non-Executive							
Dr. Swati A. Piramal ^F	00067125	9	Yes	5	Nil	Nil	Executive Director - Piramal Enterprises Limited

Director - Category	DIN	No. of Board Meetings attended	Attendance at the last AGM held on 12 th April 2023	No. of outside Directorship held ^A	No. of Membership/ Chairpersonship in other Board Committees ^B		Category of Directorship and name of the other listed companies as on 31 st March 2024
					Member	Chairperson	
Mr. Rajya Vardhan Kanoria	00003792	11	Yes	7	4	3	Executive Director - Kanoria Chemicals and Industries Limited Non-Independent Non-Executive Director - Ludlow Jute & Specialties Limited Independent Director - J K Paper Limited
Mr. Prathivadibhayankara Rajagopalan Ramesh	01915274	11	Yes	9	7	4	Independent Director - Cipla Limited - Crompton Greaves Consumer Electricals Limited - Tejas Networks Limited - Larsen and Toubro Limited
Ms. Anjali Bansal	00207746	11	Yes	5	3	Nil	Independent Director - Piramal Enterprises Limited - The Tata Power Company Limited - Voltas Limited
Ms. Alpana Parida	06796621	11	Yes	6	2	1	Independent Director - FSN E-Commerce Ventures Limited - Cosmo First Limited

A Directorship in companies registered under the Companies Act, 2013 ("the Act") or any earlier enactments, excluding companies under Section 8 of the Act.

B Only covers Membership/Chairpersonship of Audit Committee and Stakeholders Relationship Committee of public limited companies except Nestlé India Limited.

C Ms. Svetlana Boldina (DIN: 10044338) was appointed as Whole-time Director designated as "Executive Director - Finance & Control and Chief Financial Officer" for a term of five consecutive years with effect from 1st March 2023.

D Mr. Satish Srinivasan (DIN: 10173407) was appointed as Whole-time Director designated as "Executive Director - Technical" for a term of five consecutive years with effect from 1st July 2023.

E Mr. David Steven McDaniel (DIN: 08662504), Executive Director - Finance & Control and Chief Financial Officer and Mr. Matthias Christoph Lohner (DIN: 08934420), Executive Director - Technical, relinquished their office of Whole-time Director with effect from close of business hours on 28th February 2023 and 30th June 2023, respectively.

F Dr. Swati A. Piramal ceased to be an Independent Non-Executive Director of the Company with effect from close of business hours on 31st March 2024 upon completion of her second term of five consecutive years.

NA* Not Applicable

The Board of Directors of your Company has a good and diverse mix of Executive Directors and Non-Executive Directors with majority of the Board Members comprising Independent Non-Executive Directors and the same is in line with the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). As on 31st March 2024, the Board of Directors consisted of eight Directors comprising of one Executive Chairman, five Independent Non-Executive Directors, including three women Directors, and two Executive Directors. None of the Independent Non-Executive Directors of the Company serves as Independent Non-Executive Director in more than seven listed companies and where any Independent Non-Executive Director is serving as a whole-time director in any listed company, such director is not serving as Independent Non-Executive Director in more than three listed companies.

All Directors are expected to attend each Board Meeting and each Committee Meeting of which they are members, unless there are reasons preventing them from participating. Other Directors who are not members of the Committees are also invited to attend such Committee Meetings at their discretion.

During the fifteen months financial year ended 31st March 2024, the Board met eleven times on 20th January 2023, 15th February 2023, 16th February 2023, 12th April 2023, 25th April 2023, 1st June 2023, 27th July 2023, 24th August 2023, 19th October 2023, 19th January 2024 and 7th February 2024. The Directors participated in the meetings of the Board and Committees held during the fifteen months financial year ended 31st March 2024 either in-person or through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM) facility. All Directors attended all the meetings of the Board except Dr. Swati A. Piramal who was granted leave of absence for the meetings held on 19th January 2024 and 7th February 2024. The meetings and agenda items taken up during the meetings complied with the requirement of the Act and Listing Regulations read with various circulars issued by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"). The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board of Directors as prescribed under Part-A of Schedule II of sub-regulation 7 of Regulation 17 of the Listing Regulations.

A secured cloud based Board Portal is used by the Company which gives the Directors immediate access to the board books and other meeting materials through any standard web browser or through any device with internet access.

Independent Directors

The Company has familiarisation programme for Independent Non-Executive Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarisation programme along with details of the same imparted to the Independent Non-Executive Directors during the period under review are available on the website of the Company at <https://www.nestle.in/investors/directorsandofficers/familiarisation-programme>.

During the fifteen months financial year ended 31st March 2024, a separate meeting of the Independent Non-Executive Directors was held on 15th February 2023 without the attendance of Non-Independent Directors and members of the management. All Independent Non-Executive Directors attended meeting in-person while Dr. Swati A. Piramal and Ms. Alpana Parida, attended the said meeting through VC/ OAVM facility.

None of the Independent Non-Executive Directors held any equity share(s) or convertible instrument(s) of the Company during the fifteen months financial year ended 31st March 2024. Further, none of the Directors had any relationships *inter-se*. The Independent Non-Executive Directors provided an annual confirmation that they meet the criteria of independence. Further, the Independent Directors confirmed that they have enrolled themselves in the Independent Directors' Database maintained by the Indian Institute of Corporate Affairs.

Based on the confirmations/ disclosures received from the Independent Non-Executive Directors in terms of Regulation 25(9) of the Listing Regulations and a certificate from M/s. S.N. Ananthasubramanian & Co., Practising Company Secretary (Registration No. 1774), Secretarial Auditors of the Company, the Board of Directors is of the opinion that the Independent Non-Executive Directors fulfil the criteria or conditions specified under the Act and under the Listing Regulations and are independent of the Management.

The Company issues formal letter of appointment to the Independent Non-Executive Directors at the time of their appointment/ re-appointment. The terms and conditions of the appointment of Independent Non-Executive Directors are available on the Company's website at <https://www.nestle.in/investors/directorsandofficers>. The Independent Non-Executive Directors have confirmed that they will devote the time as required to discharge their duties as an Independent Non-Executive Directors of the Company.

Dr. Swati A. Piramal (DIN: 00067125), Independent Non-Executive Director, retired as a Director of the Company with effect from close of business hours on 31st March 2024 upon completion of her second term of five consecutive years.

During the period under review, none of the Independent Non-Executive Director(s) of the Company resigned before the expiry of their tenure.

Skills/ Expertise/ Competencies Matrix

During the period under review, the matrix of core skills/ expertise/ competencies as identified by the Board of Directors and as required in the context of the Company's business(es) and sector(s) for it to function effectively and those actually available with the Board of Directors are given below:

Key Skill Area	Skills/ Expertise/ Competencies	Mr. Suresh Narayanan	Dr. Swati A. Piramal	Mr. Rajya Vardhan Kanoria	Mr. P.R. Ramesh	Ms. Anjali Bansal	Ms. Alpina Parida	Ms. Svetlana Boldina	Mr. Satish Srinivasan
Business & Strategy	Consumer insight & marketing	Y		Y			Y		
	Technical & R&D (including nutrition & food science)		Y						Y
	Economic issues/ Macro Economic Trends/ Interpreting national policies	Y	Y	Y	Y	Y	Y	Y	
	E-commerce, digital & new technologies and M&A	Y			Y	Y	Y	Y	Y
Operations	Sales & Customer Management	Y	Y	Y			Y		
	Operation Management & Risk Mitigation	Y		Y	Y			Y	Y
	Finance Treasury & Audit			Y	Y	Y	Y	Y	
	Information technology					Y		Y	
Environment	Sustainability (water, sanitation, community development, nutrition) under Creating Shared Value/ CSR	Y	Y	Y		Y	Y	Y	Y
	Scientific & Regulatory Affairs		Y		Y				Y
	Media, local interaction & environment assessment	Y	Y				Y		Y
	Climate change	Y	Y			Y			Y
Other enablers	Innovation Management		Y			Y	Y		Y
	Human Resource & Talent	Y	Y	Y	Y	Y	Y	Y	Y
	Communications	Y	Y	Y	Y		Y	Y	Y
	Board Governance & General Management	Y	Y	Y	Y	Y	Y	Y	Y

Board membership criteria and selection process

The Nomination and Remuneration Committee (hereinafter referred as "NRC") is responsible for identifying and evaluating a suitable candidate for the Board, based on the criteria laid down in the Nomination and Remuneration Policy as available on Company's website at <https://www.nestle.in/investors/policies>. For the purpose of identifying suitable candidates from different sources, the NRC evaluates the Board's composition and diversity to ensure that the Board and its committees have an appropriate mix of skills, knowledge, experience on the Board, independence, wide range of backgrounds, having regard to the diversity, and the ability to fulfil required time commitments. On identifying a suitable candidate, the NRC recommends his/ her appointment to the Board of Directors for their approval. Based on the recommendation of the NRC, the Board of Directors considers and recommends the appointment of such director to the members of the Company for their approval.

In accordance with the provisions of the Act, all the Directors, except the 'Chairman and Managing Director' and 'Independent Non-Executive Directors', of the Company, are liable to retire by rotation at the Annual General Meeting ("AGM") each year and, if eligible, offer their candidature for re-appointment. The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of employment with the Company. The period of office of the whole-time directors shall be liable to determination by retirement of directors by rotation. If the whole-time director(s) is re-appointed as a director, immediately on retirement by rotation, he/ she shall continue to hold office as whole-time director(s) and such re-appointment as director shall not be deemed to constitute break in his/ her appointment as a whole-time director.

Training of Board members

All new independent non-executive directors inducted to the Board are introduced to the Company's culture through comprehensive orientation sessions. They are also introduced to the organization structure, services, Nestlé Group's structure and constitution, Board procedures, matters reserved for the Board, major risks and risk management strategy, Nestlé Corporate Business Principles, Nestlé Code of Business Conduct and other policies of the Company. The Company has familiarisation programme for all independent non-executive directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc., executive directors and senior management provide an overview of operations and familiarize the new independent non-executive directors on matters related to the Company's values and commitments.

Regular updates are given to the Directors from time to time on business-related issues and new initiatives. Training and awareness programmes are conducted for the Directors on the topics such as ethics, transparency, human rights and code of conduct through on-line/ off-line mode.

Succession planning

Succession planning at Nestlé is a meticulous process that focuses on the smooth transition of roles so as to ensure the stability and future leadership of the Company. Nestlé India follows the Nestlé's global principles of Functional Leadership and Strategic Management. It is a collaborative approach involving various key corporate functions and leadership roles. Also, the NRC collaborates with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in senior management. During the period under review, the Board and the NRC have discussed and reviewed Board composition and succession planning to ensure that the successors for key leadership roles are identified and their performance are also assessed. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity.

Compliance with the Code of Conduct

The Company has adopted the 'Nestlé India Code of Business Conduct' ("the Code"). The Code is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The Board Members and Senior Management Personnel are expected to adhere to the Code, and have accordingly, affirmed compliance of the same during fifteen months financial year ended 31st March 2024.

The declaration of Chairman and Managing Director affirming compliance of the Code by the Board Members and Senior Management Personnel of the Company during fifteen months financial year ended 31st March 2024, is enclosed as "Annexure – I" and forms an integral part of this Report.

Compliance Monitoring Tool

The Company has proper online systems to enable the Board of Directors to review on a half yearly basis compliance report of all laws applicable to the Company, as prepared by the Company as well as to assess the steps taken by the Company to rectify instances of non-compliances, if any. Such system is adequate and operating effectively.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Act and Regulation 18 of the Listing Regulations, as applicable, besides other terms as referred by the Board of Directors.

The powers include investigating any activity within its terms of reference as specified by the Board of Directors and seeking information from any employee, obtain professional advice from external sources, secure attendance of outsiders with relevant expertise, if required and have full access to information contained in the records of the Company.

The role includes oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board of Directors for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditor's independence and performance and effectiveness

of audit process; scrutiny of inter-corporate loans and investments, if any; evaluation of internal financial controls and risk management system; reviewing the functioning of the vigil mechanism/ whistle blower policy; reviewing the internal controls to ensure compliance with the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), verifying that the system for internal control under PIT Regulations are adequate and are operating effectively and such other roles as prescribed under the Act and Listing Regulations.

The Audit Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, management letters/ letters of internal control weaknesses issued by the statutory auditors; the appointment, removal and terms of remuneration of the internal auditor and such other matters as prescribed under the Act and Listing Regulations.

As on 31st March 2024, the Audit Committee comprised of Mr. Prathivadibhayankara Rajagopalan Ramesh as the Chairman, Mr. Rajya Vardhan Kanoria and Ms. Alpana Parida as Members, all Independent Non-Executive Directors. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comparable experience and background. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The Executive Director - Finance & Control and CFO and Head of Accounting are permanent invitees to the meetings of the Audit Committee. The Chief Internal Auditor, the concerned partners/ authorized representatives of Statutory Auditors and the Cost Auditors were invited to the meetings of the Audit Committee. The Secretarial Auditors were also invited to the meeting of the Audit Committee to present the Secretarial Audit Report and their findings.

During the fifteen months financial year ended 31st March 2024, the Audit Committee met five times on 15th February 2023, 24th April 2023, 26th July 2023, 18th October 2023 and 6th February 2024 and members of the Audit Committee participated in the aforesaid meetings in-person or through VC/ OAVM facility. All members attended all the meetings of the Audit Committee except Ms. Alpana Parida who was granted leave of absence for the meeting held on 15th February 2023.

The maximum gap between any two meetings of the Audit Committee was less than one hundred and twenty days. On 15th February 2023, the Audit Committee had a meeting with the Internal Auditors and Statutory Auditors without the presence of anyone else.

NOMINATION AND REMUNERATION COMMITTEE

The powers, role and terms of reference of the Nomination and Remuneration Committee (hereinafter referred as "NRC") covers the areas as contemplated under Section 178 of the Act and Regulation 19 of the Listing Regulations, besides other terms as referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors a policy relating to the nomination and remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Non-Executive Directors and the Board as a whole; devising a policy on diversity of Board of Directors; and identification of persons who are qualified to become directors and who may be appointed in the senior management in accordance with the criteria laid down, and recommending to the Board of Directors their appointment, removal and noting their cessation; recommendation on extension or continuation of the terms of appointment of the independent non-executive directors; recommendation to the Board of Directors of all remuneration, in whatever form, payable to the senior management; and evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for appointment of an independent non-executive director and recommending to the Board.

As on 31st March 2024, the NRC comprised of Mr. Rajya Vardhan Kanoria as Chairman, Mr. Prathivadibhayankara Rajagopalan Ramesh and Ms. Anjali Bansal as Members, all Independent Non-Executive Directors. The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee. The Chairman and Managing Director and Head of Human Resources are the permanent invitees to the meetings of the NRC.

During the fifteen months financial year ended 31st March 2024, the NRC met six times on 15th February 2023, 24th April 2023, 1st June 2023, 26th July 2023, 18th October 2023 and 6th February 2024 and members of the Committee participated in the aforesaid meetings either in-person or through VC/ OAVM facility. All members attended all the meetings of the NRC.

Performance Evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board, its Committees and the Directors was undertaken which included the evaluation of the Board as a whole, Board Committees and peer evaluation of the Directors. The criteria for performance evaluation cover the areas relevant to

the functioning of the Board and Board Committees such as its composition and operations, Board as whole and group dynamics, oversight and effectiveness, performance, skills and structure etc. The performance of individual directors was evaluated on the parameters such as preparation, participation, flow of information, conduct, independent judgement and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Directors being evaluated had not participated. An independent global HR and Risk advisory firm conducted an online survey to capture inputs from the Directors, compiled and provided analysis of the results of the annual performance evaluation. As an outcome of the evaluation, it was noted that Board as a whole has a composition that is diverse in experience, skills, expertise, competence, gender balance, and fosters lively, free expression and constructive debates and that the Board is provided with adequate competitive and industry information to keep the members upto date with industry landscape. The presentations made from time to time, during the meeting of the Board and Committee by the Senior Management and their teams continue to provide an insight at a deeper level and exposure to segments. It was also noted that the Board Committees functions professionally and smoothly and besides the Board Committee's terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees.

The Board of Directors provided their inputs, *inter-alia*, on further strengthening on-boarding process for the directors, optimal use of virtual format for the meetings, focus on right issues that influences the Company's performance and future success, opportunity to focus on risk and security issues and to bring members on the Board with expertise in core areas of business. Further, feedback was provided by the Directors on focus around assessment of the inherent risks to the business and significant environmental changes that could impact the business of the Company in future.

Remuneration of Directors

(for the fifteen months financial year ended 31st March 2024)

(₹ in millions)

Name of the Director	Sitting fees	Salaries and allowance	Perquisites	Company's Contribution to PF	Commission and performance linked incentive	Total [#]
Mr. Suresh Narayanan ¹	N.A.	183.93 [^]	68.31	4.96	36.81	294.01
Ms. Svetlana Boldina ¹ [§]	N.A.	73.27 [^]	11.35	1.52	9.71	95.86
Mr. Satish Srinivasan ¹ [§]	N.A.	9.33	9.84	1.09	5.81	26.07
Mr. David Steven McDaniel ¹ [*]	N.A.	19.46 [^]	23.90	0.24	0.74	44.34
Mr. Matthias Christoph Lohner ¹ [*]	N.A.	46.79 [^]	18.99	0.61	4.12	70.51
Dr. Swati A. Piramal [*]	1.05	-	-	-	3.75 [@]	4.80
Mr. Rajya Vardhan Kanoria	2.15	-	-	-	3.75 [@]	5.90
Mr. Prathivadibhayankara Rajagopalan Ramesh	2.15	-	-	-	3.75 [@]	5.90
Ms. Anjali Bansal	1.85	-	-	-	3.75 [@]	5.60
Ms. Alpna Parida	1.70	-	-	-	3.75 [@]	5.45

¹The Company enters into service contracts with all Executive Directors for a period of 5 years. The notice period is of three months and the severance fee is the sum equivalent to remuneration for the notice period or part thereof in case of a shorter notice.

[^]Includes cost recharge for Employer Pension Scheme.

[#]The Remuneration is for the fifteen months financial year ended 31st March 2024, due to change in financial year of the Company.

[@]Represents Commission for the fifteen months financial year ended 31st March 2024 (due to change in financial year), which will be paid after adoption of the accounts by the shareholders at the ensuing Annual General Meeting, subject to deduction of applicable tax.

[§]Appointed as Executive Director of the Company (Ms. Svetlana Boldina w.e.f. 1st March 2023 and Mr. Satish Srinivasan w.e.f. 1st July 2023).

^{*}Mr. David Steven McDaniel (DIN: 08662504), Executive Director - Finance & Control and Chief Financial Officer and Mr. Matthias Christoph Lohner (DIN: 08934420), Executive Director - Technical, relinquished their office of Whole-time Director with effect from close of business hours on 28th February 2023 and 30th June 2023, respectively. Dr. Swati A. Piramal ceased to be an Independent Non-Executive Director of the Company with effect from close of business hours on 31st March 2024 upon completion of her second term of five consecutive years.

Sitting fee indicated above also includes payment for Board-level Committee meetings.

The above remuneration of Executive Directors does not include provision for incremental liability on account of gratuity, compensated absences and long service awards since actuarial valuation is done for the Company as a whole. The terms of employment of Executive Directors are governed by the applicable policies of the Company at the relevant point in time. Commission is subject to adequate profits being earned. A fair portion of the Executive Director's Performance Linked Incentive is linked to the Company's performance. This creates alignment with the strategy and business priorities to enhance shareholder's value. The total reward package for executive directors is intended to be market competitive with strong linkage to performance in line with Company's Nomination and Remuneration Policy which is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The non-executive directors are paid remuneration based on their contribution and current trends. Sitting fee is paid for attending each meeting of the Board and Committees thereof. Additionally, the non-executive directors are entitled to remuneration upto an aggregate limit of one percent per annum of the net profits of the Company, provided that none of the non-executive directors shall receive individually a sum exceeding ₹1,00,00,000/- (Rupees one crore only) in a financial year, as approved by the members at the Annual General Meeting held on 12th April 2023. Within the aforesaid limit, the commission payable is determined by the Board of Directors and equal amount of commission is payable to Independent Non-Executive Directors. During the period under review, remuneration of Independent Non-Executive Directors was approved by the Board of Directors with the interested Independent Non-Executive Directors, not participating and voting, as per the terms approved by the shareholders at the Annual General Meeting. Further, none of the Non-Executive Directors had any material pecuniary relationship or transaction *vis-a-vis* the Company during the period under review, other than payment of sitting fee and commission, as mentioned in the table above.

The Company does not have any stock option scheme. The Company participates in the Performance Share Unit Plan/ Restricted Stock Unit Plan of Nestlé S.A., whereby selected employees are granted non-tradable Performance Share Units/ Restricted Stock Unit of Nestlé S.A. Perquisites of the Whole-time/ Managing Director include, *inter-alia*, Leave Travel and payments for the Restricted Stock Units/ Performance Stock Units of Nestlé S.A. vested during the financial year equal to the market value of the underlying shares on the date of vesting.

A brief profile and other particulars of the directors seeking appointment and re-appointment is given in the Notice of the 65th AGM and forms part of the Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (hereinafter referred as "SRC") oversees, *inter-alia*, redressal of shareholder and investor grievances, transmission/ transposition of shares, non-receipt of annual report or declared dividend, issue of letter of confirmation in lieu of duplicate shares, exchange of new design share certificates, reviewing dematerialization of shares and related matters. The roles and responsibilities of the SRC are as prescribed under Section 178 of the Act and Regulation 20 of the Listing Regulations, as amended.

During the fifteen months financial year ended 31st March 2024, the SRC was re-constituted as Ms. Svetlana Boldina, Executive Director – Finance & Control and CFO was appointed as member of the SRC with effect from 1st March 2023, in place of Mr. David Steven McDaniel, Executive Director – Finance & Control and CFO, who ceased as member of the SRC upon relinquishment of the office of Whole-time Director of the Company with effect from close of business hours on 28th February 2023.

As on 31st March 2024, the SRC comprised of Mr. Rajya Vardhan Kanoria as Chairman, Ms. Alpana Parida and Ms. Svetlana Boldina as Members. The Company Secretary of the Company acts as the Secretary and Compliance Officer to the Stakeholders Relationship Committee.

During the fifteen months financial year ended 31st March 2024, the SRC met five times on 15th February 2023, 24th April 2023, 26th July 2023, 18th October 2023 and 6th February 2024. Members of the SRC participated in the aforesaid meetings in-person or through VC/ OAVM facility. Mr. David Steven McDaniel attended SRC meeting held on 15th February 2023 and thereafter, he ceased as member of the SRC. All members attended all the meetings of the SRC except Ms. Alpana Parida who was granted leave of absence for the meeting held on 15th February 2023.

During the fifteen months financial year ended 31st March 2024, sixteen complaints were received from the shareholders. All the complaints have been resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the fifteen months financial year.

RISK MANAGEMENT AND SUSTAINABILITY INITIATIVES COMMITTEE

The roles and responsibilities of the Risk Management and Sustainability Initiatives Committee (hereinafter referred as "RMSI Committee") are as prescribed under Regulation 21 of the Listing Regulations and includes formulating a detailed Risk Management Policy, monitoring and reviewing of risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors from time to time. The terms of reference of the RMSI Committee include review of the Company's sustainability initiatives and how its long term strategy relates to its ability to create shared value. The RMSI Committee also oversees compliance of all the policies and disclosures requirements under Listing Regulations for the purpose of Business Responsibility and Sustainability Reporting.

During the fifteen months financial year ended 31st March 2024, the RMSI Committee was re-constituted as Ms. Svetlana Boldina, Executive Director – Finance & Control and CFO, was appointed as member of the RMSI Committee with effect from 1st March 2023, in place of Mr. David Steven McDaniel, Executive Director – Finance & Control and CFO who ceased as member of the RMSI Committee upon relinquishment of the office of Whole-time Director of the Company with effect from close of business hours on 28th February 2023.

As on 31st March 2024, RMSI Committee comprised of Mr. Suresh Narayanan as Chairman, Mr. Prathivadibhayankara Rajagopalan Ramesh, Ms. Anjali Bansal, Dr. Swati A. Piramal and Ms. Svetlana Boldina, as Members. The Company Secretary of the Company acts as the Secretary to the RMSI Committee.

During the fifteen months financial year ended 31st March 2024, the RMSI Committee met five times on 15th February 2023, 24th April 2023, 26th July 2023, 18th October 2023 and 6th February 2024. Mr. David Steven McDaniel attended the RMSI Committee meeting held on 15th February 2023, thereafter, he ceased as member of the RMSI Committee. All the members attended these meetings in-person or through VC/ OAVM facility except, Ms. Anjali Bansal who was granted leave of absence for the meeting held on 24th April 2023 and Dr. Swati A. Piramal who was granted leave of absence for all meetings of the RMSI Committee held during the fifteen months financial year ended 31st March 2024.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee oversees, *inter-alia*, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, ("CSR Rules"), which includes formulating and recommending to the Board of Directors, a CSR Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Act; the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company. The CSR Committee had formulated an Annual Action Plan for the fifteen months financial year ended 31st March 2024 pursuant to the CSR Rules and the CSR Policy of the Company and recommended the amendments therein from time to time.

During the period under review, the CSR Committee was re-constituted as Ms. Svetlana Boldina, Executive Director - Finance & Control and CFO, was appointed as member of the CSR Committee with effect from 1st March 2023 in place of Mr. David Steven McDaniel, Executive Director - Finance & Control and CFO, who ceased as member of the CSR Committee upon relinquishment of the office of Whole-time Director of the Company with effect from close of business hours on 28th February 2023.

As on 31st March 2024, the CSR Committee comprised of Dr. Swati A. Piramal as Chairperson, Ms. Anjali Bansal, Mr. Suresh Narayanan and Ms. Svetlana Boldina, as Members of the CSR Committee. The Company Secretary of the Company acts as the Secretary to the CSR Committee.

During the fifteen months financial year ended 31st March 2024, the CSR Committee met five times on 15th February 2023, 25th April 2023, 26th July 2023, 18th October 2023 and 6th February 2024. Mr. David Steven McDaniel attended the CSR Committee meeting held on 15th February 2023, thereafter, he ceased as member of the CSR Committee. All the members attended these meetings in-person or through VC/ OAVM facility.

Particulars of executive directors and senior management of the Company as on 31st March 2024

Name	Functional Head/ Area of responsibility
Mr. Suresh Narayanan	Chairman and Managing Director
Ms. Svetlana Boldina	Executive Director - Finance & Control and CFO
Mr. Satish Srinivasan	Executive Director - Technical
Mr. Anurag Patnaik	Human Resources
Mr. Arpindarjit Chadha	Exports
Mr. Chandan Mukherji	Strategy & Marketing Communication
Mr. Gopichandar Jagatheesan	Dairy
Ms. Krishna Guha Roy	IS/IT and Nestlé Business Excellence
Ms. Mansi Khanna	Nestlé Health Science
Ms. Pallavi Anand	Pet Foods
Mr. Rajat Jain	Foods
Ms. Rupali Rattan	Confectionery
Mr. Sandeep Sethi	Business Services
Mr. Sanjay Khajuria	Corporate Affairs & Sustainability
Mr. Saurabh Makhija	Nestlé Professional
Mr. Sunayan Mitra	Coffee & Beverages
Mr. Sushrut Nallulwar	Sales
Mr. TS Venkateswaran	Legal
Mr. Varun Gupta	Supply Chain
Mr. Varun Sethuraman	Cereals
Mr. Vineet Singh	Nutrition
Mr. Pramod Kumar Rai	Company Secretary and Compliance Officer

During the fifteen months financial year ended 31st March 2024, Mr. Ashish Pande, Mr. Kumar Gaurav Kwatra and Mr. Mehernosh Malia were part of the senior management of the Company.

GENERAL BODY MEETINGS

Required details of last three Annual General Meetings (AGMs), are as below:

AGM	Date & Time	Venue	Special Resolution(s)
64 th	12 th April 2023 at 10:00 A.M. (IST)	Through Video Conferencing / Other Audio-Visual Means	Payment of remuneration under Section 197 of the Companies Act, 2013 to the non-executive directors, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, subject to the condition that none of the aforesaid directors shall receive individually a sum exceeding ₹1,00,00,000/- (Rupees one crore only) in a financial year, commencing from 1 st January 2023.
63 rd	12 th April 2022 at 10:00 A.M. (IST)		Appointment of Ms. Anjali Bansal (DIN: 00207746) as an Independent Non-Executive Director of the Company, with effect from 1 st May 2022, to hold office for a term of five consecutive years i.e. upto 30 th April 2027.
62 nd	7 th May 2021 at 10:00 A.M. (IST)		No Special Resolution was passed in this meeting.

POSTAL BALLOT

During the fifteen months financial year ended 31st March 2024, no special resolution was passed through postal ballot.

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 5th April 2024 appointed Ms. Suneeta Reddy (DIN: 00001873) as an Additional Director and Independent Non-Executive Director of your Company with effect from 5th April 2024 for a term of five consecutive years, subject to approval of the Members. Pursuant to the provisions of Listing Regulations, the Board of Directors had at the said meeting recommended the appointment of Ms. Suneeta Reddy as an Independent Non-Executive Director of the Company to the members by way of Special Resolution through Postal Ballot by electronic mode and the e-Voting on the Special Resolution is under process.⁸

The Board of Directors had appointed Mr. Abhinav Khosla (Membership No. 087010 & Firm Registration No 000235N/N500089) Partner, M/s. SCV & Co. LLP, Chartered Accountants, as Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner and National Securities Depository Limited (NSDL) for providing remote e-Voting facility to the members of the Company.

The Scrutinizer shall, immediately after the conclusion of voting through remote e-Voting, unblock the votes cast through remote e-Voting and make a Scrutinizer's Report of the total votes cast in favor and against, if any, and submit his report to the Chairman of the Company or any person authorised by him. The declared Results along with the Scrutinizer's Report will be submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as "Stock Exchanges"); displayed on the Notice Board of the Company at its Registered Office; and will be available on the Company's website at www.nestle.in. and website of NSDL at www.evoting.nsdl.com.

MEANS OF COMMUNICATION

Your Company follows various channels of communication with shareholders and other stakeholders for ensuring fair disclosure and comprehensive and transparent reporting of the Company's performance and activities to safeguard shareholders' and other stakeholders interests.

The quarterly/ annual financial results of the Company were widely published in leading newspapers such as Financial Express and Jansatta and also displayed on the website of the Company at <https://www.nestle.in/investors/stockandfinancials/financialresults>. The quarterly/ annual financial results were also sent to the members of the Company, individually to their email address registered with the Company/ depository participant(s). All official press releases, presentations made to analysts and institutional investors and other general information about the Company are also available on the Investor Relation Section of the website of the Company.

The presentations made to the analysts and institutional investors, if any, were not communicated individually to the members of the Company. However, such presentations were uploaded in advance on the website of the Company at <https://www.nestle.in/investors/analystsmeet> and were also submitted to Stock Exchanges for further dissemination.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting®

Day, Date and Time	Friday, 5 th July 2024 at 10:30 A.M. (IST)
Venue	Annual General Meeting through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM facility) [Deemed Venue for the meeting: Registered Office: 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi-110001]

Financial Calendar, 2024-25

The Board of Directors had at its meeting held on 27th July 2023, approved the change in Financial Year of the Company from existing “1st January to 31st December” cycle to “1st April to 31st March” cycle. Consequently, the current Financial Year of the Company comprised of fifteen months period from 1st January 2023 to 31st March 2024 and thereafter from 1st April every year to 31st March of the subsequent year.

The tentative dates of meeting of Board of Directors for consideration of financial results during the financial year 2024-25 are as follows:

First Quarter Results	:	25 th July 2024
Second Quarter and Half-yearly Results	:	17 th October 2024
Third Quarter Results	:	First/ Second week of February 2025 (tentative)
Annual Results	:	Third/ Fourth week of April 2025 (tentative)

Dividend payments®: Final Dividend of ₹8.50 per equity share of face value of ₹1/- each has been recommended by the Board of Directors and subject to the approval of the members of the Company at the forthcoming 65th Annual General Meeting, is proposed to be paid on and from 2nd August 2024 (“Payment Date”), to the members of the Company as on 15th July 2024 (“Record Date” for the purpose of determining entitlement of the Members to the Final Dividend for the fifteen months financial year ended 31st March 2024)

For the fifteen months financial year ended 31st March 2024, the first interim dividend of ₹27.00 per equity share, second interim dividend of ₹140.00 per equity share on the face value of ₹10/- each and third interim dividend of ₹7 per equity share on the face value of ₹1/- each, were paid on and from 8th May 2023, 16th November 2023 and 5th March 2024, respectively.

Shareholders' Rights

Your Company has “Investor Grievance and Redressal Policy” which provides mechanism for redressal of investor complaints/ grievances received by the Company/ RTA/ SEBI Complaints Redressal System (SCORES)/ Stock Exchanges. The status of receipt, redressal and pendency of all the investors complaints as recorded are placed before the Stakeholders Relationship Committee and the Board of Directors of the Company. The said Policy is available on the website of the Company at <https://www.nestle.in/investors/policies>.

Your Company has Online Dispute Resolution (ODR) Portal in place, which is in addition to the existing SCORES 2.0 platform which can be utilized by the investors and the Company for dispute resolution. The link to access the same are available on the website of the Company at <https://www.nestle.in/investors/investorservices>.

Memorandum and Articles of Association

During the period under review, the Company had sub-divided its equity shares from 1 (one) equity share having a face value of ₹10/- (Rupees ten only) each, fully paid-up into 10 (ten) equity shares having a face value of ₹1/- (Rupee one only) each, fully paid-up. Consequently, the existing Capital Clause of the Memorandum of Association of the Company was altered. During the period under review, there were no changes in the Articles of Association also provided under the Articles of Association.

The rights of the shareholders are also provided under the Articles of Association. Shareholder(s) representing at least one-tenth of the paid-up share capital of the Company of all the shareholders having a right to vote at general meetings may, request the Board to convene an extra-ordinary general meeting by requisition, by stating the general nature of the business to be dealt at a general meeting and depositing the signed requisition at the registered office of the Company for the attention of the Company Secretary in hard copy form, within the timelines as stipulated in law. A copy of updated Memorandum of Association and Articles of Association are available on the website of the Company at www.nestle.in.

Listing on the Stock Exchanges and Stock Code/Symbol

Shares of the Company are listed on the following stock exchanges:

- BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001. The Company's Stock Code is 500790.
- National Stock Exchange of India Limited* ("NSE"), Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. The Company's Symbol is 'NESTLEIND'.

* The equity shares of your Company were allowed to be traded at NSE under the 'Permitted to Trade' category in Cash market and Futures & Options market segment; and was an integral part of NSE flagship Index - Nifty 50. During the period under review, your Company got listed the said equity shares on the NSE with effect from 1st August 2023 under the NSE symbol "NESTLEIND".

The ISIN of Nestlé India Limited on both the National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] changed from INE239A01016 to INE239A01024 on account of sub-division/ split of equity shares of the Company from 1 (one) equity share having a face value of ₹ 10/- (Rupee ten only) each, fully paid-up into 10 (ten) equity shares having a face value of ₹ 1/- (Rupee one only) each, fully paid-up.

Market Price Data: High/Low in each month of fifteen months financial year ended 31st March 2024 on BSE and NSE, is specified below:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January 2023	20,185.00	18,930.15	20,189.00	18,929.00
February 2023	19,799.95	18,458.70	19,799.85	18,460.15
March 2023	19,750.00	17,888.00	19,751.90	17,880.00
April 2023	21,850.00	19,374.75	21,849.60	19,364.95
May 2023	22,295.95	21,256.35	22,300.00	21,275.00
June 2023	23,200.00	21,582.35	23,175.25	21,572.80
July 2023	23,390.00	22,081.75	23,395.35	22,076.05
August 2023	22,936.25	21,452.75	22,938.15	21,450.00
September 2023	23,098.95	21,650.00	23,062.90	21,632.50
October 2023	24,735.50	22,260.85	24,745.00	22,255.15
November 2023	24,591.10	23,772.80	24,589.90	23,773.10
December 2023	26,661.00	24,146.00	26,650.00	24,138.65
January 2024*	27,707.45	2,445.80	27,693.00	2,446.00
February 2024*	2,607.10	2,409.70	2,606.20	2,409.10
March 2024*	2,653.00	2,467.70	2,653.65	2,468.15

[Source: www.bseindia.com and www.nseindia.com]

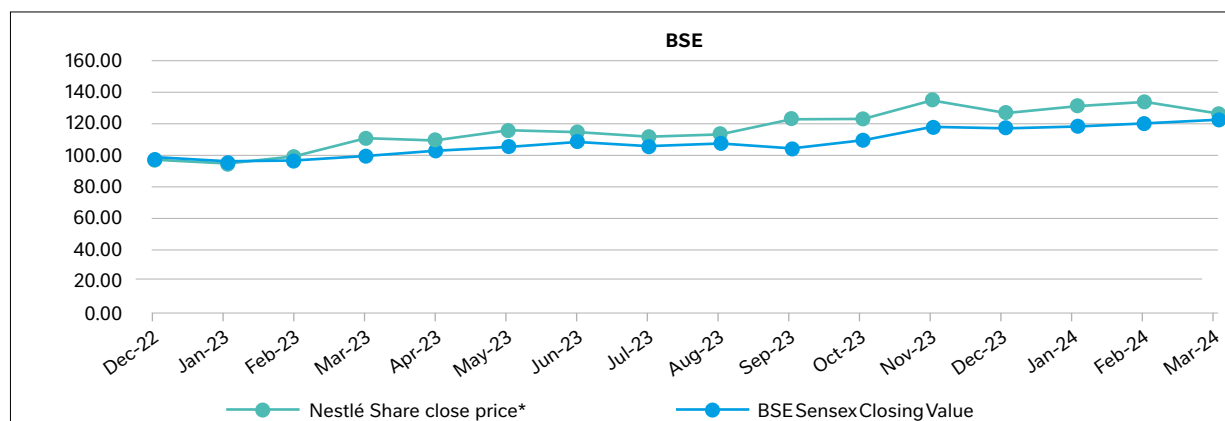
*Each equity share of face value of ₹10/- each has been sub-divided into 10 equity shares of face value of ₹1/- each with effect from 5th January 2024 (record date for the purpose of sub-division).

The Company had paid Annual Listing Fees to both the Stock Exchanges for the Financial Year 2023-2024.

Performance in comparison to BSE Sensex

(Closing value of Nestlé share price vs BSE Sensex on the last trading day of the fifteen months financial year ended 31st March 2024)

Base is considered to be 100 as at 31st December 2022.



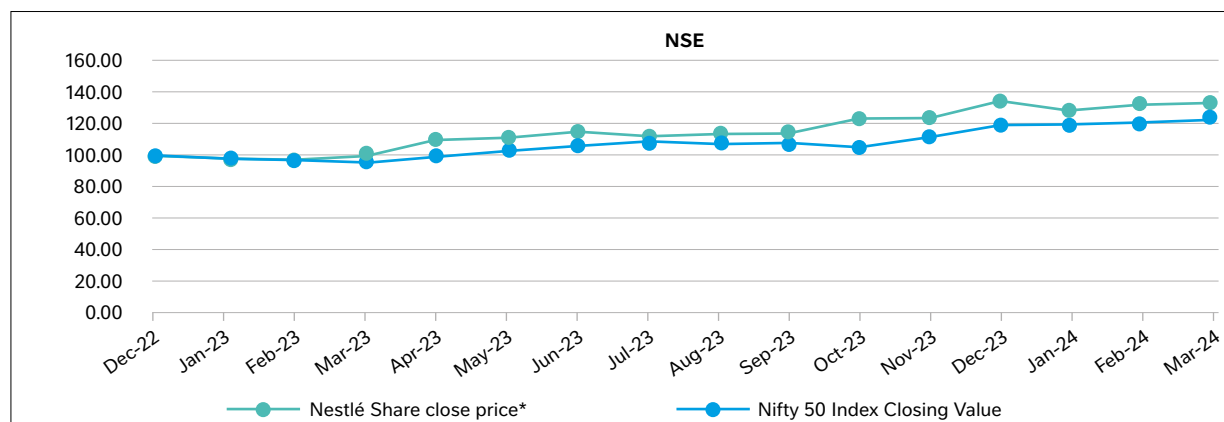
[Source: www.bseindia.com]

*Nestlé's equity share close price has been adjusted for sub-division/ split.

Performance in comparison to Nifty 50

(Closing value of Nestlé share price vs Nifty 50 on the last trading day of the fifteen months financial year ended 31st March 2024)

Base is considered to be 100 as at 31st December 2022.



[Source: www.nseindia.com]

*Nestlé's equity share close price has been adjusted for sub-division/ split.

Shareholding Pattern as on 31st March 2024

Category of Shareholder	Number of Shares	Percentage of Total Shares
Promoter and Promoter Group (A)	605,150,790	62.76
Public Shareholding	359,006,370	37.24
Mutual Funds	42,867,665	4.45
Alternate Investment Fund	898,292	0.09
Foreign Portfolio Investor	116,695,181	12.10
Financial Institutions/ Banks	6,246,201	0.65
Insurance Companies	36,744,779	3.81
Central/ State Government(s)	20,150	0.00
Individuals	126,074,656	13.08
NBFCs	442,065	0.05
Any Other		
- Bodies Corporate	15,053,968	1.56
- Overseas Corporate Body	5,000	0.00
- NRIs	8,686,331	0.90
- Trust	226,151	0.02
- IEPF Authority	1,266,950	0.13
- HUF	2,335,860	0.24
- Clearing Members	1,442,081	0.15
- Unclaimed or Suspense or Escrow Account	1,040	0.00
Total Public Shareholding (B)	359,006,370	37.24
Total Shareholding (A + B)	964,157,160	100.00

Distribution of shareholding as on 31st March 2024

Category (Shares)	Number of Shareholders	Number of Shares	Percentage of total shares
1 - 500	399,575	16,955,472	1.76
501 - 1000	8,833	7,049,510	0.73
1001 - 2000	5,762	8,850,937	0.92
2001 - 3000	2,176	5,610,409	0.58
3001 - 4000	1,365	4,892,948	0.51
4001 - 5000	1,021	4,699,491	0.49
5001 - 10000	2,161	15,641,552	1.62
10001 - 20000	999	14,045,892	1.46
20001 and above	1,454	886,410,949	91.94
TOTAL	423,346	964,157,160	100

Top 10 Shareholders as on 31st March 2024

Name of the Shareholder	No. of shares	% of total shares
Nestlé S.A.	330,513,990	34.28
Maggi Enterprises Ltd	274,636,800	28.48
Life Insurance Corporation of India	20,936,578	2.17
SBI Nifty 50 ETF	6,416,972	0.67
Mira Pradeep Singh	6,321,000	0.66
Government of Singapore	5,544,790	0.58
Vanguard Total International Stock Index Fund	4,927,296	0.51
Axis ELSS Tax Saver Fund	4,859,456	0.50
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	4,811,666	0.50
SBI S&P BSE Sensex ETF	4,572,767	0.47

Registrar & Share Transfer Agent

Name: M/s. Alankit Assignments Limited
 Address: 4E/2, Jhandewalan Extension, New Delhi-110055.
 Email: rta@alankit.com
 Telephone: + 91-11-4254 1234, + 91-11-2354 1234
 Website: www.alankit.com

Share Transfer System

In terms of the Listing Regulations, transfer, transmission and transposition of equity shares of the Company shall be effected only in dematerialised form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. NSDL and CDSL, within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.

As per the notifications/ circulars/ guidelines issued by SEBI from time to time, the Company shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, exchange/ sub-division/ split/ consolidation of securities, transmission/ transposition etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholder fails to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat Account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat Account on submission of necessary documentation.

Details of shares transferred to/ released from Suspense Escrow Demat account during the fifteen months financial year ended 31st March 2024 are as under:

Particulars	No. of shareholders	No. of shares
Shares lying as on 1 st January 2023	Nil	Nil
Shares transferred during fifteen months financial year ended 31 st March 2024	1	104
Shares claimed back during fifteen months financial year ended 31 st March 2024	Nil	Nil
Shares lying as on 31 st March 2024	1	1040*

* change in the number of shares is due to sub-division of Equity Shares of the Company from 1 (one) equity share having a face value of ₹ 10/- (Rupees ten only) each, fully paid-up into 10 (ten) equity shares having a face value of ₹ 1/- (Rupee one only) each, fully paid-up.

The Company has not transferred any equity shares to any other demat suspense account or unclaimed suspense account.

The Company Secretary of the Company is authorized by the Board of Directors to approve issuance of letter of confirmation in lieu of duplicate share certificates.

Your Company has filed with the stock exchanges a Certificate from a Company Secretary in Practice confirming that the requirements under Regulation 40(9) of the Listing Regulations to the effect that all certificates have been issued within the stipulated timelines from the date of lodgement for transfer/ transmission/ sub-division/ consolidation/ renewal/ exchange as the case may be.

Dematerialisation of shares and liquidity

99.66% equity shares of the Company are in dematerialised form as on 31st March 2024. The Company's shares are liquid and actively traded on both the recognized stock exchanges in India i.e. BSE and NSE, Mumbai.

Outstanding ADRs/ GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

No GDRs/ ADRs/ Warrants or any convertible instruments have been issued by the Company during the fifteen months financial year ended 31st March 2024.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives. During the fifteen months financial year ended 31st March 2024, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 37 to the Audited Financial Statements for the fifteen months financial year ended 31st March 2024.

Plant Locations

The Company's plants are located at Moga, Samalkha, Nanjangud, Choladi, Ponda, Bicholim, Pantnagar, Tahliwal and Sanand. Your Company is in the process of setting up a food processing unit at Mundaamba, Block - Jankia in the district of Khordha (Odisha).

Address for correspondence

Nestlé India Limited

Investor Relations Department

100/ 101, World Trade Centre, Barakhamba Lane, New Delhi - 110001

Telephone No.: 011-23418891.

Designated e-mail address for Investor Services: investor@in.nestle.com

Designated Person for Investor Services: Ms. Priyansha Bajpai

Contact Number: +91-74280 85563

For queries on IEPF related matters: nodal.officer@in.nestle.com

Website: www.nestle.in

All correspondence by Members related to investor service request may be forwarded to M/s. Alankit Assignments Limited, the Registrar and Share Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned above.

SEBI toll-free helpline service for investors: 1800 22 7575 or 1800 266 7575 (available on all days from 9:00 A.M. to 6:00 P.M. excluding declared holidays)*.

SEBI investors' contact for feedback and assistance: Tel. No.: 022-26449000, e-mail: sebi@sebi.gov.in*. For investors' contact and feedback and assistance, you may kindly submit your query/ suggestion at <https://www.sebi.gov.in/contact-us.html>.

*Source: www.sebi.gov.in

Credit Rating

The Company has been awarded AAA credit rating for its bank credit facilities by CRISIL. It is the highest rating and indicates a stable outlook for the Company. The rating reflects that the Company has serviced its financial obligations on time. As regards to the short-term facility provided by the bank, the Company has been awarded the credit rating of A1+. The rated instrument reflects strong degree of safety and lowest credit risk. The details of the Credit Rating are available on the website of the Company at <https://www.nestle.in/investors/stockandfinancials/credit-rating>.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Despite a challenging global landscape, India's economy stayed resilient. India solidified its position as the world's fifth-largest economy, showcasing its significant economic strength and becoming one of the fastest growing major economies.

The Reserve Bank of India (RBI) in its annual report stated that in the face of headwinds from protracted geopolitical tensions and volatile global financial markets, the Indian economy exhibited resilience during 2023-24 with real GDP growth improving to 7.6% from 7.0% in 2022-23. Manufacturing and services sectors were the main contributors to this growth, while agriculture slowed down due to unfavorable weather conditions. Food and beverages inflation averaged 7.0% in 2023-24, higher than 6.7% a year ago. India's exports showed positive momentum with a value of USD 119.10 billion during the January-March 2024 quarter.

The International Monetary Fund (IMF) highlighted the strength of domestic demand and a rising working-age population as key factors contributing to India's economic robustness. In the 54th Annual Meeting of the World Economic Forum in January 2024, highlighted that India's large and young population, often referred to as a "demographic dividend," can be a tremendous asset for economic growth, when combined with further investments in upskilling that can lead to increased productivity and innovation.

However, while the overall economy displayed promising signs of growth, consumer spending particularly in rural areas remained sluggish. Private consumption was supported by urban demand while the rural sector faced challenges due to the uneven monsoon and elevated food inflation, resulting in subdued rural income in 2023.

Increased adoption of mobile wallets, internet banking, has made online transactions for FMCG purchases smoother and more secure. This surge has further fueled e-commerce growth in the sector, providing wider access to FMCG products.

India has the second-largest online market globally and has one of the cheapest data rates in the world, making internet more accessible for consumers. India's digital payments ecosystem continued to witness remarkable growth. The Unified Payments Interface (UPI) network processed a record-breaking 13.44 billion transactions in March 2024.. The vast online ecosystem offers access to a wider range of products and brands for both urban and rural consumers. This digitalization fosters inclusivity by bringing more options to a wider population and potentially enabling more informed and democratized purchase decisions.

India boasts the third-largest number of unicorns globally. This signifies a thriving startup ecosystem with immense potential for innovation and economic growth.

Strengths, Challenges, Opportunities and Threats

Strengths: Some of the strengths are low operational cost, strong supply chain, deep roots in local culture, presence in urban as well as in rural areas and consumer oriented.

Challenges: Some of the challenges are counterfeit products, and growing competitive landscape and complexity in the supply chain.

Opportunities: Some of the opportunities are e-commerce, untapped/ unexplored rural areas, large domestic market and export potential.

Threats: Some of the threats are removal of import restrictions, social media, health and wellness substitutes.

For more details on Risk and Opportunities, please refer to page no. 62 which forms an integral part of this Report.

CEO/ CFO CERTIFICATION

The Chairman and Managing Director and the Executive Director- Finance & Control and CFO of the Company have certified to the Board of Directors, *inter-alia*, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the fifteen months financial year ended 31st March 2024.

DISCLOSURES

During the fifteen months financial year ended 31st March 2024, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note No. 41 to the Audited Financial Statements for the fifteen months financial year ended 31st March 2024. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said Policy is also available on the website of the Company at <https://www.nestle.in/investors/policies>.

The equity shares of the Company are listed on BSE and NSE, Mumbai and the Company has complied with all the applicable Regulations of capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

During the fifteen months financial year ended 31st March 2024, no securities of the Company were suspended from trading.

The standard of behaviour of Nestlé India is governed by significant documents “The Nestlé Corporate Business Principles”, “The Nestlé Management and Leadership Principles” and “The Nestlé India Code of Business Conduct”. Employees can report to the Company Secretary, on a confidential basis, any practices or actions believed to be inappropriate or illegal under Nestlé India Code of Business Conduct (“the Code”). The Company has established vigil mechanism/ whistle blower policy (“Policy”), which is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The Code/ Policy provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. Your Company provides an independent third party operated free phone and web-based Platform, namely, “Speak-Up”, to all internal and external stakeholders including directors and employees with a dedicated communication channel for reporting potential instances of non-compliance with Nestlé Corporate Business Principles or for reporting, on a confidential basis, any practices or actions believed to be inappropriate or illegal under the Code. Link to “Speak-Up Platform” is available on the website of the Company at <https://www.nestle.com/aboutus/businessprinciples/report-your-concerns>.

Further, your Company has appointed Ombudsman for Infant Code, under which employees can report Infant Code violations directly to the Ombudsman, with adequate safeguard to protect the employee reporting.

Your Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

During the fifteen months financial year ended 31st March 2024, your Company has obtained a certificate from M/s. S.N. Ananthasubramanian & Co., Company Secretary in Practice (Registration No. 1774), Secretarial Auditors of the Company, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI/ MCA or any such Statutory Authority. The said Certificate is enclosed as “Annexure – II” and forms an integral part of this Report.

During the fifteen months financial year ended 31st March 2024, total fees for all services has been paid by the Company to the Statutory Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, and all the entities forming part of the same network, aggregated to ₹ 24.4 million.

During the fifteen months financial year ended 31st March 2024, the Board of Directors accepted all recommendations of the Committees of the Board of Directors, which were mandatorily required to be made.

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH”), the Company has a policy which is available on its website at <https://www.nestle.in/investors/policies> and robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee is comprised of internal members and an external member who has extensive experience in the field. During the fifteen months financial year ended 31st March 2024, the Company has received six complaints on sexual harassment, the said complaints were investigated and resolved as per the provisions of the POSH and as on 31st March 2024, no complaint was pending for investigation and resolution.

During the fifteen months financial year ended 31st March 2024, the Company has not provided any loans and advances in the nature of loans to firms/companies in which directors are interested.

The Company does not have any subsidiary company.

The Company has *inter-alia* complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the Listing Regulations.

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

The Corporate Governance Report of the Company for the fifteen months financial year ended 31st March 2024 or as on 31st March 2024 is in compliance with all applicable requirements of Listing Regulations.

The status of adoption of the discretionary requirements as specified in sub - regulation 1 of Regulation 27 of the Listing Regulations are as follows:

(a) The Board: The Company has an Executive Chairman; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers, uploaded on the website of the Company at www.nestle.in and sent to the members individually through email to their email address registered with the Company/ depository participant(s); (c) Modified Opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Reporting of Internal Auditor: The Chief Internal Auditor of the Company administratively reports to the Executive Director - Finance & Control and CFO with functional independence and has direct access to the Audit Committee.

On behalf of the Board of Directors

Date : 25th April 2024

Place : Gurugram

Suresh Narayanan

Chairman and Managing Director

§ Postal Ballot

The members of your Company had approved with requisite majority the appointment of Ms Suneeta Reddy (DIN: 00001873) as an Independent Non-Executive Director of the Company w.e.f. 5th April 2024 for a term of five consecutive years i.e. upto 4th April 2029. The members voted on the special resolution proposed through Postal Ballot by way of remote e-Voting between 18th April 2024 to 17th May 2024, and thereafter, the results of the e-Voting were announced on 17th May 2024.

@For administrative reasons, the Company postponed the 65th AGM; the Record Date and Payment Date for Final Dividend. Accordingly, the relevant information has been updated in the **"GENERAL SHAREHOLDER INFORMATION"** section of the Corporate Governance Report for the fifteen months financial year ended 31st March 2024:

Annual General Meeting

Day, Date and Time	Monday, 8 th July 2024 at 10:30 A.M. (IST)
Venue	Annual General Meeting through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM facility) [Deemed Venue for the meeting: Registered Office: 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi-110001]

Dividend payments: Final Dividend of ₹8.50 per equity share of face value of ₹1.00 each has been recommended by the Board of Directors and subject to the approval of the members of the Company at the forthcoming 65th Annual General Meeting, is proposed to be paid on and from 6th August 2024 ("Payment Date"), to the members of the Company as on 16th July 2024 ("Record Date" for the purpose of determining entitlement of the Members to the Final Dividend for the fifteen months financial year ended 31st March 2024).

For the fifteen months financial year ended 31st March 2024, the first interim dividend of ₹27.00 per equity share, second interim dividend of ₹140.00 per equity share on the face value of ₹10.00 each and third interim dividend of ₹7.00 per equity share on the face value of ₹1.00 each, were paid on and from 8th May 2023, 16th November 2023 and 5th March 2024, respectively.

On behalf of the Board of Directors

Date : 12th June 2024

Place : Gurugram

Suresh Narayanan

Chairman and Managing Director

Declaration of compliance with Nestlé India Code of Business Conduct

I, Suresh Narayanan, Chairman and Managing Director of the Company do hereby confirm that all the Board Members and Senior Management Personnel of the Company have complied with the Nestlé India Code of Business Conduct during the fifteen months financial year ended 31st March 2024.

This declaration is based on and is in pursuance of the individual affirmations received from the Board Members and the Senior Management Personnel of the Company.

Date: 25th April 2024

Place: Gurugram

Suresh Narayanan

Chairman and Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,
The Members of
Nestlé India Limited
CIN: L15202DL1959PLC003786
100/101, World Trade Centre, Barakhamba Lane, New Delhi -110001

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents') as submitted by the Directors of **Nestlé India Limited** ('the Company') bearing **CIN: L15202DL1959PLC003786** and having its registered office at 100/101, World Trade Centre, Barakhamba Lane, New Delhi - 110001, to the Board of Directors of the Company ('the Board') for the Financial Year from 1st January 2023 to 31st March 2024 and Financial Year ending 31st March 2025 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year from 1st January 2023 to 31st March 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies, by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

S. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
01.	Mr. Suresh Narayanan	07246738	01-08-2015	-
02.	Mr. David Steven McDaniel	08662504	01-03-2020	28-02-2023
03.	Ms. Svetlana Boldina	10044338	01-03-2023	-
04.	Mr. Matthias Lohner	08934420	01-11-2020	30-06-2023
05.	Mr. Satish Srinivasan	10173407	01-07-2023	-
06.	Mr. Rajya Vardhan Kanoria	00003792	13-05-2014	-
07.	Mr. Prathivadibhayankara Rajagopalan Ramesh	01915274	01-07-2020	-
08.	Ms. Anjali Bansal	00207746	01-05-2022	-
09.	Ms. Alpana Parida	06796621	01-06-2022	-
10.	Dr. Swati Ajay Piramal	00067125	02-08-2010	31-03-2024
11.	Ms. Suneeta Reddy	00001873	05-04-2024	-

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year from 1st January 2023 to 31st March 2024.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian

Founding Partner

FCS: 4206 I COP No. : 1774

ICSI UDIN: F004206F000232357

Date: 25th April 2024

Place: Thane

CORPORATE GOVERNANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Nestlé India Limited
CIN: L15202DL1959PLC003786
100/101, World Trade Centre,
Barakhamba Lane,
New Delhi – 110001

1. Background

We have been approached by Nestlé India Limited ("the Company") to examine the compliance with the conditions of Corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, for the financial year from 1st January 2023 to 31st March 2024.

2. Management's Responsibility

The Compliance of conditions of Corporate Governance stipulated in the Listing Regulations is the responsibility of the management. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

3. Our Responsibility

Our responsibility is limited to conduct an examination of the systems, internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

4. Methodology

- 4.1. In order to conduct our examination, we were provided with the relevant documents and information including explanations, wherever required.
- 4.2. Our examination was conducted in a manner which provided us with a reasonable basis for evaluating the systems, internal controls and processes adopted by the Company to monitor and ensure compliance with the conditions of Corporate Governance and to certify thereon.

5. Opinion

Based on our examination as aforesaid, the information, explanations and representations provided by the management, we certify that, the Company has complied with the conditions of the Corporate Governance stipulated in the Listing Regulations, for the Financial Year from 1st January 2023 to 31st March 2024.

6. Disclaimer

- 6.1. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 6.2. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian
Founding Partner
FCS: 4206 | COP No. : 1774
UDIN: F004206F000232161

Date: 25th April 2024
Place: Thane

ANNEXURE - 2 TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Brief outline on CSR Policy of the Company

Driven by the purpose, 'We unlock the power of food to enhance quality of life for everyone, today and for generations to come', the Company is mindful of the needs of the communities and strives to make a positive difference and create maximum value for the society. The Company's initiatives in society are focussed on the three pivotal ambitions of enabling healthier and happier lives for individuals and families, on helping develop thriving and resilient communities, and on stewarding the planet's natural resources for future generations. It is firmly rooted in a robust set of principles and values based on respect.

Your Company believes that the biggest opportunity is partnerships. It continues to engage with stakeholders including communities, academia, civil society, expert organisations and takes up such CSR activities that are in line with national priorities such as health, nutrition, education, livelihood, water and sanitation, environment etc.

Your Company's commitment to the society is sincere and longstanding. The CSR Policy of the Company is available on the website (www.nestle.in/investors/policies). While the focus of CSR efforts will be in the areas around Company operations, the Company also undertakes projects where societal needs are high or in special situations (such as in the case of natural calamities/ disasters including Covid relief, etc.).

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year [^]	Number of meetings of CSR Committee attended during the year [^]
1.	Dr. Swati Ajay Piramal*	Chairperson (Independent Non – Executive Director)	5	5
2.	Ms. Suneeta Reddy**	Chairperson (Independent Non – Executive Director)	-	-
3.	Mr. Suresh Narayanan	Member (Chairman & Managing Director)	5	5
4.	Ms. Anjali Bansal	Member (Independent Non – Executive Director)	5	5
5.	Mr. David S McDaniel***	Member (Executive Director – Finance & Control and CFO)	1	1
6.	Ms. Svetlana Boldina****	Member (Executive Director – Finance & Control and CFO)	4	4

*Retired as an Independent Non-Executive Director w.e.f. close of business hours on 31st March 2024 upon completion of her second term of five consecutive years.

** Appointed as an Independent Non-Executive Director and Chairperson of CSR Committee w.e.f. 5th April 2024 (after closure of the financial year).

*** Demitted his office effective from close of business hours on 28th February 2023 for taking new assignments with Nestlé Affiliate.

****Appointed as an Executive Director – Finance & Control and CFO and member of CSR Committee w.e.f. 1st March 2023.

[^] Year refers to the fifteen months financial year period ended 31st March 2024.

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Keeping with the intent of CSR Policy, the Company has a tradition of executing CSR projects that achieve demonstrable outcomes having a significant impact on society. The projects include nutrition, health and breastfeeding awareness programmes; plastic waste management awareness; creating access to hand-on science education, providing access to clean drinking water and sanitation; enhancing the livelihood of street food vendors and the initiative of village adoption for sustainable development. Building on these efforts, your Company joined hands with credible NGOs, implementing partners and authorities engaged in providing relief efforts in the communities across various states in India.

The web-links are as follows:

- Composition of CSR Committee: <https://www.nestle.in/investors/directorsandofficers>
- CSR Policy and Projects: <https://www.nestle.in/investors/policies>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

The Company in line with the provision of the Companies Act, 2013 ("the Act") sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, conducted impact assessment through an independent agency during the fifteen months financial year ended 31st March 2024 for the applicable projects.

Your Company's flagship initiative 'Nestlé Healthy Kids Programme' that has been developed with a focus to raise nutrition awareness and active lifestyle among adolescents was assessed for Impact Assessment. The impact assessment study was carried by an external agency KPMG. Your Company's societal initiatives Project Hillaari, Project Serve Safe Food, Water and Sanitation were also assessed for impact.

The complete Social Impact Assessment Report is available on your Company's website at <https://www.nestle.in/csv>

- 5. a) Average net profit of the Company as per sub-section (5) of section 135 of the Act:** ₹ 29,882.3 million
- b) Two percent of average net profit of the sub-section (5) of section 135 of the Act:** ₹ 597.6 million
- c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years:** Nil
- d) Amount required to be set-off for the Financial Years, if any:** Nil
- e) Total CSR obligation for the Financial Years [(b)+(c)-(d)]:** ₹ 597.6 million
- 6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 643.7 million
- b) Amount spent in Administrative Overheads:** ₹ 34.3 million
- c) Amount spent on Impact Assessment, if applicable:** ₹ 7.8 million
- d) Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 685.8 million
- e) CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the fifteen months financial year ended 31 st March 2024 (₹ in million)	Amount Unspent (₹ in million)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
685.8	Not Applicable				

f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in million)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135 of the Act	597.6
(ii)	Total amount spent for the Financial Year	685.8
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	88.2
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	88.2

Note: Details provided under clause 6(a) to (f) are for the fifteen months financial year ended 31st March 2024.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 of the Act (₹ in million)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 of the Act (₹ in million)	Amount Spent in the Financial Year (₹ in million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135 of the Act, if any		Amount remaining to be spent in succeeding Financial Years (₹ in million)	Deficiency, if any
					Amount (₹ in million)	Date of transfer		
NOT APPLICABLE								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NOT APPLICABLE							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 of the Act.

NOT APPLICABLE

On behalf of the Board of Directors

Date: 25th April 2024

Suneeta Reddy

Chairperson – Corporate Social Responsibility Committee

Suresh Narayanan

Chairman and Managing Director

Business Responsibility and Sustainability Report

Section A

General
Disclosures

Section B

Management and
Process Disclosures

Section C

Principle wise
Performance Disclosure

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Principle 5

Businesses should respect and promote human rights

Principle 6

Businesses should respect and make efforts to protect and restore the environment

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle 8

Businesses should promote inclusive growth and equitable development

Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

Section A

General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L15202DL1959PLC003786
2.	Name of the Company	Nestlé India Limited
3.	Year of Incorporation	28 th March 1959
4.	Registered office address	100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110001, India
5.	Corporate office address	“Nestlé House”, Jacaranda Marg, ‘M’ Block, DLF City, Phase - II, Gurugram - 122 002, Haryana, India
6.	E-mail id	investor@in.nestle.com
7.	Telephone	011-23418891
8.	Website	www.nestle.in
9.	Financial year for which reporting is being done	For fifteen months financial year ended 31 st March 2024
10.	Name of the Stock Exchange(s) where shares are Listed	BSE Limited National Stock Exchange of India Limited (with effect from 1 st August 2023)
11.	Paid-up capital (In ₹)	964,157,160
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Sanjay Khajuria Head - Corporate Affairs and Sustainability Sanjay.Khajuria@in.nestle.com 011-23418891
13.	Reporting boundary	The disclosures made in this report are on a standalone basis.
14.	Name of Assurance Provider (BRSR Core)	Grant Thornton Bharat LLP (“GTBLLP”), LLP ID: AAA-7677 Name of Assurer: Abhishek Tripathi Designation: Partner Date of signing: 25 th April 2024
15.	Type of Assurance Obtained	Reasonable Assurance as per ISAE3000

II. Products/services

1. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Food Processing Industry	Food Processing Industry	100%

2. Products/Services sold by the entity (accounting for 90% of the turnover):

S.No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Milk Products and Nutrition	10509	40.7%
2	Prepared dishes and cooking aids	10750	30.4%
3	Confectionery	10732 & 10733	16.5%
4	Powdered and Liquid Beverages	10792	12.4%

III. Operations

3. Number of locations where plants and/or operations/offices of the entity are situated.

Location	Number of Plants	Number of Offices	Total
National	9	4 Sales Branches 1 Head office, 1 Registered Office	15
International	Not Applicable	-	-

Your Company's nine manufacturing facilities are located at Moga (Punjab), Choladi (Tamil Nadu), Nanjangud (Karnataka), Samalkha (Haryana), Ponda (Goa), Bicholim (Goa), Pantnagar (Uttarakhand), Tahliwal (Himachal Pradesh) and Sanand (Gujarat). Your Company is in the process of setting up a food processing unit at Mundaamba, Odisha.

The Registered Office of the Company is located at New Delhi. Four Sales Branch located at Gurugram, Mumbai, Chennai and Kolkata help facilitate the sales and marketing activities of the Company. The Head Office is located at Gurugram, Haryana.

4. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	Pan-India 36 (28 States/8 UTs)
International (No. of Countries)	25*

* Your Company exported products to 25 countries during the 15 month financial period ended 31st March 2024

b. What is the contribution of exports as a percentage of the total turnover of the entity?

15 Months FY ended 31 st March 2024	~4%
--	-----

c. A brief on types of customers

With nine factories and a large number of co-packers, co-manufacturers and trade partners, your Company provides consumers in India with products of international standards.

Your Company works to build relationships that ensure long-term business for everyone. Your Company constantly reviews the product portfolio along with evolving consumer needs and looks to optimize the product portfolio that is offered to the consumers.

Customers brief: Your Company reaches consumers through its wide network of distributors, traditional and organized trade, e-commerce, canteen stores and pharmacies. Through its Direct-to-Consumer (D2C) e-commerce platform www.mynestle.com, Nestlé products manufactured in India are available in selected towns of National Capital Region (NCR).

IV. Employees

5. Details as at the end of Financial Year: [15 Months FY ended 31st March 2024]

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
EMPLOYEES						
1.	Permanent (D)	3,980	2,971	74.6%	1,009	25.4%
2.	Other than Permanent (E)	220	152	69.1%	68	30.9%
3.	Total employees (D + E)	4,200	3,123	74.4%	1,077	25.6%
WORKERS						
1.	Permanent (F)	4,756	4,530	95.2%	226	4.8%
2.	Other than Permanent (G)	11,449	10,471	91.5%	978	8.5%
3.	Total workers (F + G)	16,205	15,001	92.6%	1,204	7.4%

Note: Definition of employee clustering is as under:

Permanent Employees include white collar employees • Other than Permanent Employees include Temporary, Contractual and Third-party employees.

Permanent Workers include technicians, associates, staff, and collaborators • Other than Permanent Workers include Contractual Labour, Temporary Fixed Term Contractual.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	13	12	92%	1	8%
2.	Other than Permanent (E)	12	9	75%	3	25%
3.	Total differently abled employees (D + E)	25	21	84%	4	16%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	26	23	88%	3	12%
5.	Other than Permanent (G)	3	3	100%	0	-
6.	Total differently abled workers (F + G)	29	26	90%	3	10%

6. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	8	4	50%
Key Managerial Personnel (KMP)*	1	0	0

*KMP other than Members of the Board of Directors

7. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	15 Months FY ended 31 st March 2024 (Turnover rate in current FY)			FY 2022 Jan 2022 to Dec 2022 (Turnover rate in previous FY)			FY 2021 Jan 2021 to Dec 2021 (Turnover rate in the year to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.6%	15.0%	10.2%	13.2%	25.9%	16.5%	8%	16.3%	10%
Permanent Workers	1.0%	7.4%	1.6%	0.37%	8.7%	0.8%	0.16%	11.6%	0.6%

Note: The trends indicate that the attrition amongst female workforce was higher due to personal and contextual reasons such as marriage, re-location, etc. The 15-month turnover has been annualized.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

8. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate Whether Holding/ Subsidiary/ Associate/ Joint Venture	% of Shares Held by Listed Entity	Does the Entity Indicated at Column A, Participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No)
1	Nestlé SA	Holding	34.28	No
2	Maggi Enterprises Limited	Holding	28.48	No

Note: The policies have been derived and adopted from the Nestlé Global Policies and are aligned as per local requirements to safeguard the interests of all its stakeholders.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹): 242,754.8 million

(iii) Net worth (in ₹): 33,408.9 million

Note: Figures in (ii) and (iii) are for 15 Months FY ended 31st March 2024

VII. Transparency and Disclosures Compliances

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC).

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Current Financial Year			FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. Weblinks*	0	0	-	0	0	-
Investors (other than shareholders)	Yes. Weblinks*	0	0	-	0	0	-
Shareholders	Yes. Weblinks*	16	0	-	14	0	-
Employees and workers	Yes. Weblinks*	17	5	-	29	3	-
Customers	Yes. Email: wecare@in.nestle.com	8,376	0	-	5,338	0	-
Value Chain Partners	Yes. Weblinks*	16	3	-	30	3	-
Others (please specify)	-	-	-	-	-	-	-

* Weblink: Policy: www.nestle.in/investors/policies; Vigil mechanism: www.nestle.com/about/how-we-do-business/report-compliance-concerns

26. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
1	Renewable Fuel and Renewable Power	Opportunity	Reduction of emissions and protection of the environment	Move to renewable sources of energy across the manufacturing locations. Your Company is installing biomass boilers at factories in Nanjangud, Moga and Sanand and moving from Furnace Oil to Natural Gas in Nanjangud that will help in reducing GHG emissions per annum.	Initially because of capital expenditure and operational expenditure, this will be negative, but in medium to long term it is expected to be positive.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
2	Plastic (laminated used for packaging)	Risk and Opportunity	<p>Risk: Limited recycling infrastructure</p> <p>Non availability of segregated plastics as the % segregation for recyclable and non-recyclable plastics is low. These challenges impact the efficiency of the recycling process.</p> <p>Opportunity: Reduce plastic consumption using interventions</p> <ul style="list-style-type: none"> • Size reduction /Elimination (where possible) • Use of alternate material which is easy to recycle 	Move to mono layer laminate to mitigate impact. Increase use of recycled content, as permitted by regulations.	Change to mono-layer laminate will be negative. Reduced plastic usage will be positive.
3	Social responsibility towards society	Opportunity	Your Company's commitment to the society is sincere and longstanding and the focus is on areas where societal needs are high. The initiatives include nutrition awareness; plastic waste management; creating access to clean drinking water and sanitation; training street food vendors on food safety and hygiene and village adoption.	Details are appended in Annexure-2 that forms an integral part of Annual Report.	Your Company's initiatives are in line with national priorities and SDGs. Your Company strives to make a positive impact and create maximum value for the society.

Section B

Management and Process Disclosures

The National Guidelines for Responsible Business Conduct [NGRBC] as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	@	@	@	@	@	@	@	@	@
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>Your Company's manufacturing facilities and office premises have well defined Environment, Health, Safety and Quality Management systems in place with stringent internal standards and are also certified with international standards ISO 45001: 2018: Occupational Health and safety Management system; ISO 14001: 2015: Environmental Management system, ISO 9001: 2015: Quality Management system. Additionally, manufacturing facilities are certified with ISO/IEC 17025:2017 (Testing and Calibration Laboratories Accreditation), BIS and FSSC 22000 (Food Safety System Certification).</p> <p>Your Company works with suppliers/farmers and sourcing ingredients adhering to certifications for key commodities like, 4C and Rainforest Alliance (RFA) for Coffee; Bonsucro for Sugar and Roundtable for Sustainable Palm Oil for Palm, UTZ and RFA for Cocoa.</p>								

<p>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</p>	<p>Your Company is one of the key markets of Nestlé group is also committed to reduce the emissions and accelerating the sustainability journey.</p> <p>By 2025, as part of the global commitment, Nestlé aims to reduce the emissions by 20% by 2025 and by 50% by 2050. As a part of the global commitment Nestlé aims to source 50% of the ingredients from regenerative agriculture by 2030 will help to do so, as will investing in sustainable logistics, packaging, and manufacturing activities. Our approach to net zero is designed to mitigate emissions across our value chain and help address impacts on natural ecosystems, communities and food systems.</p>
<p>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</p>	<p>One of the key climate commitments made by the Company is to be net zero by 2050. To achieve this, your Company has implemented various initiatives to reduce its greenhouse gas emissions across its value chain. Your Company India has invested in renewable energy sources which has helped in reducing its reliance on fossil fuels, along with improving energy efficiency in its manufacturing processes, resulting in reduced emissions.</p> <p>In addition to reducing scope 1 and scope 2 emissions, your Company has also taken steps to promote sustainable agriculture and reduce emissions in its supply chain (scope 3). Your Company has collaborated with farmers and key suppliers to promote sustainable farming practices.</p>

Governance, leadership and oversight

<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).</p> <p>Your Company's vision is to be seen as 'Leaders in Sustainability' and as 'Solution provider', by the consumers, employees, partners, society and other stakeholders.</p> <p>At Nestlé, sustainability inspires and guides everything the Company does. Your Company is committed to environmentally sustainable business practices across its value chain making the right choices to protect the future by integrating environmental considerations into its business planning. Preserving the planet is weaved into the Purpose of your Company - "We unlock the power of food to enhance quality of life for everyone, today and for generations to come".</p> <p>Your Company has accelerated the sustainability journey by working across 4 focus areas related to climate change, plastics and packaging, responsible sourcing and water management. Its efforts encompass the entire value chain, where it actively engages with farmers, suppliers, employees and consumers to increase awareness about the planet. Your Company has made substantial progress in the sustainability journey towards reducing overall emissions. The key projects cut across 4 focus areas:</p> <ul style="list-style-type: none"> ● Sourcing the ingredients sustainably: especially raw materials where your Company is working closely with farmers to educate / build sustainability practices. ● Manufacturing sustainably: By increasing usage of renewable sources of energy. ● Optimizing use of water: By conserving, limiting usage, facilitating re-use. ● Building sustainable packaging options: Reducing overall use of virgin plastic material, design for recycle. <p>Your Company is committed to being open and transparent, and to listening to the views of other stakeholders as it moves forward towards sustainable development.</p>

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	<p>At the highest level, the Board of Directors of your Company, led by the Chairman and Managing Director, has the primary role to protect and assess the Business Responsibility (BR) performance of your Company.</p> <p>The Risk Management and Sustainability Initiatives (RMSI) Committee reviews amongst other things, your Company's Business Responsibility and Sustainability agenda including the measures which ensure the Company's sustainability commitment and how its long-term strategy relates to its ability to create shared value.</p> <p>The RMSI Committee, inter-alia, reviews Company's plan and actions with regard to climate change, plastics and packaging, water management and responsible sourcing. The RMSI Committee also oversees compliance of all the policies and disclosures under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the purpose of Business Responsibility and Sustainability Reporting requirements.</p>
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes, the Board of Directors has entrusted RMSI Committee to oversee the sustainability initiatives of your Company. The Committee meets once in a quarter. The Committee comprises of two executive directors and three independent non-executive directors of your Company.</p> <p>Your Company has also set up a Governance Council to provide oversight, direction and support on Sustainability, headed by the Chairman and Managing Director. The Council also includes the key members of the management committee as well as leads of the task forces that have been set up to drive and deliver key projects. The five task force are Sustainable Sourcing, Sustainable Packaging, Manufacturing & Logistics, Brands, Recipes & Portfolio and Advocacy & Communication.</p> <p>The Governance Council meets regularly and reviews progress of the sustainability projects undertaken by the task forces. The Governance Council reports the progress to the RMSI Committee and the Board of Directors of the Company.</p>

Note: The policies have been derived and adopted from the Nestlé Global Policies and are aligned as per local requirements to safeguard the interests of all its stakeholders.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	C^	C^	C^	C^	C^	C^	C^	C^	C^	A*	A*	A*	A*	A*	A*	A*	Q#	A*
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	C^	C^	C^	C^	C^	C^	C^	C^	C^	A*	A*	A*	A*	A*	A*	A*	Q#	A*

A* - Annually, C^ - Committee of the Board: Q# - Quarterly

Note: There were no follow-up actions by the Committee of the Board.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

@Weblink of the Policies:

Principle 1 Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.

- Nestlé Corporate Business Principles**

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate-governance/corporate-business-principles-en.pdf>

- Nestlé India Code of Business Conduct**

<https://www.nestle.in/sites/g/files/pydnoa451/files/2019-11/nestle-india-code-of-business-conduct-22-11-19.pdf>

Principle 2: Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe

- Nestlé Quality Policy**

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/quality_policy_nestle.pdf

Principle 3: Employee Well Being: Businesses should respect and promote the well-being of all employees, including those in their value chains

- Whistle Blower Policy**

<https://www.nestle.in/investors/policies>

- Equal Opportunity Policy**

<https://www.nestle.in/jobs/equal-opportunity-policy>

- Nestlé Corporate Business Principles**

<https://www.nestle.in/aboutus/report-your-concerns/nestl%C3%A9%27s-corporate-business-principles>

- ISO 45001: 2018: Occupational Health and Safety Management System**

Principle 4: Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders

- Nestlé Corporate Business Principles**

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate-governance/corporate-business-principles-en.pdf>

Principle 5: Businesses should respect and promote human rights

- Nestlé Responsible Sourcing Standard**

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/nestle-responsible-sourcing-standard-english.pdf>

- Fostering a culture of business ethics**

<https://www.nestle.com/csv/what-is-csv/ethical-business/human-rights>

Principle 6: Environment: Businesses should respect and make efforts to protect and restore the environment

- Nestlé Responsible Sourcing Standard**

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/nestle-responsible-sourcing-standard-english.pdf>

- **Safety, Health & Environmental Sustainability Policy**

<https://www.nestle.in/sites/g/files/pydnoa451/files/asset-library/publishingimages/csv/pdf/shandepolicy.pdf>

- **The Nestlé Policy on Environmental Sustainability**

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/environmental_sustainability/nestl%C3%A9%20policy%20on%20environmental%20sustainability.pdf

Principle 7: Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

- **Nestlé Corporate Business Principles**

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_governance/corporate-business-principles-en.pdf

- **Antitrust Law Policy**

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/about_us/nestle-group-antitrust-law-policy-september-2016.pdf

- **Transparency on advocacy, lobbying and industry associations (nestle.com)**

<https://www.nestle.com/sustainability/responsible-business/leadership-advocacy>

Principle 8: Inclusive Growth: Businesses should promote inclusive growth and equitable development

- **Nestlé Corporate Social Responsibility Policy**

www.nestle.in/investors/policies

Principle 9: Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner

- **Nestlé Marketing Communication to Children Policy**

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_social_responsibility/nestle-marketing-communication-children-policy.pdf

- **Nestlé Consumer Communication Principle**

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/about_us/communication-principles.pdf

Section C

Principle wise Performance Disclosure

Principle 1

Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total Number of Training and Awareness Programmes held	Topics/Principles Covered Under the Training and its impact	% of Persons in Respective Category Covered by the Awareness Programmes
Board of Directors (online mode)	1	Ethics, transparency, human rights	100%
Key Managerial Personnel	1	Integrity, ethics, transparency	100%
Employees other than BoD and KMPs	2,855	All principles	71.8%
Workers	424	Integrity, ethics, transparency	61.5%

Your Company's business practices have been governed by integrity, honesty, fair dealing and full compliance with all the applicable laws. Nestlé employees have upheld and lived this commitment in their everyday responsibilities ever since, and Nestlé's reputation remains one of the Company's most important assets today. The *Nestlé Corporate Business Principles* prescribe certain values and principles which Nestlé has committed to globally. The *Code of Business Conduct* specifies and helps the continued implementation of the Corporate Business Principles by establishing certain non-negotiable minimum standards of behaviour in key areas. Considering the importance, all employees are regularly trained on the principles and values that the organization is committed to via multiple different trainings in online and offline format covering the tenets of ethics, transparency and responsibility, and it's ensured that they are well aware of them.

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/Law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

During the fifteen months financial year ended 31st March 2024, no material fines/ penalties/ punishment/ award/ compounding fees/ settlement amount was paid in proceedings (by the entity or by directors/ KMPs) with regulators/ Law enforcement agencies/ judicial institutions.

During the year under review, following are the events disclosed to the stock exchanges, without any application of guidelines for materiality, under Regulation 30 read with Para A of Part A of Schedule III to the Listing Regulations:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	Additional Commissioner, Office of the Principal Commissioner, Central Goods & Services	4,65,29,173/-	Order in Original for demand of: (i) tax under Section 73(9) the CGST/ SGST Act, 2017, amounting to ₹ 46,40,41,370/-;	Yes

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
		Tax & Central Excise Commissionerate Chandigarh, C.R. Building, Sector-17C, Chandigarh		(ii) applicable interest; and (iii) imposing penalty amounting to ₹ 4,65,29,173/-.	
		Deputy Commissioner of State Tax, Patliputra, Central, Bihar	1,50,195/-	Order in Original for demand of: (i) tax under Section 73(9) the CGST/ SGST Act, 2017, amounting to ₹ 15,01,942/-; (ii) applicable interest; and (iii) imposing penalty amounting to ₹ 1,50,195/-.	Yes
		Commissioner (Appeals), Office of the Commissioner (Appeals), CGST & Customs, Goa	13,38,790/-	Order-in-appeal upholding demand confirmed in Order-in-original passed by Joint Commissioner vide its Order dated 11 th November 2022 for demand of: (i) tax under Section 73(1) the CGST/ SGST Act, 2017, amounting to ₹ 1,33,87,905/-; (ii) applicable interest; and (iii) imposing penalty amounting to ₹ 13,38,790/-.	Yes
		Additional Commissioner of Customs, Office of the Commissioner of Customs, Chennai-II (Import), Custom House, No. 60, Rajaji Salai, Chennai - 600 001	Fine- 2,00,000/- Penalty- 5,00,000/-	Order-in-original passed by Additional Commissioner of Customs, Chennai in relation to the classification of imports and demand of differential Customs duty: (i) amounting to ₹ 16,55,548/- under Section 28AA of Customs Act, 1962 along with applicable interest; (ii) imposing fine amounting to ₹ 5,00,000/- under Section 111(m) and 111(o) of Customs Act, 1962 for redemption of goods liable for confiscation; and (iii) imposing penalty amounting to ₹ 2,00,000/- under Section 112(a) of Customs Act, 1962.	Yes
		Joint Commissioner of Commercial Taxes, [Appeal-06] TTMC Complex, Shantinagara, Bangalore-560027	2,15,914/-	Appeal Order for the demand of: (i) tax under IGST/ CGST/ SGST Act, 2017, amounting to ₹ 21,59,140/-; (ii) applicable interest; and (iii) imposing penalty amounting to ₹ 2,15,914/-.	Yes
Settlement	Not Applicable	Not Applicable	Nil	Not Applicable	Not Applicable
Compounding Fee	Not Applicable	Not Applicable	Nil	Not Applicable	Not Applicable

Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable	Not Applicable	Nil	Not Applicable	Not Applicable
Punishment	Not Applicable	Not Applicable	Nil	Not Applicable	Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Nil

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	Not Applicable

4. Does the entity have an anti-corruption or anti bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The *Nestlé Corporate Business Principles (NCBP)* prescribe certain values and principles which Nestlé has committed to worldwide. Other significant documents from the Nestlé Group, which define the standard of behaviour of the Company, are *Nestlé Purpose and Values* and *Nestlé Responsible Sourcing Standard*.

The *Nestlé Code of Business Conduct* specifies and helps the continued implementation of the *Corporate Business Principles* by establishing certain non-negotiable minimum standards of behaviour in key areas, one of which is anti-corruption and bribery. The *Code of Business Conduct* guidelines in detail the prescribed behavior pertaining to the area. Part of it states, "The Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party. Moreover, employees must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt there of." The link of the *NCBP* is provided hereunder: www.nestle.in/sites/g/files/pydnoa451/files/investors/documents/nestle_india_code_of_business_conduct_.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any Law enforcement agency for the charges of bribery/ corruption:

Nil

Segment	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Current Financial Year	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

6. Details of complaints with regard to conflict of interest:

Nil

	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024)		FY 2022 Jan 2022 to Dec 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs	0	Not Applicable	0	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, or cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

Segment	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Current Financial Year	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Number of days of accounts payables	75	87

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	15 Months FY ended 31 st March 2024 Jan 2023 to March 2024	FY 2022 Jan 2022 to Dec 2022
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	15%	12%
	b. Number of trading houses where purchases are made from	15	15
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	96%	88%
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	100%	100%
	b. Number of dealers / distributors to whom sales are made	2,122*	2,030*
	c. Sales to top 10 dealers /distributors as % of total sales to dealers/ distributors	15%	14.3%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.4%	2.4%
	b. Sales (Sales to related parties / Total Sales)	2.4%	2.4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties/Total Investments made)	0	0

*(including General Trade, Chilled, Nestlé Health Science, Organized Trade Indirect, Out-of-home)

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Your Company facilitates capacity building workshops and awareness sessions for its key value chain partners including farmers, suppliers/vendors, distributors to educate and create awareness on key areas like safety, quality, human rights, labour practices and sustainability.

Value Chain Partner	Total No. of Awareness Programmes held	Topics/ Principles covered under training	% of value chain programme partners covered (by value of business done with such partners) under awareness programmes
Dairy Farmers	690	Environment Sustainability and Responsible Sourcing (Fresh Milk Quality, Food Safety, Animal Nutrition, Animal Health, Cow Comfort and Animal Welfare)	21%
Coffee Farmers	3,700	Sustainability and good agricultural practices	100%
Distribution Centres (DCs)	5,917	Health, Safety and Quality	100%
Rice Farmers	3	Regenerative Agriculture, IPM and Post harvest Management Practices	22%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. Your Company has adopted the 'The Nestlé India - Code of Business Conduct' ('the Code'). The Code is available on the website of the Company at <https://www.nestle.in/investors/policies>. The Code of Business Conduct requires the Directors, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. Further, the Board of Directors sign-off on the Code of Business Conduct on an annual basis.

The Directors, key managerial personnel and the senior management of the Company are required to disclose to the Board, on an annual basis, whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

As per the *Nestlé Corporate Business Principles* ('NCBP'), all employees are obligated to disclose any conflict of interest i.e. holding any outside position or employment of relatives or receiving/giving gifts. Your Company has a conflict of interest tool which requires disclosure by employees, upto a certain grade, on an annual basis any existing conflict of interest and also a mechanism to report off cycle, if any, conflict of interest arising subsequently. Any conflict of interest reported by an employee is escalated to the line manager of that employee. Thereafter, the line manager reviews, assesses the situation and act upon the reported conflict of interest. In case the mitigation action plan cannot be agreed with the direct report, the line manager can escalate the case(s) to the Compliance Officer. A ready reckoner has been issued to the line managers to review such situation(s) and decide on mitigation action plan.

Principle 2

Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan to Dec 2022)	Details of improvements in environmental and social impacts
R&D	Refer note below		
Capex*	5.12%	10.56%	Invested towards environment sustainability with the strategy of Reduce, Rethink and Replace. (Reduce and Rethink for Energy and water consumption by process improvements, alternate source of fuels with lower GHG emissions, Replace with new technology and green power).

* Percentage of total capex incurred during period under review.

While your Company focuses on R&D testing and adaptation to local conditions, as a part of Nestlé Group and under the General License Agreements, it has access to and advantage of drawing from the extensive central R&D efforts and activities of the Nestlé Group. Nestlé Group spends substantial amounts and efforts in R&D and in gaining industrial experiences. It has therefore been possible for your Company to focus its efforts on testing and modification of products for local conditions. Improving and maintaining the quality of certain key raw materials continued to receive close attention. The ability to leverage the R&D expertise and knowledge of Nestlé Group, has helped your Company to innovate and renovate, manufacture high quality and safe products, improve yields, input substitution, sustainable sourcing, packaging and logistics to achieve more efficient operations.

Furthermore, access to Nestlé R&D network helps your Company to use new process technologies that lower emissions and provide guidance on how the product development can achieve lower-carbon recipes by substituting ingredients while maintain key product attributes. Where possible, it also helps in upcycling agriculture by-products to reduce food waste and nutrient loss, while unlocking new revenue streams for the farmers. Consequently, the consumers perceive the products and services of your Company as high value for their money. This gives your Company the unique ability to develop products and solutions that are produced with careful consideration for natural resources and social impacts and for contributing towards environment sustainability.

In addition to the above, the R&D organization helps to discover and develop technologies for more sustainable packaging to meet global commitment for all Nestlé packaging to be recyclable or reusable by 2025. The Nestlé Institute of Packaging Science of Nestlé group works alongside Nestlé R&D network while helping all Nestlé group

move towards paper packaging, increasing use of recycled, bio-degradable content in our packaging, simplifying on packaging, piloting refillable and reusable systems.

During the period under review, energy reduction projects were undertaken by factories of the Company which will result in substantial annualized savings of approximately 50,000 Gigajoules. Some of the projects undertaken at different factory locations include flash steam heat recovery from condensate; automation of burners in boiler operations; heat pump for heat recovery from waste, compressed air optimization.

During the period under review, water reduction projects were initiated in different factories locations. This, inter-alia, resulted in reduction in water consumption and reuse of recycled water in a more efficient manner. The projects undertaken will result in savings of approximately 125,000 m³ and shall be realized in the coming year. One of the key initiatives contributed to water savings during the period under review was to increase the utilization of treated effluent after passing through high technology Reverse Osmosis (RO) plant.

Initiatives taken at different factory locations includes: use of biomass for steam generation; investments in improving plant efficiencies for generation as well as usage; investments in the solar energy by entering into Solar Power Purchase Agreement (PPA); investment in second stage Reverse Osmosis (RO) plant to increase recovery; and investment in other renewable energy sources and heat recovery projects.

2. a. Does the entity have procedures in place for sustainable sourcing? Yes/No

Yes, there are guidelines and procedures in place to encourage sustainable sourcing. The Company selects its suppliers through strictly laid down procedures and engages with them according to the non-negotiable standards described in the *Nestlé Responsible Sourcing Standard*. The requirements of Business Integrity, Human Rights (labour standards), Health and Safety and Sustainable Environmental Standards in their business activities, production processes, services provision, and their own purchasing procedures, as enshrined in the *Nestlé Responsible Sourcing Standard*, apply to all suppliers.

Your Company's sourcing team ensures that the raw and packaging materials and the services sourced have been produced in accordance with the Responsible Sourcing Standard.

Dairy and coffee farmers constitute a vital part of your Company's supply chain and provides a unique opportunity to engage with farmers and help address some of the sustainability challenges confronting them, and at the same time create sustainable and resilient value chains for your Company's businesses. Your Company is engaging with rice, wheat and spice farmers for good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.

Through the NESCAFÉ Plan, MAGGI Spice Plan and partnering with the dairy farmers, your Company collaborates with the farmers on environmental sustainability programmes. The focus of these interventions has been largely around improving farmer livelihoods, increasing agricultural productivity, strengthening water security and addressing the challenge of climate change and enhancing resilience.

b. If yes, what percentage of inputs were sourced sustainably?

Your Company's supply chains facilitate optimum utilization of raw materials, and it is strengthening the journey towards sustainably and responsibly sourced inputs.

Nestlé Responsible Sourcing Standard enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. The standard upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights, and is shared and accepted by all supply chain partners and service providers.

Farmers constitute a vital part of your Company's supply chain. Accordingly, your Company focuses extensively on enhancing the sustainability of its supply chain. Your Company's sustainable supply chains cover the labour standards, health and safety, business ethics and environment as mandatory elements.

During the period under review, about 60-75%* of inputs were sourced sustainably.

**This percentage for responsibly sourced inputs/ supplies varies from month to month and is the best estimate during the financial year.*

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Your Company is working towards a future where none of its packaging ends up in landfill or as litter in the environment. It is taking preventive measures by implementing the reduce-reuse-recycle model.

REDUCE: Your Company ensures continuous optimization of packaging by source reduction and value engineering. Your Company launched Ready-to-Drink (RTD) tetrapaks with paper straw replacing plastic straw and continues with 100% paper straw. Your Company has implemented size reduction/value engineering for select brands under Foods and Coffee business.

RECYCLE: Your Company encourages the use of recycled material wherever applicable e.g., 50% recycled plastics for secondary packaging for multipack coffee sachets and use of rPET jars for chocolates and confectionary.

RECOVER: Your Company achieved Plastic Neutrality in 2020 and continues to be plastic neutral in 2023 through CPCB approved vendors and appropriate channels. This year your Company responsibly managed ~25,600 MT of plastic packaging consumed vis-a-vis ~23,000 MT i.e. EPR target assigned by Central Pollution Control Board as a part of our commitment under Extended Producers' Responsibility (EPR).

Your Company has a robust e-waste management standard operating procedure which ensures compliance to e-waste Management Rules 2016, including filing of requisite annual returns to State Pollution Control Boards (SPCB). Contracts for disposal of e-waste exist with authorized vendors and disposal is done within the stipulated time frames in a responsible manner. Similarly, disposal of hazardous waste, as laid down in the Hazardous Waste Management Rules, is done in line with the stipulated guidelines through authorized vendors and requisite Annual returns are filed with SPCB.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable. As a responsible manufacturer of food products, your Company is registered as a Brand Owner in the centralized portal operated by Central Pollution Control Board and has duly filed Annual Returns from time to time as prescribed. Your Company through waste management agency has initiated collection and management of both pre-consumer and post-consumer plastic packaging while ensuring that the processing is done through Central Pollution Control Board registered Plastic Waste Processor. Our Collection network spans across 35 States and Union Territories of India, and with our waste management partners, we have collected and processed ~25,600 MT of plastic packaging vis-a-vis ~23,000 MT i.e. EPR target assigned by Central Pollution Control Board.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
-	-	-	-	-	-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of Product/ Service taken	Description of the Risk /Concern	Action
-	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Your Company has introduced use of recycled plastic content in secondary and tertiary packaging for coffee and chocolates & confectionary.

Indicate Input Material	Recycled or used input material to total material	
	15 Months FY ended 31 st March 2024 Jan 2023 to March 2024	FY 2022 Jan 2022 to Dec 2022
	Current Financial Year	Previous Financial Year
rPET, rPE	0.7%	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

	15 Months FY ended 31 st March 2024 Jan 2023 to March 2024			FY 2022 Jan 2022 to Dec 2022		
	Current Financial Year			Previous Financial Year*		
	Re-Used	Recycled	Safety Disposed	Re-Used	Recycled	Safety Disposed
Plastics (Including Packaging)	0	8,401	17,248	0	4,911.3	18,476
E-Waste	0	0	0	0	0	0
Hazardous Waste	0	0	0	0	0	0
Other Waste	0	0	0	0	0	0

*Restated data for FY 2022 to align with reporting requirement

During 15 Months FY ended 31st March 2024, your Company collected and responsibly managed approximately 25,600 tonnes of plastic packaging waste (which is above the EPR target assigned by CPCB i.e. ~23,000 MT) generated across 35 States/UTs. Of the approximately 25,600 tonnes of plastic waste collected, ~8,400 tonnes were managed through recycling. 100% of the pre-consumer plastic packaging waste goes into recycling.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	Not Applicable

Principle 3

Employee Wellbeing: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Your Company continues to focus on employee well-being underscoring the importance of mental wellbeing by establishing a Mental Health First Aider Network, and by making inclusive policy changes such as introducing mental health benefits as part of health insurance. There have been regular virtual sessions

focusing on overall physical well-being apart from a revised leave policy that understands and promotes the importance of wellness leaves & self-care leaves.

Category	% of Employee covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,971	2,971	100%	2,971	100%	-	-	2,971	100%	2,971	100%
Female	1,009	1,009	100%	1,009	100%	1,009	100%	-	-	1,009	100%
Total	3,980	3,980	100%	3,980	100%	-	-	-	-	3,980	100%
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

The well-being of other than permanent employees is managed through contractual terms and conditions including social security benefits and obligations.

b. Details of measures for the well-being of workers:

Your Company complies with the relevant laws that apply in the places where the workers are assigned for their welfare.

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	4,530	4,530	100%	4,530	100%	-	-	4,530	100%	4,530	100%
Female	226	226	100%	226	100%	226	100%	-	-	226	100%
Total	4,756	4,756	100%	4,756	100%	-	-	-	-	4,756	100%
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

The well-being of other than permanent employees is managed through contractual terms and conditions including social security benefits and obligations.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
Cost incurred on well- being measures as a % of total revenue of the Company	0.13%	0.13%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

BenefitsW	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)			FY 2022 (Jan 2022 to Dec 2022)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	NA
ESI	-	6%	Y	-	6%	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, your Company's premises/offices are accessible to people with disabilities, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Diversity & Inclusion is an integral part of your Company's culture, based on its core values of respect and it is one of the ways we bring our purpose to life. One important aspect of inclusion is inclusion by design and hence your Company started this journey a few years ago by ensuring accessible restrooms and ramps. Your Company is continuously working towards improving infrastructure for eliminating barriers to accessibility.

Your Company has aligned the design of the newly renovated Head Office to ensure that the premises are accessible to everyone. All manufacturing locations have undergone external accessibility audits in 2022 based on the guidelines of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-Link to the policy.

Yes, your Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.

The weblink of the 'Equal Opportunity Policy' is available at <https://www.nestle.in/jobs/equal-opportunity-policy>

With 'Respect for Diversity' being one of the core values, your Company is committed to being an equal opportunity employer. The same is reinforced by the *Nestlé Corporate Business Principles* and Nestlé Code of Business conduct. Your company respects the personal dignity, privacy and personal rights of every employee and is committed to maintaining a workplace free from discrimination and harassment. Therefore, your Company does not discriminate on the basis of origin, nationality, religion, race, disability, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment based on any of the above or any other reason. Your Company is committed to complying with the provisions given in 'The Rights of Persons with Disabilities (RPWD) Act, 2016'.

- Respecting the human rights of people with disabilities;
- Ensuring non-discrimination against persons with disabilities;
- Providing accessibility, reasonable accommodation, and support to people with disabilities; and
- Ensuring no tolerance to any form of harassment, abuse, exploitation, or any other violations of human rights of people with disabilities.

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Your Company's Grievance Redressal Procedure is available to employees and workers. Your Company is committed to a strong compliance culture, as reflected in the *Nestlé Corporate Business Principles*. It is ensured that the Company is managed in line with principles, policies adopted and through internal reporting. Employees, suppliers, and stakeholders are encouraged to report practices or actions believed to be inappropriate or illegal, and all complaints are investigated with impartiality, prohibiting retaliation. Breaches are immediately stopped, and appropriate response measures implemented. Your Company sensitizes all the employees and expects them to be aware of non-compliant or illegal activities occurring in their work environment, especially those related to *Nestlé Code of Business Conduct*.

Your Company's 'Speak Up' platform covers all employees, permanent as well as other stakeholders. It covers our suppliers, vendors and other external stakeholders. Grievance Redressal protocol is established to investigate such matters and submit the report including appropriately responding to the complainant. Issues can also be brought to HR/reporting manager and are taken up accordingly. Any complaint regarding sexual harassment is covered under the PoSH Act 2013 and the internal policy in adherence to that.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Your Company believes that all employees are important stakeholders and it is imperative to build a culture of mutual trust and respect, interdependence, and meaningful engagement. This approach helps in building, strengthening and sustaining harmonious employee relations across the organisation. Your Company believes that in respecting the dignity of the individual and the freedom of employees to lawfully organise themselves into interest groups, independent of supervision by the management. It is ensured that employees are not discriminated against for exercising this freedom in a lawful manner and consistent with the Company's core values.

Category	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)			FY 2022 (Jan 2022 to Dec 2022)		
	Total Employees/Workers in Respective Category (A)	No. of Employees/Workers in Respective Category, who are part of Association(s) or Union (B)	%(B/A)	Total Employees/Workers in Respective Category ©	No. of Employees/Workers in Respective Category, who are part of Association(s) or Union (D)	%(D/C)
Total Permanent Employees	3,980	0	0 %	3,580	0	0%
- Male	2,971	0	0 %	2,721	0	0
- Female	1,009	0	0 %	859	0	0%
Total Permanent Workers	4,756	4,395	92 %	4,537	4,313	95%
- Male	4,530	4,236	94 %	4,346	4,243	98%
- Female	226	159	70 %	191	70	37%

8. Details of training given to employees and workers

Your Company has a range of communication and training sessions to drive key focus areas in implementation of safety roadmap. Effective and timely communication - both of successes and of incidents - is important for engaging the employees and for creating a learning culture within the organisation, in which opportunities and good practices are not only shared but also acted upon, both at the local and country level. The approach is being continuously evolved to align with new ways of working being introduced through other continuous improvement programs such as Nestlé continuous excellence (NCE) and Total Productive Maintenance (TPM).

For your Company skill upgradation of employees remains one of the key focus areas. During the period under review, , your Company strengthened and democratized learning to empower employees via the launch of LinkedIn Learning which is the largest limitless, learning landscape introduced in the Company. 10,000+ courses, certifications with top institutes, constantly-evolving content, no-limits on courses and seats etc. Most importantly, all features have been made available to all employees. Your Company bolstered relationship-based development through launch of formal mentoring with a network of in-house subject matter experts to help strong talent groom for senior roles or adjust/navigate current role better. Mentees get a chance to interact in a structured format with key leadership and develop from their experiences. For building future ready leaders, the 'Force for Great Leadership' was launched, a seminal intervention with key leadership across the Company. We continued supporting leadership transitions through structured learning interventions designed in-house using blended learning approach, backed by technology and data.

Category	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024) Current Financial Year					FY 2022 (Jan to Dec 2022) Previous Financial Year				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
- Male	2,971	1,953	66%	2,225	74.9%	2,721	2,721	100%	2,639	97%
- Female	1,009	636	63%	719	71.2%	859	859	100%	838	98%
Total	3,980	2,589	65%	2,944	73.9%	3,580	3,580	100%	3,477	97%
Workers										
- Male	4,530	4,101	91%	2,976	65.7%	4,346	3,023	70%	2,114	49%
- Female	226	223	99%	113	50.0%	191	153	80%	23	12%
Total	4,756	4,324	91%	3,089	64.9%	4,537	3,176	70%	2,137	47%

9. Details of performance and career development reviews of employees and workers.

Your Company manages employee performance and development guided by the 'People Development and Performance' cycle steps. Employees are expected to manage their own development and take the ultimate responsibility for it and are empowered to be on the driver seat, supported by People Leaders and HR.

Benefits	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024) Current Financial Year			FY 2022 (Jan to Dec 2022) Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
- Male	2,971	2,970	100%	2,721	2,721	100%
- Female	1,009	942	93%	859	859	100%
Total	3,980	3,912	98%	3,580	3,580	100%
Workers						
- Male	4,530	4,330	96%	4,346	3,494	80%
- Female	226	209	92%	191	185	97%
Total	4,756	4,539	95%	4,537	3,679	81%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, your Company has implemented ISO 45001:2018 Occupational Health and Safety Management System.

The purpose of an occupational health and safety ("OH&S") management system is to provide a framework for managing OH&S risks and opportunities, which includes prevention of work-related injury and ill health to people and to provide safe and healthy workplaces by eliminating hazards and minimize OH&S risks by taking effective preventive and protective measures. Your Company's sites (includes nine manufacturing locations, sales branch offices, registered office, and Head office Gurugram) are covered under the scope of the ISO 45001: 2018 certification. Nestlé is a company founded on caring: for our consumers, the communities in which we operate, and most fundamentally our people. Your Company believes that sustainable success can be reached

only through people. No other asset in your Company is as important as the people who contribute with their work to the culture and business results. It is for this reason that safety & health is a fundamental value of our Company, and that we take the position that nothing we do at work is worth the risk of getting hurt. This is why we say at Nestlé that “one accident is one too many” and that for work-related injuries and illnesses, our ultimate goal is Zero. Therefore, your Company devotes adequate time and resources to protect employees, contractors and visitors at all its factories and over the past few years, we have expanded the scope of our S&H program beyond Operations, because we believe that we should apply the same standards of care to every employee in Nestlé, regardless of which part of the business they work in. Progressively we will seek to positively influence the S&H of others throughout our value chain, bringing broader benefits to our business and the communities in which we operate.

b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?

Risk assessment is at the very heart of our Nestlé Safety & Health Management System. It is the principal proactive management process, the one by which we identify hazards, determine how to protect people, and prioritize improvement actions. Your Company is constantly improving the performance by designing and adapting processes, work practices and systems in the direction of enhanced safety and health. It identifies that people involvement is indispensable to establish and maintain safety and health in the workplace. Respect of safety principles, standards and procedures is a condition of employment. Employees are responsible for working in a safe manner to prevent injury to themselves, colleagues, and other persons. They are encouraged to become actively involved in programmes to improve health and safety performance in the workplace.

Your Company uses several processes to identify work-related hazards and assess risks in a routine manner, some of which are mentioned below:

1. HIRAO (Hazard identification and Risk Assessment Opportunity) is an element of ISO 45001. This is further enhanced with several specific risk assessments such as
 - Machinery risk assessment
 - Task specific risk assessment.
 - Material Handling Equipment Risk Assessment
 - Facility Risk Assessment
 - Noise assessment
 - Ergonomics risk assessment etc.
2. Permit to work Management system: A management process to identify and mitigate the risk for the routine and non-routine activities involving a high hazard task. More effective management of fatality & serious injury risks remains a top priority, and the permit-to-work process is one of the most important elements in a site's S&H management system. It provides a final opportunity for Nestlé to ensure that high hazard tasks (e.g., work at height, confined space entry) are conducted safely, and is particularly relevant to contractor management and capital projects. This includes a risk prediction tool, which guides the performing authority to consider all risks and mitigating measures before start of the job.
3. Method statements: A process to establish detailed methodological approach of mitigating risk while undertaking a critical non-routine activity. This is particularly useful for capital investment projects where the scope of activities includes large scale civil construction and installation of heavy equipment.
4. ATEX (Atmospheric Explosion prevention management tool): A tool being used to identify the process hazards associated with manufacturing of powders and establishing the risk mitigating measures.
5. PESIS (The preliminary environmental & workplace safety impact study): A tool used for new product development where new processes/equipment changes or added. Identifying the S&H risk and enabling the risk mitigating control.
6. User Requirement specifications in Capital Investment Projects: Specific to the machineries and process Safety, safety Inputs are inbuilt into the User Requirement specifications and duly validated through the process of Factory Acceptance and Site acceptance tests etc.

7. Shift risk prediction tool: Manufacturing lines have the concept of being risk assessed on shift basis using a concept of traffic light (Red, Amber & Green) so that people in the shift are aware of the level of risk associated with the shift.
8. S&H Tagging: A tool for identifying the workplace hazards on a proactive basis.
9. Behavioral Feedback System (BFS): We believe that behaviour is the key to our success. Managers, team leaders and employees understand and are expected to live our S&H values every day. We challenge ourselves more systematically against these expectations and integrate these behaviours into our daily lives. Behavioral observation & feedback programmes will continue to play a key role in supporting behavioral change, so it is important we continue to enhance the quality of our programmes.
10. Contractor Field safety audits: Tool to conduct a joint inspection of project site along with the contractors so that good citizens can be recognized as well as violations can be captured and proactively mitigated to prevent any harm.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. Various systems and processes are laid down to identify and report work related hazards:

1. Behavioral feedback Sessions (BFS): Primary focus on identification of unsafe conditions, safe & unsafe behaviors, and one-to-one coaching sessions to improve behaviors. The BFS forms are available both in hard copy and digitally in most locations.
2. GEMBA: Gemba is the Japanese term "genchi genbutsu" that is perceived to be comparable to management by walking around. Your Company has systems in place for regular safety tours by top management to the workplace. Primary focus while doing Gemba is on identification of unsafe conditions (through safety walks). This not only complements the process of BFS but also provides an opportunity to the workers to be able to engage with the management and provide feedback regarding any unsafe work conditions.
3. Safety Committee Meetings: The Safety Committee provides a forum for workers and management to work together to resolve health and safety issues. The Safety Committee consists of fair representation of management representatives and workers. Safety Committee meeting is also done with the contractors at most sites to provide them another forum for reporting unsafe conditions.
4. Safety campaigns: Through the safety campaigns, employees and contractors are engaged in different activities for awareness, identification of hazards and rewarding the team. This also provides them an opportunity to share any feedback for workplace safety improvements.
5. 'Speak up' platform for raising concerns.
6. Periodic internal audits/assessments.
7. Through participation in incident investigations; and
8. Daily operations review/weekly operations review meetings.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, the employees/workers of your Company have access to non-occupational medical and healthcare services. They are insured under the Group Health Insurance Policy (GHIP). A digital medical assistance app is also provided to all eligible employees and their family members.

11. Details of safety related incidents.

Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures to prevent recurrence. The learnings from all accidents are disseminated across the organisation, and a formal compliance is also obtained.

Safety Incident/ No	Category*	FY 2023 (Jan 2023 to March 2024) Current Financial Year	FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.17	0.72
	Workers	0.21	0.33

Safety Incident/ No	Category*	FY 2023 (Jan 2023 to March 2024) Current Financial Year	FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year
Total recordable work-related injuries	Employees	13	15
	Workers	21	11
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	3	1

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Your Company is committed to enhancing the Safety, health, and well-being of its own employees. It works diligently to understand the health risks of its employees to build strategic, targeted and evidence-based interventions. Your Company believes that accidents are preventable and therefore your top leadership message is "one accident is one too many." To advance a strong safety culture that effectively prevents accidents, your Company is committed to perform systematic identification of hazards and to manage them with appropriate risk assessments and subsequent actions to minimize danger.

Emergency and contingency plans are established to deal with residual risks. This approach also minimizes threats to the business, protecting your shareholders' interests.

Following are some of the measures and practices that are being followed by Your Company for ensuring a Safe and Healthy workplace for its employees:

1. Certifying all sites with ISO 45001:2018
2. CARE certification (with elements of SA 8000 certification)
3. Zurich Risk Assessment (Risk management by accredited third parties)
4. Functional Compliance Assessment for safety management system
5. Internal and Market level site assessments
6. Ensuring safety in capital investment projects
7. Management of high hazard tasks
8. Contractor Management Programme
9. Robust Machinery Safety Programme
10. Total Performance Management
11. Engagement and communication Campaigns
12. Early management by ensuring optimum workplace design
13. Task specific trainings and coaching

13. Number of complaints on the following made by employees and workers.

Your Company endeavors to provide the safest workplace to all its employees and contractors. Multiple avenues are available to the employees to lodge complaints on health and safety matters such as open access to internal email network, works committee, safety committee and townhalls conducted at regular intervals.

	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024) (Current Financial Year)			FY 2022 (Jan to Dec 2022) (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Health and safety practices	Nil	Nil	-	Nil	Nil	-
Working Conditions	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

Your Company's manufacturing locations are covered under the ISO 45001:2018 specifies requirements for an occupational health and safety (OH&S) management system. ISO 14001:2015 specifies requirements for an environmental management system and ISO 9001:2015 specifies requirements for quality management system. Compliance to safe working conditions is an essential aspect of Safety, Health, and Environment (SHE) management system. The sites are regularly assessed by accredited third parties for validation of the requirements of the ISO certifications as per the requirements of the auditing standards.

	% of your Plants and Offices that were Assessed (by entity or Statutory Authorities or Third Parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Below are some of the examples highlighting corrective actions to address safety-related incidents.

Significant Risk – Pedestrian-MHE interface on site – Due to high movement of the vehicles (Trucks, Tankers, Forklifts) and pedestrians inside the factory, many shared areas are created, thereby creating a collision risk.

Solution: Facility risk assessments are conducted to identify shared areas and implement requisite controls by following Hierarchy of Safety control as per OSHA e.g., Elimination, Substitution, Engineering, Administrative and PPEs. Furthermore, the defined actions are implemented as per the agreed timelines.

Significant Risk - Management of large capital investment projects.

Solution: In any large project, safety is of paramount importance. Your company introduced world class system scaffolding (ring lock type) to ensure that the civil work could be conducted in a safe manner. Method statements were made for all non-routine high hazard tasks and implemented to mitigate any risks. Resolute safety professionals were hired to ensure strict implementation of the S&H protocols.

Significant Risk- Driving on roads for business purpose, since the employee must travel for the workplace using their own vehicles / public transports / by company provided vehicles.

Solution: Your Company has ensured all the company provided vehicles are meeting the safety requirements as per the Nestlé safe driving standards. Sales Employees undergo defensive driving training and other awareness trainings. Also, clear policies have been set up for road travel for employees.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. In the unfortunate event of the death of an employee including workers, your Company extends financial support to family members of the employee. Under the Loss of Life Benefit, the next of kin of the employee is eligible to receive employee's two years' Base Salary. Besides there is additional support extended in terms of compensatory package under the Group Accident Insurance Coverage and education and hospitalization support under Neshield Policy.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as payable by service providers for their employees are deposited on time and in full, through a process of periodic audits and controls. Your Company has multiple systems in place to ensure compliance to various statutory requirements. For our factories and branches, the Company has agreements in place specifying statutory compliance to be ensured by service providers. Similarly, for the distribution centers and co-manufacturers, statutory dues are specified in the agreements as per applicable statutes. Besides this, as an additional measure, balancing is provided by Internal Controls, internal audits and third-party audits are conducted basis defined frequency and terms of the agreement.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill health/fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of Affected Employees/ Workers		No. of Employees/Workers that are Rehabilitated and Placed in Suitable Employment or whose Family Members have been Placed in Suitable Employment	
	15 Months FY ended 31 st March 2024	FY 2022	15 Months FY ended 31 st March 2024	FY 2022
Employees	0	0	0	0
Workers	3	0	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, your Company provides transition assistance to facilitate continued employability in specific cases basis defined applicability criteria through an external service provider. The offering covers different aspects and provides access to resources such as coach/consultant/online tools.

5. Details on assessment of value chain partners on Health and safety practices and Working Conditions

Your Company is committed to continuously raise awareness of supply chain members to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption, occupational health, safety and environment.

Nestlé Responsible Sourcing Standard enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. The standard upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights and is shared and accepted by all supply chain partners and service providers.

Your Company has a robust process of evaluating its Suppliers and Service Providers before engaging with them, proactively making them aware of its expectations/ requirements, and seeking commitment for compliance through contractual agreements. The Company verifies the compliance with the standard periodically through external audits and assessment mechanisms of international standards.

96% of our supply base falling in the scope of review were audited by external agencies on parameters like "Health and Safety practices, standards of labor (including working conditions, Minimum wages, child labor, forced labor etc.), environmental performance and business ethics.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	96%
Working Conditions	96%

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Your Company has a structured framework in place with clear process to monitor and close observations and actions as per the *Responsible Sourcing (RS)* audit conducted by external agencies/ third party service providers. As per recommendations from the Company's globally shortlisted audit agencies, the suppliers are strongly advised to close all observations in the assessments and take corrective actions as appropriate within a time bound manner, which would be monitored by the Company in a structured manner. There have been instances where supplier partners have shared the improvements in their Health and Safety practices and standards of labor basis the audits/assessments, which helped to mitigate fire safety hazards at their factory and also helped increase awareness in the neighborhood industrial belt.

Principle 4

Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Your Company's stakeholder network consists of the people your Company's operations impact and those who influence your Company's activities. Your Company identifies the stakeholders based on the scope of the activities and the need of organization. Stakeholder meetings, workshops and other events help us deepen dialogue and develop our understanding of important societal and environmental issues and regulatory challenges. The interaction helps teams build their capabilities, facilitates collective action and promotes trust and mutual respect. The engagement approach takes into consideration that each stakeholder group is unique and has a distinctive set of priorities. Feedback and insights from stakeholder engagements helps validate the Company's performance and shape new perspectives on the challenges and opportunities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including Key topics and concerns raised during such engagement
Consumers	No	Websites, Advertisements, Email	As and when required	Your Company engages with consumers for awareness about the products, recipes and nutrition information, ingredients and any other information relevant for consumers.
Farmers	Yes	Email, SMS, Meetings	As and when required	Your Company engages with dairy farmers, coffee farmers, spice farmers and other farmers who form a part of the value chain directly or indirectly for training/awareness on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.
Distributors & trade partners, Suppliers	No	Email, SMS, Meetings	As and when required	Your Company engages and receives co-operation and unstinted support from the distributors, retailers, stockist, suppliers and others associated with the Company as its trading partners.
Trade Unions	No	Email, SMS, Meetings	As and when required	Your Company engages with trade unions for collective bargaining to ensure smooth operations at the manufacturing facilities and cordial relations with workers.
Government bodies	No	Email, SMS, Meetings	As and when required	Your Company engages with Food Authorities to establish science-based regulations for protecting the health of consumers and development of other best practices in areas of food processing.
Industry associations	No	Email, SMS, Meetings	As and when required	Your Company engages with industry associations for promoting industry positions – that are aligned with Nestlé's viewpoints / proposals with external stakeholders/ policy makers. Topics include Food Regulations, Environment, Plastic Packaging, Governance, Compliance, Corporate Laws, and other Societal activities.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including Key topics and concerns raised during such engagement
Academia experts	No	Email, SMS, Meetings	As and when required	Your Company engages with academia experts that helps in getting specialist knowledge on various topics. Your Company also engages with stakeholders to incorporate their expert advice in societal initiatives for positive impact.
NGOs	No	Email, SMS, Meetings	As and when required	Your Company engages with NGOs to implement the CSR projects under the umbrella of Nutrition, WASH, enhancing livelihood, environment and rural development, disaster management including Covid-19 relief. Key focus includes on-ground implementation, deliverables of the projects, positive impact, budget utilization and adherence to the CSR policy and compliances, Covid-19 precautionary measures etc.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Your Company firmly believes that stakeholder engagement is critical to deepen dialogue and develop our understanding of important business and societal issues. Your Company is part of various platforms where stakeholders engage on issues pertaining to the economic, environmental & social topics. The relevant information is shared with the Board of Directors of the Company.

The Board, through the CSR Committee and Risk Management and Sustainability Initiatives Committee, reviews, monitors and provides strategic direction to the Company's social responsibility obligations and other societal and sustainability practices.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Engaging stakeholders on important issues lies at the heart of how your Company does business. Your Company engages with relevant stakeholder platforms that are used to seek relevant expertise and support to address environment and social topics.

Your Company has put in place systems and procedures to identify, prioritize and address the needs and concerns of its stakeholders across businesses in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogue with all stakeholders across businesses, identify concerns and their resolution in an equitable and transparent manner.

Select examples of how stakeholder inputs have been incorporated into your Company's policies and activities are presented below:

- **Consumers:** Consumers are your Company's core stakeholders. Various tech-enabled avenues have been constructed to constantly receive feedback and ideas from these stakeholders.

- **Communities:** Your Company continues to increase access to basic sanitation facilities, for girl students in schools across all its factory locations which has had a direct impact on the attendance of girls in schools. While the scope of the sanitation projects was largely for girl students, your Company recently expanded the scope to include disabled people based on the requests received from the communities.
- **Industry:** Your Company is committed to achieving 100% Extended Producer Responsibility (EPR) compliance as per the Plastic Waste Management (PWM) Rules 2016 and amendments. Ministry of Environment, Forest and Climate Change (MOEFCC) notified the ban on non-recyclable multilayered packaging in 2018, that would have significantly impacted the product packaging. Through the industry consortium and stakeholder consultation, your Company in collaboration with other industry members showcased that if multi-layer packaging is properly collected and managed can be energy recoverable. This collaboration within industries supported EPR implementation framework.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Your Company is strongly committed to address the emerging needs of the community. For instance, our commitment to nutritious and safe food goes beyond the safety and quality of our own products. Project 'Serve Safe Food' continued to enhance livelihoods of street food vendors by providing them training on food safety and hygiene. Through our societal initiatives Nestlé Healthy Kids Programme, Project Jagriti and Project Vriddhi, your Company is helping families cultivate kitchen gardens in communities. Our partners on ground motivate and equip adolescent and parents to develop kitchen gardens where their families can grow vegetables for daily consumption. This helps to promote a varied and nutritious diet including organic vegetables and fruits at a relatively reduced cost. We coined the phrases, 'Poshan Vatika' and 'Poshan Bagicha' to make the initiative relatable and easier to understand for the beneficiaries of the program. Kitchen gardens add value to the lives of the beneficiaries by raising the nutrition profile of the food being consumed, especially by the lower-income households, amidst rising costs and make them self-sufficient.

Your Company's key societal initiatives including Project Jagriti and Nestlé Healthy Kids Programme continued to focus on creating an enabling environment for the best health outcomes in the vulnerable/marginalized communities, involving the health care system and stakeholders from the community. Your Company's environment initiative titled 'Hilldaari' continued empowering waste workers by providing them training on how to collect waste with minimum contact, ensure proper sanitation, new ways of collecting and disposing waste such as establishing 4-part segregation (dry waste, wet waste, domestic bio-medical waste and hazardous waste) for collection and proper disposal of waste. Waste workers were also trained to use smartphones and digital monitoring apps, and how to avail relevant government schemes.

Your Company works with farmers in providing training on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.

Principle 5

Human Rights: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2023 (Jan 2023 to March 2024) Current Financial Year			FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Employees						
Permanent	3,980	2,608	66%	3,580	3,435	96%
Other than permanent	220	20	9%	299	120	40%
Total Employees	4,200	2,628	63%	3,879	3,555	92%

	FY 2023 (Jan 2023 to March 2024) Current Financial Year			FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Workers						
Permanent	4,756	2,858	60%	4,537	1,675	37%
Other than permanent	11,449	5,062	44%	6,617	2,784	42%
Total Workers	16,205	7,920	49%	11,154	4,459	40%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024) Current Financial Year					FY 2022 (Jan to Dec 2022) Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2,971	NA	NA	2,971	100%	2,721	NA	NA	2,721	100%
Female	1,009	NA	NA	1,009	100%	859	NA	NA	859	100%
Other Than Permanent										
Male	152	NA	NA	152	100%	224	NA	NA	224	100%
Female	68	NA	NA	68	100%	75	NA	NA	75	100%
Workers										
Permanent										
Male	4,530	NA	NA	4,530	100%	4,346	NA	NA	4,346	100%
Female	226	NA	NA	226	100%	191	NA	NA	191	100%
Other Than Permanent										
Male	10,471	2,121	20 %	8,350	80%	5,956	NA	NA	5,956	100%
Female	978	161	16%	817	84%	661	NA	NA	661	100%

3. Details of remuneration/salary/wages, in the following format:

a). Median remuneration/wages

	Male		Female	
	Number	Median Remuneration/ Salary/ Wages of Respective Category (Amount in INR)	Number	Median Remuneration/ Salary/ Wages of Respective Category (Amount in INR)
Board of Directors (BoD)	4	164,297,197	1	97,629,471
Key Managerial Personnel (KMP)	1	22,903,503	-	-
Employees other than BoD and KMP	2,969	1,858,100	1,008	1,314,891
Workers	4,530	864,954	226	247,620

b). Gross wages paid to females as % of total wages paid by the entity, in the following format:

	15 Months FY ended 31 st March 2024 Jan 2023 to March 2024 Current Financial Year	FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year
Gross wages paid to females as % of total wages	15%	13%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No).

Yes. Your Company has a focal point responsible for addressing human rights impacts or issues caused or contributed to by the business that may be raised by internal employees or contractors and caused or contributed to by the business. Your Company's 'Speak Up' platform allows employees/ contractors to report any human rights issue by filing a report on web portal or by calling the hotline operated by an independent third party.

Nestlé Code of Business Conduct prohibits retaliation against employees who make reports in good faith. Every complaint is investigated thoroughly and remedial actions are taken if required. The Compliance Officer is the focal point responsible for addressing human rights concerns reported.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All the grievances related to human rights issue outside the 'Speak Up' system, whether received through letter, email, social media are captured in the case management system provided within the 'Speak Up' system and are redressed and reported accordingly. It covers your Company's suppliers, vendors and any other external stakeholder. Grievance Redressal protocol is established to investigate such matters and submit the report including responding to the complainant. Issues can also be brought to HR/reporting manager and are taken up accordingly.

All employees are trained on the awareness of *Nestlé Corporate Business Principles*. CARE Auditors and internal audit department regularly audits the practices against these systems. When assessing your Company's internal control systems, the external auditors consider how the Corporate Business Principles fit into the overall corporate governance framework of your Company. Significant findings and recommendations are reported to the Audit committee of the Board of Directors by the Compliance Officer.

Nestlé Code of Business Conduct prohibits retaliation against employees who make reports in good faith. Every complaint is investigated thoroughly and remedial actions are taken if required.

6. Number of Complaints on the following made by employees and workers:

	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024) Current Financial Year			FY 2022 (Jan to Dec 2022) Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	6	0	-	1	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024) Current Financial Year	FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	6	1
Complaints on POSH as a % of female employees / workers	0.3%	0.1%
Complaints on POSH upheld	6	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Your Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. Your Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Internal Committee has been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment case are part of Grievance Redressal Process and PoSH Policy. The principles of the process ensure that there is no

victimization. All investigations are carried out in a fair and unbiased manner. Your Company prohibits retaliation against any employee for such complaints made in good faith, while it also protects the rights of the incriminated person. Under the Policy, the Head of Human Resource shall be the person to whom any complaints can be made and in exceptional or appropriate cases, the Managing Director can be directly accessed.

As part of the policy measures of interim relief are defined to prevent any adverse consequences to the complainant, which are as below:

During pendency of the investigation, on a request made by the complainant, the Investigating Committee/ Individual may recommend to the HR/Reporting Manager/ Functional or Business Head as the case may be:

- Assessment of complainant's work performance by another superior or suspension of assessment.
- Change the reporting of the complainant to any other superior.
- Grant leave to the aggrieved complainant.
- such other relief as may be appropriate.

Regular awareness and training sessions are conducted to ensure that the employees are fully aware of the aspects of sexual harassment and of the redressal mechanism.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Due diligence is at the heart of Nestlé's human rights framework. As an enabler to the Human Rights at Nestlé, the Company has created an enabling pillar of Policies and Control Systems which are leveraged to ensure human rights are embedded throughout the organization. It is ensured that the human rights framework is actively communicated internally and externally through mandatory trainings for the employees/contractors internally and inclusion of human rights clauses in the supplier agreements and contracts. This is further substantiated by facilitating the use of 'Speak Up' platform where such issues can be raised by employees or contractors.

10. Assessments for the year: 15 Months FY ended 31st March 2024

	% of your Plants and Offices that were Assessed (by Entity or Statutory Authorities or Third Parties)
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at Workplace	100%
Wages	100%
Others- please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Basis various assessments conducted at defined frequency, relevant risks are identified and addressed through comprehensive action plans. The action plans are reviewed periodically at a unit as well as function level. No specific corrective actions were required to be taken during the 15 Months FY ended 31st March 2024. However, as part of preventive measure, regular awareness and training sessions were conducted during the year to ensure that employees are fully aware of the aspects of child labour, forced/involuntary labor, sexual harassment, discrimination at workplace, wage and work inequality and mechanism to report any concerns or suspected or actual violation of any of such matters.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.

Your Company has established a mechanism for addressing grievances and the same has been disseminated to all concerned stakeholders / custodians. 'Speak Up' is one such platform available to all employees and external stakeholders including Third Party Resources, Contractors, Vendors, Suppliers, etc. which is operated by an independent third party which also allows complainants to choose to be anonymous and protects confidentiality.

2. Details of the scope and coverage of any human rights due diligence conducted.

The Nestlé CARE programme (Compliance Assessment of Human Resources, Occupational Health & Safety, Environment and Business Integrity) verifies, through independent auditors, that your Company's operations comply with the globally defined Nestlé Employee Relations Policy and the social and environmental aspects of the *Nestlé Corporate Business Principles* and that of local legislations. There is a defined frequency to conduct CARE audit every 3 years and the entire spectrum of human rights is covered.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. Diversity & Inclusion is an integral part of your Company's culture, based on its core values of respect and it is one of the ways we bring our purpose to life. One important aspect of inclusion is inclusion by design and hence your Company started this journey a few years ago by ensuring accessible restrooms and ramps. We are continuously working towards improving infrastructure for eliminating barriers to accessibility.

Your Company has aligned the design of the newly renovated Head Office to ensure that the premises are accessible to everyone. All manufacturing locations have undergone accessibility audits in 2022 based on the guidelines of the Rights of Persons with Disabilities Act, 2016. Keeping in mind the accessibility assessment reports, work is in progress across all our factories for improving infrastructure for eliminating barriers to accessibility.

4. Details on assessment of value chain partners for Human Rights.

Your Company is committed to continuously raise awareness of supply chain members to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption, occupational health, safety and environment.

96% of our supply base falling in the scope of review were audited by external agencies on parameters like Health and Safety practices, standards of labor (including working conditions, minimum wages, child labor, forced labor etc.), environmental performance and business ethics.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	96%
Discrimination at workplace	96%
Child Labour	96%
Forced Labour/Involuntary Labour	96%
Wages	96%
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Your Company has a structured framework in place with clear process to monitor and close observations and actions as per the Responsible Sourcing audit conducted by external agencies/ third party service providers. As a good practice, apart from checking IDs, workers are interviewed at site to see any concerns related to child labor, wage discrepancies etc. and specific measures are taken to ensure that the value chain partners are fully aware about your Company's commitment and adherence to standards protecting and promoting human rights.

Principle 6

Environment: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

In the 15 months FY ended 31st March 2024, your Company's manufacturing facilities consumed around 4,810 Terra Joules [TJ] of energy. The total absolute energy consumption saw an increase of 22.3%, against volume growth of 25.8% for the reporting period.

Parameter (GJ)	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024) (Current Financial Year)	FY 2022 (Jan 2022 to Dec 2022) (Previous Financial Year)
From renewable sources (GJ)		
Total electricity consumption (A)	955,852	757,833
Total fuel consumption (B)	724,991	570,184
Energy consumption sources through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	1,680,843	1,328,017
From non-renewable sources (GJ)		
Total electricity consumption (D)	0	8,160
Total fuel consumption (E)	3,129,350	2,595,546
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	3,129,350	2,603,706
Total energy consumed (A+B+C+D+E+F)	4,810,193	3,931,723
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) GJ/million INR	19.82	23.42
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) GJ/million USD @ exchange rate of 83.9	0.24	0.28
Energy intensity in terms of physical Output (GJ/ton)	6.41	6.59
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).

2. Does the entity have any sites/ facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

During the period under review, your Company's total water intake was 3.23 million kilo litres.

Parameter (in Kiloliters)	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
Water withdrawal by source [in kiloliters]		
[i] Surface water	850,320	742,999
[ii] Groundwater	2,208,244	1,909,408
[iii] Third party water	174,071	147,825
[iv] Seawater/desalinated water	0	0
[v] Others	0	0

Parameter (in Kiloliters)	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
Total volume of water withdrawal [in kiloliters] i+ ii+ iii+ iv + v	3,232,635	2,800,232
Total volume of water consumption [in kiloliters]	3,232,635	2,800,232
Water intensity per rupee of turnover [Total water consumption/Revenue from operations] kiloliters/million INR	13.32	16.68
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) kilolitres/million USD @ treasury rate of 83.9	0.16	0.20
Water intensity in terms of physical Output (kiloliters/ton)	4.30	4.69
Water intensity (optional) –the relevant metric may be selected by the Entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, GTBLLP carried out reasonable assurance as per ISAE3000 (for BRSR Core). Your Company monitors water consumption and reduction as part of its operational efficiencies and sustainability initiatives. During 15 Months FY ended 31st March 2024, your Company's water intake saw an increase of 15.4% against the volume growth of 25.8% for the reporting period. Your Company has invested in 3 factories (Nanjangud, Samalkha and Moga) in water reducing/recycling projects to optimize further the ground water withdrawal enabling an overall reduction in water intensity by 8.3%.

4. Provide the following details related to water discharged:

Parameter	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	403,234	426,193
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	123,975	71,757
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
Total water discharged (in kiloliters)	527,209	497,950

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, GTBLLP carried out reasonable assurance as per ISAE3000 (for BRSR Core). Your Company monitors water consumption and reduction as part of its operational efficiencies and sustainability initiatives.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Your Company has nine factories and seven factories are zero liquid discharge factories, consuming all the treated effluent within factory for its need of process or land maintenance. All the factories are making efforts to recycle the treated process water to reduce the ground water withdrawal. During the period under review, various water saving projects were executed which resulted in a water savings of 136,213 m³. The specific water consumption reduced from 4.69 m³/ton to 4.3 m³/ton (reduction of 8.3 %).

6. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please Specify Unit	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
NO _x	kgSO _x e	383,882	319,726
Sox	kgSO _x e	1,713,246	1,427,963
Particulate Matter (PM)	NA	NA	NA
Persistent Organic Pollutants (POP)	NA	NA	NA
Volatile Organic Compounds (VOC)	NA	NA	NA
Hazardous Air Pollutants (HAP)	NA	NA	NA
Others please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No. GTBLLP carried out reasonable assurance as per ISAE3000 for the Core parameters (for BRSR Core).

Your Company monitors stack emission at all factories by certified agency of the state.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format.

Parameter	Please Specify Unit	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan to Dec 2022)
Total Scope 1 emissions [Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ if available)	Metric ton of CO ₂ Equivalent	231,324	192,678
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ if available)	Metric ton of CO ₂ Equivalent	Gross:151,936	Gross: 128,646
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	kgCO ₂ e/ million INR	1,579	1,902
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	kgCO ₂ e/ million USD @ Exchange rate of 83.9	18.8	22.7
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	kgCO ₂ e/t	510	538

Restated data for FY 2022 to align with reporting requirement

The above numbers are excluding the International Renewable Energy Certificates (IRECs) purchased for grid electricity.

Scope 2 emissions including IRECs:

15 Months FY ended 31st March 2024: Net: 0 Metric ton of CO₂ Equivalent

2022: Net: 1,571 Metric ton of CO₂ Equivalent

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000(for BRSR Core). Your Company has internal tool to monitor the GHG emission based on consumption of various fuels and power.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Your Company stresses upon measures for the conservation and optimal utilization of green-house gas emissions in all the areas of operations, including those for energy generation and effective usage of sources/ equipment used for generation. Within your Company's manufacturing locations, there are continuous efforts to improve operational efficiencies, minimizing consumption of natural resources and reducing energy & CO₂ emissions while maximizing production volumes. As a result, in 15 Months FY ended 31st March 2024 specific GHG emission reduced from 538 KgCO₂eq per ton to 510 KgCO₂eq per ton which is excluding International Renewable Energy Certificates (IRECs) purchased for electricity consumption, a reduction of 5.2%. Including IRECs, GHG emission reduced from 325 KgCO₂eq per ton to 306 KgCO₂eq per ton, a reduction of 5.85%.

During the period under review, your Company initiated a major shift in thermal energy production by moving towards biomass boilers for steam generation which reduces 107,000 tons CO₂ & shall be fully realized in coming years.

Following are the key projects initiated during in 15 Months FY ended 31st March 2024 that shall be completed in the financial year ending 31st March 2025 :

- Biomass boilers in Nanjangud and Moga.
- Replacement of Furnace Oil (FO) with Natural Gas (NG) for air heaters in Moga.

9. Provide details related to waste management by the entity, in the following format

Parameter	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2,489	2,237
E-waste (B)	75	44
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	22	14
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	297	36
Other Non-hazardous waste generated (H). Please specify, if any. [Break-up by composition i.e. by materials relevant to the sector]	76,335*	56,431*
Total [A+B + C + D + E + F + G + H]	79,218	58,762
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) kg/million INR	326	345
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) kg/million USD @ treasury rate of 83.9	3.89	4.11
Waste intensity in terms of physical output (kg/ton)	105.48	98.45
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	37,131	26,631
(ii) Reused	4,419	2,088
(iii) Other recovery operations	37,668	30,044
Total	79,218	58,763
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

**This data is inclusive of EPR pre-consumer packaging data*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000 (for BRSR Core).

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.

Your Company manages and disposes all the waste and by products complying to Central/State Pollution Control Board requirements. During the period under review, approximately 79.2 Kilo tons of waste was generated across factories. There are continuous efforts to maximize recycling and reusing of waste. The waste generated is segregated at source and sent to common collection point from where it is sent for disposal. Following are the practices we have adopted for disposal of waste:

- Bottom and fly ash from solid fuel boilers is used for brick manufacturing.
- Food waste, organic process waste (Noodles, Chocolate waste, process Floor Sweep waste) is used as animal feed.
- Sludge generated from wastewater treatment is used to make manure or disposed as per Central and State Pollution Control Board guidelines.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in following format:

S. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

Your Company's existing operations/offices comply with applicable environmental regulations and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Boards.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable Laws, in the current financial year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
			(Yes / No)	(Yes / No)	
Not Applicable					

13. Is the entity compliant with the applicable environmental Law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

Your Company's existing operations/offices comply with applicable environmental regulations and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Board/s.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters).

For each facility / plant located in areas of water stress, provide the following information: (i) Name of the area (ii) Nature of operations (iii) Water withdrawal, consumption and discharge in the following format:

Your Company uses internal tool and doing the risk assessment with corrective measure to ensure sustainable operations.

The aggregated water withdrawal, consumption and discharge in areas of water stress is given below for the reporting period of 15 months (January 2023 to March 2024) and 12 months for previous financial year (January 2022 to December 2022):

Parameter	Moga		Samalkha		Nanjangud	
	15 Months FY ended 31 st March 2024	FY 2022	15 Months FY ended 31 st March 2024	FY 2022	15 Months FY ended 31 st March 2024	FY 2022
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Water withdrawal by source (in kiloliters)						
(i) Surface water	0	0	0	0	750,368	655,483
(ii) Groundwater	755,028	636,098	490,375	413,430	0	0
(iii) Third party water	0	0	0	0	0	0
(iv) Seawater/desalinated water	0	0	0	0	0	0
(v) Others	0	0	0	0	0	0

Parameter	Moga		Samalkha		Nanjangud	
	15 Months FY ended 31 st March 2024	FY 2022	15 Months FY ended 31 st March 2024	FY 2022	15 Months FY ended 31 st March 2024	FY 2022
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Total volume of water withdrawal (in kiloliters)	755,028	636,098	490,375	413,430	750,368	655,483
Total volume of water consumption (in kiloliters)	755,028	636,098	490,375	413,430	750,368	655,483
Water intensity per rupee of turnover (Water consumed / turnover)						
Water intensity (optional) – the relevant metric may be selected by the entity (kiloliters/ton)	4.97	5.48	587	6.29	7.75	9.30
Water discharge by destination and level of treatment [in kiloliters]						
(i) Into Surface water						
- No treatment						
- With treatment - please specify level of treatment	403,234	426,193	0	0	0	0
(ii) Into Groundwater						
- No treatment						
- With treatment - please specify level of treatment	0	0	0	0	0	0
(iii) Into Seawater						
- No treatment						
- With treatment - please specify level of treatment	0	0	0	0	0	0
(iv) Sent to third parties						
- No treatment						
- With treatment - please specify level of treatment	0	0	0	0	0	0
(Others)						
- No treatment						
- With treatment - please specify level of treatment	0	0	0	0	0	0
Total water discharged [in kiloliters]	403,234	426,193	0	0	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No. GTBLLP carried out reasonable assurance as per ISAE3000 for the Core parameters (for BRSR Core).

Your Company monitors the above data for its operational efficiencies and sustainable operations.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	15 Months FY ended 31 st March 2024 (Current Financial Year)	FY 2022 Previous Financial Year
Total Scope 3 emissions [Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available]	Metric ton of CO ₂ equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives.

Your Company has undertaken a number of initiatives, and also deployed innovative technologies across its operations for improving resource efficiency and minimizing environmental impact.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Biomass for boilers in Moga and Nanjangud replacing Coal and furnace oil.	Installation of biomass boilers initiated to reduce the usage for furnace oil to produce steam which reduces GHG emission by around 33%.	Estimated reduction of the GHG emissions by around 70,000 tCO ₂ e in the Financial Year 2024-25.
2	RO Polisher for ETP treated Water at Nanjangud.	A polishing step is added after the ETP treated Water to enable the reuse of this water as cooling tower and boiler makeup.	Project savings of around total 48,000 M ³ water in the Financial Year 2024-25.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link

Yes, Company has a Business Continuity Plan (BCP) and Crisis Management Plan (CMP) designed to address the threat of disruptions to business activities or processes.

Business Continuity Planning validates the adequacy of the existing systems and processes to prevent and recover from potential threats. It ensures continuity of delivery of products or services at pre-defined acceptable levels following a disruptive incident. Comprehensive Business Continuity Plans have been made covering all facets of operations and are being tested periodically.

A detailed Business Impact Analysis (BIA) has been carried out considering various risk / threat business or otherwise including IT threats. The Risk assessment and mitigating actions plans are reviewed periodically to ensure necessary actions are in place to mitigate the risks. Your Company has BCP put in places in the critical part of its operations to ensure the operations runs smoothly.

Your Company has a Crisis Management Plan (CMP) which provides guidance to the Crisis Committee to manage crisis. The CMP addresses four stages of issue and crisis management:

Prepare: involves ensuring that relevant teams have all the personnel, resources, and tools in place to manage issues and crises quickly and easily if and when they occur.

Prevent: an ongoing process through which issues are monitored, identified, and prioritized.

Manage: outlines suggested steps during a crisis to ensure that all stakeholders have the necessary information required; and undertake the necessary actions to achieve a successful conclusion.

Improve: teams critically review the handling of the crisis and look at areas for improvement.

During the period under review, as part of governance, the Risk Management and Sustainability Initiatives (RMSI) Committee reviews the BCPs and CMPs designed for different business activities and deep dives into BCPs and CMPs of some business activities to ensure efficiencies.

Your Company regularly conducts trainings to assist members involved in crisis management in managing issues effectively and mitigating crises, including cyber-related ones.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Your Company has *Responsible Sourcing Standard* that enshrines the unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. It is shared and accepted by all supply chain partners and service providers.

Your Company, with its diverse and expanding portfolio of businesses, prioritizes embedding sustainability and building resilience in the supply chain as part of its sustainability vision. A robust process of evaluating the Suppliers and Service Providers is followed before engaging with them, proactively making them aware of the expectations/ requirements, and seeking commitment for compliance through contractual agreements. Your Company reserves the right to verify compliance with this standard at any time through appropriate audit and assessment mechanisms.

In addition to working with farmers/suppliers for ingredients sourced through sustainable agriculture practices like regenerative agriculture, working towards sustainable manufacturing, packaging in the 9 factories, your Company is also working towards sustainable logistics. The focus was on reduction in wastage, through alternative mode of transportation such as railways, usage of alternate fuel and optimizing vehicle capacity utilization. It has converted 100% fleets from diesel to CNG to deliver Delhi & Haryana customers and also introduced electric vehicles to strengthen sustainable logistics. Your Company increased usage of bigger size vehicles from 5.9% in 2019 to 10.2% during the 15 months FY ended 31st March 2024, increased usage of railways from 0% in 2019 to 6% during the 15 months FY ended 31st March 2024 and increased vehicle payload utilization from 90.3% in 2019 to 94% during the 15 months FY ended 31st March 2024.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Your Company's 96% of supply base within the scope of review were assessed for environmental impact. Your Company is guided by *Responsible Sourcing Standard* and policy on Environmental Sustainability that outlines its commitment to high standards on environment and provides the necessary framework to address the direct environmental impacts of Company's own operations as well as progressively extend the efforts to its supply chain.

Your Company's key value chain partners like third party manufacturers are encouraged to adopt practices detailed under International Standards and your Company's Environmental Sustainability policy. Contract manufacturing agreements provide for compliance with accepted standards on issues related to environment, human rights and labour practices, and third-party manufacturers are periodically assessed to ensure compliance.

Farmers constitute a major portion of the value chain, and accordingly your Company has deployed large scale programmes to address the environmental impacts across its key agri value chains. The Company is committed to increase responsibly sourced ingredients such as fresh milk, palm oil, cocoa, wheat, spices, rice and green coffee.

Principle 7

Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/associations.

Your Company's stakeholder network consists of the people whom the Company's operations impact and those who influence the activities. Stakeholder meetings, workshops and other events help deepen dialogue and develop Nestlé's understanding of important environmental, regulatory and societal issues. The interaction helps the teams build their capabilities, facilitates collective action, and promotes trust and mutual respect. Your Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance the interests of diverse stakeholders. Your Company works with major industry chambers/associations and professional bodies that are engaged in policy advocacy as well as various other forums. During the year, your Company had active affiliations with 7 such trade, industry chambers/associations and professional bodies.

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ Associations	Reach of trade and industry chambers/ associations (State/National)
1	The Associated Chambers of Commerce (ASSOCHAM)	National
2	All India Food Processors Association (AIFPA)	National
3	Confederation of Indian Industry (CII)	National
4	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
5	PHD Chamber of Commerce and Industry (PHDCCI)	National
6	Waste Efficient Collection and Recycling Efforts (WeCare)	National
7	The Institute of Company Secretaries of India (ICSI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
None	Not Applicable	Not Applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity.

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually / Half yearly/ Quarterly/ Others - please specify)	Web Link, if available
1	Your Company works on public health topics such as front of pack labelling (FOPL) with government /regulatory authorities taking into consideration interests of consumers	Your Company engaged with food authorities, industry associations for development of balanced regulations. The Company's engagement with relevant authorities is guided by the values of commitment, integrity, and transparency.	Yes	As and when required	https://fssai.gov.in/upload/uploadfiles/files/Draft_Notification_HFSS_20_09_2022.pdf
2	Your Company works on Plastic Waste Management agenda that includes compliance to the regulations (Plastic Waste Management Rules, 2016), EPR implementation strategies and sustainable packaging	Your Company engaged with government authorities (MoEFCC, & CPCB) and industry associations for development of balanced regulations. The Company's engagement with relevant authorities is guided by the values of commitment, integrity, and transparency.	Yes	As and when required	https://moef.gov.in

Principle 8

Inclusive Growth: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable Laws, in the current financial year.

S. No.	Name and details of Project	SIA Notification No.	Date of Notification	Whether conducted by external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
-	-	-	-	-	-	-

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

S. No.	Name of Project for which R&R is ongoing	State	District	No. Of Project Affected Families (PAFs)	% age of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
-	-	-	-	-	-	-

Not applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Creating Shared Value (CSV) is fundamental to how your Company does business. Your Company believes that it will be successful in the long term by creating value for both shareholders and for society. Value creation is only possible with a solid foundation of compliance and a culture of respect, as well as a firm commitment to environmental and social sustainability.

Your Company's societal initiatives are structured in a way to get feedback on the interventions and also understand if communities have any views, issues, complaints and grievances related to these interventions. Your Company's NGO partners/implementing partners for its societal initiatives also have a grievance redressal system in place through which the complaints/feedback from the communities is taken into consideration. During 2022, no grievances were brought to your Company's notice by the NGO partners. Your Company has provided a *Speak Up* platform, an independent third party operated platform where any stakeholder can lodge their grievance. All grievances are recorded, investigated and reported under the *Speak Up* system.

Detailed and structured community engagements are planned periodically to revisit the changing needs of the community and the emerging priorities feed into designing and re-designing of ongoing and new programmes.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

Your Company follows business practices that follow inclusive approach and enable the small farmers/local communities and vulnerable groups to be part of our sustainability journey. This is clearly visible in your Company's spend progression of last two years from micro/ medium enterprises and neighborhood communities.

	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan to Dec 2022)
Directly sourced from MSMEs/small producers	29%	24%
Directly from within India	91%	95%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

	15 Months FY ended 31 st March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan to Dec 2022)
Rural	1%	1%
Semi-urban	27%	28%
Urban	19%	19%
Metropolitan	53%	52%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational District	Amount spent (in INR)
Andhra Pradesh	Vizianagaram, Khammam, Vizag	The total amount spent is part of the Annual Action Plan for the year and the breakup is provided in the Annual Report on CSR activities of the Company provided under Annexure 2 of the Annual Report.
Bihar	Purnea, Katihar, Muzaffarpur, Gaya, Jamui and Khagaria	
Haryana	Nuh	
Himachal Pradesh	Chamba	
Jharkhand	Bokaro, East Singhbhum, Hazaribagh, Ranchi, Sahebganj	
Kerala	Wayanad	
Karnataka	Raichur	
Madhya Pradesh	Vidisha, Khandwa	
Maharashtra	Gadchiroli	
Meghalaya	Ri-Bhoi	
Mizoram	Mamit	
Odisha	Kalahandi, Balangir	
Punjab	Moga, Firozpur	
Rajasthan	Dhaulpur, Karoli	
Tamil Nadu	Ramanathapuram	
Telangana	Khammam	
Uttarakhand	Haridwar, Udham Singh Nagar	
Uttar Pradesh	Chitrakoot and Bahraich	

The Company in line with the provision of the Companies Act, 2013 ("the Act") sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, conducted impact assessment through an independent agency in the financial year 2022 for the applicable projects.

Your Company's flagship initiative 'Nestlé Healthy Kids Programme' that has been developed with a focus to raise nutrition awareness and active lifestyle among adolescents was assessed for Impact Assessment. The impact assessment study was carried by an external agency KPMG. Your Company's societal initiatives Project Hildaari, Project Serve Safe Food, Water and Sanitation were also assessed for impact.

3. a. **Do you have preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No):**

While there is no preferential procurement policy, your Company follows business practices that enable the small farmers to be part of its sustainability journey.

Your Company works with farming communities to ensure sustainable production in the long-term and touches the lives of over many farmers and practices a strong preference for local procurement of raw materials. In addition to collecting milk and implementing the Nestlé milk district model successfully to ensure a stable livelihood for local dairy farmers, the Company supports the development of milk farmers by

assisting them to improve milk productivity and quality through technical assistance, providing veterinary services, medicines at no profit basis and promotion of sustainable agricultural practices.

As part of the NESCAFÉ Plan, your Company trains coffee farmers to develop their agricultural practices in terms of quality, productivity and sustainability while supporting them in obtaining 4C (Common Code for the Coffee Community) certification for better coffee prices. The NESCAFÉ Plan sets out to bring about a positive and sustained change in the livelihood of coffee farmers and their families; the sustainable management of landscapes linked to the value chain; and enhanced biodiversity in coffee farms with intercropping.

The NESCAFÉ Plan has three platforms, connecting to farmers, connecting to communities and connecting to the planet, with the objective of ensuring the future of high-quality coffee, to remain available and affordable today and in the future. Your Company regularly reaches out to coffee farmers through trainings, technical assistance, medical camp and soil test activities.

As a part of The MAGGI Spice Plan, your Company sources 8 key spices from suppliers with 'Backward Integration Programs' (BIP) in place [farmer monitoring, focused on practices to ensure Maximum Residue Limit (MRL) compliance-food safety]. Supplier BIP includes field extension support for Integrated Pest Management (IPM) programmes of participating farmers e.g., daily/ weekly visits to farmer fields and data gathering. This provides a good foundation for effective action. Your Company suppliers are key partners in developing responsibly sourced supply chains of spices. Your Company has a dedicated supplier development team that works through the Nestlé – Farmer – Supplier model to create sustainable local sourcing. The team's objectives include less reliance on imports, local sourcing, supporting sustainable quality and creating a wider, more flexible supply base.

b. From which marginalised/vulnerable groups do you procure?

Your Company's *Responsible Sourcing Standard* describes the requirements and ways of working that are applied together with the suppliers to ensure the sustainable long-term supply of materials and services to Nestlé. Your Company is committed to collaborate with farmers to make them more sustainable and help build their adaptive capacity and resilience to emerging risks like climate change and water stress and other extreme weather events. It is also working towards raising awareness and work with farmers on crop quality, safety, protection, integrity and traceability, as applicable.

Your Company is committed to increase responsibly sourced ingredients such as fresh milk, palm oil, cocoa, wheat, spices, rice and green coffee.

c. What percentage of total procurement (by value) does it constitute?

Your Company engages with small, medium, and micro suppliers under MSME category. About 29% by value is sourced from MSME.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Not applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project/Programme	Number of Persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Nestlé Healthy Kids Programme (adolescents and parents)	228,900	100%
2	Project Jagriti (direct and indirect)	3,100,000	100%
3	Water	170,000	100%
4	Sanitation	49,000	100%
5	Serve Safe Food	27,000	100%
6	Project Jigyasa	9,500	100%
7	Project Hilldaari	1,100	100%
8	Project Vriddhi	18,000	100%

Your Company's key societal initiatives focus on beneficiaries belonging to vulnerable and marginalized groups, hence almost entire coverage numbers qualify to be included under 'beneficiaries from vulnerable and marginalized groups'.

Your Company operates around the mantra of creating Shared Value and is mindful of the needs of the communities around it. It not only strives to be sustainable with the community but also works to make a positive difference and create maximum value for the society. Your Company has analyzed the value chain and determined that the areas of greatest potential for joint value optimisation with society are Nutrition, Water, Education, Livelihood, Environment and Rural Development. The beneficiaries of societal initiatives from the communities belong to the under privileged sections of the society.

Principle 9

Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Your Company has a well-established consumer care and response management system in place to support our consumers with queries, feedback or concerns that they may have. The 24*7 consumer care set up ensures that your Company is not just meeting the consumer needs at the moment, but also delighting them by building authentic relationships that stand the test of time. Your Company understands that consumers may have different needs, and therefore your Company has created specialized desks with specifically trained people who can manage these requirements related to the products & services. Consumers can reach out at anytime via their preferred channels – phone, email, chat, social media, WhatsApp or website for assistance.

Your Company has adopted Nestlé's consumer contact management policy that helps to deliver a consistent consumer experience across our service channels and geography. Your Company focuses on new technologies, integration and standardization for a delightful consumer experience.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	60%*
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

*As a company, we have a large product base with different SKUs. The above figures are reported basis comprehensive review of the key products for the market.

3. Number of consumer complaints in respect of the following:

	15 Months FY ended 31 st March 2024 Jan 2023 to March 2024 (Current Financial Year)			FY 2022 Jan to Dec 2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	No Data breach incident during the reporting period	0	0	No Data breach incident reported in 2022
Advertising	0	0	No such complaint received during the reporting period	1	0	Observation of the Advertising Standards Council of India was in favour of your Company
Cyber-security	0	0	No such complaint received during the reporting period	0	0	No such complaint received during 2022

	15 Months FY ended 31 st March 2024 Jan 2023 to March 2024 (Current Financial Year)			FY 2022 Jan to Dec 2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Delivery of essential services	0	0	No such complaint received during the reporting period	0	0	No such complaint received during 2022
Restrictive Trade Practices	0	0	No such complaint received during the reporting period	0	0	No such complaint received during 2022
Unfair Trade Practices	0	0	No such complaint received during the reporting period	0	0	No such complaint received during 2022
Other*	8,376	0	No such complaint pending at the end of the reporting period	5,338	0	No such complaint pending at the end of 2022

*It includes all consumer queries, product related information & complaints, and services, received through phone, emails, chats, social media or website or Speak Up platform. All complaints are processed as per the internal policies and procedures.

4. Details of instances of product recalls on account of safety issues:

Number of Voluntary recalls	Reason for Voluntary recall	Number of Forced recalls	Reason for Forced recall
Nil	Not Applicable	Nil	Not Applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, your Company has a cyber security framework in place. In the ever evolving cyber threat landscape, your Company has framework in place that allows the organization to identify, manage & monitor risk based IT controls to protect information and systems. The 'Cyber Security Risk Framework' provides a common set of cyber risk areas to be used across the Nestlé group. Your Company has implemented Information Security Management System that helps to identify, mitigate, monitor and manage risks and controls in cyber space against cyber-attacks, threats and vulnerabilities.

Your Company respects the privacy of individuals and is committed to protect the personal data of its consumers, employees, clients, service providers and other stakeholders. As part of the global initiatives, your Company participates in the following activities:

- The Nestlé Privacy Program and maturity self-assessment;
- Privacy Impact Assessment as part of the privacy-by-design principle;
- Compulsory Data Privacy iLearn module for employees;
- Vendor Privacy Risk Assessment as part of the due diligence;
- Data Ethics as part of the Nestlé Responsible Sourcing Standard;
- Regular internal and external audits.

Your Company is committed to the ethical use of data based on its *Nestlé Corporate Business Principles*: (i) Environmental and Social Wellbeing, (ii) Transparency, (iii) Diversity, Non-Discrimination and Fairness, (iv) Privacy and Security, (v) Accountability and (vi) Technical Robustness. Your Company's commitment to data ethics is reflected in the Nestlé Data Ethics Framework.

Your Company continues to play its part in helping to protect the personal data of its consumers, employees and business partners as per applicable data protection and privacy laws in India, by way of collective actions and engagement with all relevant stakeholders to improve its standards. Your Company takes an active role in the development of the regulations, policies and programs needed to match global standards on Data Privacy and provides awareness and training sessions to the employees from time to time.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No penalty or action taken by any authority on safety of products/services around issues relating to advertising, cybersecurity and data privacy. Your Company follows global standards and industry best practices to deal with cyber security and data privacy and fully compliant with IT Act, Rules and guidelines thereof; data privacy governance basis existing case laws, guidelines and directions provided from time to time by varied authorities and committed to comply with the Digital Personal Data Protection Act, 2023. Further, cyber incidents reporting as directed by CERT-IN are in place for the organization.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches
- Percentage of data breaches involving personally identifiable information of customers
- Impact, if any, of the data breaches

No data breach has been reported during the 15 Months FY ended 31st March 2024.

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

Your Company has websites, e-retailers and on ground distribution channels (traditional & Modern trade). Active websites are listed in below table:

Products/Initiative	Link
Corporate Website	nestle.in
Brand Website	Nescafe.com/IN
Brand Website	mytoddler.in
Brand Website	nestle-cereals.com/in
Brand Website	nestleprofessional.in
Brand Website	purina.in
Brand Website	maggi.in
Brand Website	enescafe.in
Brand Website	resourcehighprotein.in
Brand Website	milkmaid.in
Brand Website	nestlehealthscience.in
Direct To Consumer Website*	Mynestle.in
Corporate Website (Service)	Asknestle.in

**For sale of products manufactured and sold in select geographies of India.*

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Your Company has a 24*7 consumer service helpline to help inform and educate our consumer on any query or feedback that they may have. All businesses of your Company comply with the regulations and relevant voluntary codes concerning marketing communications, including advertising and promotion. Your Company's communications are aimed at enabling consumers to make informed decisions. Your Company also makes efforts to educate consumers on responsible usage of its products and services.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Your Company has necessary mechanisms in place to inform consumers if any major discontinuation happens which includes information dissemination through website, stock exchange disclosures, publications and social media accounts.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products /services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, your Company provides additional information to help with consumer education and share nutrient profile and other aspects of the product for the benefit of the consumers. While there are mandatory requirements laid down by law to display product related information, your Company takes steps to provide additional information keeping consumer satisfaction and engagement as primary focus. For example, the Guideline Daily Amount (GDA) labelling system is present on front-of-pack of label which provides guidance on the daily energy intake and key defined nutrients to enable consumer to make informed choice at the time of purchase. Additionally, portion guidance is also included on labels to guide consumer on overall responsible consumption of the product as a part of their balanced lifestyle i.e. along with other foods. Your Company also includes "Do not litter" logo as a part of our social responsibility on the packs, to educate consumers. Furthermore, there are wrappers that carry information stating "Designed to be recyclable" to enable a responsible consumer and promote segregation at source.

Your Company continuously carries out consumer surveys to understand consumer feedback, product satisfaction, product preference, brand strength, usage & behavior around categories of interest across consumer segments while measuring their response and satisfaction regularly through the Company's continuous and periodic tracking studies, covering close to 111,000 consumers between the period Jan 2023 to March 2024 through a random sampling approach among target consumers.

ANNEXURE - 3B TO THE BOARD'S REPORT

Independent Practitioner's reasonable assurance report on Identified Sustainability Information in Nestle India Limited's Business Responsibility and Sustainability Report (BRSR) for the period January 2023 – March 2024

To the Board of Directors of Nestle India Limited
Gurugram, Haryana, India

1. We have been engaged to perform a reasonable assurance engagement for Nestle India Limited ('Nestle' or 'the Company') vide our engagement letter dated 10.04.2024, in respect of the agreed sustainability information listed below (the "Identified Sustainability Information") in accordance with the criteria stated below. This Identified Sustainability Information is as included in the Business Responsibility and Sustainability Report (BRSR) of the Company for the period from January 2023 – March 2024.

Identified Sustainability Information

2. The Identified Sustainability Information for the period from January 2023 to March 2024 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	<ul style="list-style-type: none"> • Total energy consumption (in Joules or multiples) and energy intensity • % of energy consumed from renewable sources • Energy intensity
Water footprint	Principle 6 – 3	<ul style="list-style-type: none"> • Total water consumption • Water consumption intensity
	Principle 6 – 4	<ul style="list-style-type: none"> • Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	Greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	<ul style="list-style-type: none"> • Details related to waste generated by the entity (category wise) • Waste intensity • Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations • For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers (including permanent and other than permanent)
	Principle 3 – 11	Safety related incidents: <ul style="list-style-type: none"> • Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) • Total recordable work-related injuries • No. of fatalities • High consequence work-related injury or ill-health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Attribute	Principle	Key Performance Indicator
Enabling Inclusive Development	Principle 8 – 4	Percentage of input material (inputs to total inputs by value) sourced from suppliers
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties

3. Boundary of the report covers Nestle's operations in India which includes the following sites selected for data review and verification:
 - (i) Corporate Office, Gurgaon
 - (ii) Branch Office at Delhi
 - (iii) Branch Office at Mumbai
 - (iv) Branch Office at Chennai
 - (v) Branch Office at Kolkata
 - (vi) Moga, Punjab
 - (vii) Choladi, Tamil Nadu
 - (viii) Nanjandud, Karnataka
 - (ix) Samalkha, Haryana
 - (x) Ponda, Goa
 - (xi) Bicholim, Goa
 - (xii) Pantnagar, Uttarakhand
 - (xiii) Tahliwal, Himachal Pradesh
 - (xiv) Sananad, Gujarat
4. Our reasonable assurance engagement is with respect to the period from 01 January 2023 to 31 March 2024 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any opinion thereon.

Criteria

5. The criteria used by the Company to prepare the Identified Sustainability Information for the period from 01 January 2023 to 31 March 2024 are the BRSR Core – 'Framework for assurance and ESG disclosures for value chain' and BRSR format, issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') read with SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023 ("SEBI Circular") and the Guidance note for BRSR read with National Guidelines for Responsible Business Conduct Issued by Ministry of Corporate Affairs ("BRSR Framework") (hereinafter referred to as 'Criteria').

Management's Responsibilities

6. The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

7. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Auditor's Independence and Quality Control

8. We are independent of the Company and have fulfilled our other ethical responsibilities in accordance with the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants' ('IESBA') and have the required competencies and experience to conduct this assurance engagement.
9. Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

10. Our responsibility is to express a reasonable assurance in the form of an opinion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information are prepared, in all material respects, in accordance with the Criteria.
11. A reasonable assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.
12. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.
13. Given the circumstances of the engagement, in performing the procedures listed above, we:
 - Visited the corporate office at Gurugram and a manufacturing facility at Moga, Punjab for data and document verification;
 - Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
 - Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
 - Evaluated the suitability and application of Criteria and that the Criteria have been applied appropriately to the subject matter.
 - Selected key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
 - Re-performed calculations to check accuracy of claims,
 - Reviewed data from independent sources, wherever available,
 - Reviewed data, information about sustainability performance indicators and statements in the report.

- Reviewed and verified information/ data as per the BRSR framework;
- Reviewed accuracy, transparency and completeness of the information/ data provided;

Exclusions:

14. Our reasonable assurance engagement scope excludes the following and therefore we do not express an opinion on the same:
 - Any disclosure other than those mentioned in the Scope section above
 - Data and information outside the defined reporting period
 - Data related to Company's financial performance, strategy and other related linkages expressed in the Report.
 - The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
 - Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Opinion

15. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information included in the BRSR for the period from 01 January 2023 to 31 March 2024 is prepared in all material respects, in accordance with the Criteria.

Restriction on use

16. Our reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, the Assurance Statement may not be suitable for any other purpose and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom the assurance report is shown or into whose hands it may come without our prior consent in writing.

Grant Thornton Bharat LLP

Abhishek Tripathi

Partner

Dated: 25th April, 2024

Place: Grant Thornton Bharat LLP

Plot No. 19A, 2nd Floor, Sector – 16A,

Noida - 201301,

Uttar Pradesh, India

Annexure to the reasonable assurance report on BRSR Core

Final BRSR Core – Jan 2023 to March 2024

Principle 6. Question 7 of Essential Indicators

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric ton of CO ₂ Equivalent	231,324	192,678
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric ton of CO ₂ Equivalent	Gross: 151,936	Gross: 128,646
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	kgCO ₂ e/ million NR	1,579	1,902
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	kgCO ₂ e/ million USD @ treasury rate of 83.9	18.8	22.7
Total Scope 1 and Scope 2 emission intensity in terms of physical output	kgCO ₂ e/t	510	538
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Restated data for FY 2022 to align with reporting requirement.

The above numbers are excluding the International Renewable Energy Certificates (IRECs) purchased for grid electricity.

The Scope2 emissions including IRECs:

2023-2024: Net: 0 Metric ton of CO₂Equivalent

2022: Net: 1,571 Metric ton of CO₂Equivalent

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	850,320	742,999
(ii) Groundwater	2,208,244	1,909,408
(iii) Third party water	174,071	147,825
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal(in kilolitres) (i + ii + iii + iv + v)	3,232,635	2,800,232

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Total volume of water consumption (in kilolitres)	3,232,635	2,800,232
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) kilolitres/million INR	13.32	16.68
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) kilolitres/million USD @ treasury rate of 83.9	0.16	0.20
Water intensity in terms of physical output - Kiloliters/ton	4.30	4.69
Water intensity (optional) – the relevant metric may be selected by the entity		

4. Provide the following details related to water discharged:

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	403,234	426,193
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	123,975	71,757
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
Total water discharged (in kilolitres)	527,209	497,950

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000.

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	955,852	757,833
Total fuel consumption (B)	724,991	570,184
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	1,680,843	1,328,018
From non-renewable sources		
Total electricity consumption (D)	0	8,160
Total fuel consumption (E)	3,129,350	2,595,546
Energy consumption through other sources (F)	0	0
Total energy consumed from non - renewable sources (D+E+F)	3,129,350	2,603,706
Total energy consumed (A+B+C+D+E+F)	4,810,193	3,931,723

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) GJ/million INR	19.82	23.42
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) GJ/million USD @ treasury rate of 83.9	0.24	0.28
Energy intensity in terms of physical Output GJ/ton	6.41	6.59
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Total Waste generated (in metric tons)		
Plastic waste (A)	2,489	2,237
E-waste (B)	75	44
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	22	14
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	297	36
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	76,335*	56,431*
Total (A+B + C + D + E + F + G + H)	79,218	58,762
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) kg/million INR	326	345
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) kg/million USD @ treasury rate of 83.9	3.89	4.11
Waste intensity in terms of physical output (kg/ton)	105.48	98.45
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or		
other recovery operations (in metric ton)		
Category of waste		
(i) Recycled	37,131	26,631
(ii) Re-used	4,419	2,088
(iii) Other recovery operations	37,668	30,044
Total	79,218	58,763
For each category of waste generated, total waste disposed by nature of disposal method (in		
metric ton)		
Category of waste		
(i) Incineration with energy recovery	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total		

*This data is inclusive of EPR pre-consumer packaging data

Principle 3 Question 1c)

1.c). Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the company	0.13%	0.13%

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.17	0.72
	Workers	0.21	0.33
Total recordable work-related injuries	Employees	13	15
	Workers	21	11
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	3	1

*Including in the contract workforce

Principle 5.

3).b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Gross wages paid to females as % of total wages	15%	13%

7). Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	6	1
Complaints on POSH as a % of female employees / workers	0.3%	0.1%
Complaints on POSH upheld	6	1

Principle 8.**4) Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Directly sourced from MSMEs/ small Producers	29%	24%
Directly from within India	91%	95%

5) Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Rural	1%	1%
Semi-urban	27%	28%
Urban	19%	19%
Metropolitan	53%	52%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Principle 9.**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches :0
- b. Percentage of data breaches involving personally identifiable information of customers: 0
- c. Impact, if any, of the data breaches: 0

Principle 1.**8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Number of days of accounts payables	75	87

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	15%	12%
	b. Number of trading houses where purchases are made from	15	15
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	96%	88%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	100%	100%
	b. Number of dealers / distributors to whom sales are made	2122*	2030*
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	15.0%	14.3%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.4%	2.4%
	b. Sales (Sales to related parties / Total Sales)	2.4%	2.4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	0	0

*(including GT, Chilled, NHS, OT Indirect, NP)

ANNEXURE - 4 TO THE BOARD'S REPORT

FORM NO. MR – 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR FROM 1ST JANUARY 2023 TO 31ST MARCH 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Nestlé India Limited

CIN: L15202DL1959PLC003786

100/101, World Trade Centre, Barakhamba Lane, New Delhi -110001

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Nestlé India Limited** (hereinafter called 'the Company') for the **Financial Year from 1st January 2023 to 31st March 2024**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year from 1st January 2023 to 31st March 2024** complied with statutory provisions listed hereunder and also, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year from 1st January 2023 to 31st March 2024** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there were no reportable events during the financial year under review.**
- (v) The following Regulations and Guidelines prescribed under the **Securities and Exchange Board of India Act, 1992 ('SEBI Act')**:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable as the Company has not issued any shares during the year under review;**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – **Not applicable as the Company has not issued any shares/ options to directors/ employees during the year under review;**
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; – **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review;**
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable as the Company has not delisted/ proposed to delist its equity shares during the year under review;**
 - g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 – **Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review; and**
 - h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **Not Applicable as the Company has not issued and listed Non-convertible securities during the financial year under review.**

- (vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:
- Food Safety and Standards Act, 2006, rules and regulations thereunder;
 - Legal Metrology Act, 2009, rules and regulations thereunder;
 - Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 and rules thereunder (Local Infant Code);
 - Bureau of Indian Standards (BIS) Act, 2016;

We have also examined compliance with the applicable clauses/ regulations of the following:

- Secretarial Standards with respect to Meetings of Board of Directors (**SS-1**) and General Meetings (**SS-2**) issued by the Institute of Company Secretaries of India;
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into with the BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards etc. mentioned above.

We report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including Women Directors. The changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance before the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that during the review period, following events/action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

- The equity shares of the Company were listed and admitted to dealing on National Stock Exchange of India Limited (NSE) with effect from 1st August 2023;
- The Board of Directors in its meeting held on 27th July 2023 approved the change of financial year of Company to a period commencing from 1st April and ending on 31st March of the following year. Consequently, the current financial year commencing from 1st January 2023 to 31st December 2023 was extended for a period of 3 months to end on 31st March 2024;
- The Scheme of Arrangement between the Company and its members under the provisions of Sections 230-232 of the Companies Act, 2013 for transfer of entire balance of ₹ 8,374.3 million, standing to the credit of General Reserves to Retained Earnings of the Company, approved by Board of Directors and the Members of the Company, received approval of the National Company Law Tribunal on 15th September 2023; and
- Subsequent to the approval of the members of the Company, by means of Postal Ballot on 8th December 2023 for the sub-division of 1 (One) fully paid-up equity share of face value of ₹ 10/- (Rupees Ten only) each into 10 (Ten) fully paid-up equity shares of face value of ₹ 1/- (Rupee one only) each, the said sub-division was implemented on 5th January 2024.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian

Founding Partner

FCS: 4206 I COP No. : 1774

ICSI UDIN: F004206F000232412

Date: 25th April 2024

Place: Thane

To,
The Members,
Nestlé India Limited
CIN: L15202DL1959PLC003786
100/101, World Trade Centre, Barakhamba Lane, New Delhi -110001

Our Secretarial Audit Report for the financial year from **1st January 2023 to 31st March 2024** of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian

Founding Partner
FCS: 4206 I COP No. : 1774
ICSI UDIN: F004206F000232412

Date: 25th April 2024
Place: Thane

ANNEXURE - 5 TO THE BOARD'S REPORT

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of the Board's Report for the fifteen months financial year ended 31st March 2024:

A CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of energy:

Your Company continued to accelerate its sustainability efforts during the fifteen months financial year ended 31st March 2024, even though it was challenging year. Keeping people safe and ensuring consumers have access to the Company's foods and beverages has remained central to your Company's activities across the country. As part of long-term sustainability, your Company ensures that the products, packaging and operations are safe for employees, consumers and the environment. Your Company ensures this with a focus on technologies, processes and improvements that matter for the environment. At Nestlé, sustainability inspires and guides everything your Company does. Moreover, your Company gives highest priority to ensure environmental friendly practices at all factories and offices. These include reduction in power consumption, optimal water consumption, switching to green energy, eliminating excess use of paper and using eco-friendly products.

As in the past, your Company continued to stress upon measures for the conservation and optimal utilisation of energy in all the areas of operations, including those for energy generation and effective usage of sources/equipment used for generation. Within your Company, there are continuous efforts towards improving operational efficiencies, minimizing consumption of natural resources and reducing water, energy & CO₂ emissions while maximizing production volumes.

Your Company has scaled up renewable energy projects across all factories resulting in reduction of emission intensity by 55.9% in last six years (vs 2018 baseline). It has installed biomass boilers in Nanjangud, Moga and Sanand factories for steam generation reducing GHG (Green House Gases) emissions. Your Company has also eliminated usage of coal from eight factories.

Your Company has taken a significant step towards water conservation projects across all factories reducing the water withdrawal intensity by 27.4% vs 2018 baseline. Your Company is harnessing technology and leveraging digital infrastructure to have strong governance on water consumption. Over the years, there has been a huge focus on the reuse and recycle of water within factory, for e.g. recycle of water extracted from milk evaporation has helped to reduce ground water consumption.

At the factories, there has been continuous efforts to minimize consumption of natural resources and water usage, reduction in energy and CO₂ emissions while maximizing production volumes. Over the last 15 years (~2008 - 2024) on an average, for every ton of production, your Company reduced the usage of energy by around 29%, water usage by around 46% generation of wastewater by around 60% and specific direct Green House Gas emissions by 61%.

During the period under review, various energy reduction projects were undertaken by the factories of your Company which will result in substantial annualized savings of approximately 50,000 Gigajoules ("GJ") and expected to be realized in coming years. Some of the projects undertaken at different factory locations include flash steam heat recovery from condensate; automation of burners in boiler operations; steam consumption optimization in steamers; electricity consumption optimization; optimization of compressed air operations.

During the period under review, your Company continued to manage water resources by improving efficiencies and helping to restore natural resources by water reduction projects initiated in different factory locations. These initiatives resulted in reduction in water consumption and reuse of recycled water in a more efficient manner. The projects undertaken will result in savings of approximately 125,000 m³ and expected to be realized in the coming years. One of the key initiatives contributing to water savings during the fifteen months period ended 31st March 2024 was increasing the utilization of treated effluent after polishing through high technology Reverse Osmosis plant. Your Company will continue to work to achieve good water resources management throughout operations. Your Company is supporting regenerative farming that aims to improve soil health and soil fertility, as well as protecting water resources and diversity.

(b) Additional Investment:

Your Company has been making investments over last many years on energy conservation equipment and to utilize alternate source of energy. Some of the proposals, which are initiated for implementation during the fifteen months financial year ended 31st March 2024 in different factory locations are as hereunder:

- Use of biomass for steam generation;
- Investment in improving plant efficiencies for generation as well as usage;
- Investment in the solar energy by entering into Solar Power Purchase Agreement (PPA);
- Investment in second stage Reverse Osmosis plant to increase recovery; and
- Investment in other renewable energy sources and heat recovery projects.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

During the years, at the factories there have been continuous efforts to improve operational efficiencies, minimizing consumption of natural resources and reducing water, energy and CO₂ emissions while maximizing production volumes.

As a result, during the period under review, the specific energy consumption reduced from 6.59 GJ/ton to 6.36 GJ/ton (reduction of 3.34 %) and specific GHG emission reduced from 325 Kg CO₂ eq per ton to 306 Kg CO₂ eq per ton (reduction of 5.85 %). These GHG emission intensity includes the benefit of purchase of International renewable certificates.

During the period under review, your Company initiated a major shift in thermal energy production by moving towards biomass boilers for steam generation which helps reduce 120,000 tons CO₂ & shall be fully realized in coming years. Following are the significant projects initiated during the period under review and progress to be completed by 2024-25:

- Biomass boilers in Nanjangud and Moga.
- Replacement of furnace oil with natural gas for air heaters in Moga.

(d) Projects planned or initiated for further improvement in energy and water consumption are: Continuous Energy initiatives in different factory locations:

- Plant efficiency improvement for generation as well as usage; and
- Digital tools to optimize compressed air, steam consumptions.

Continuous Water Initiatives in different factory locations:

- Investment in second stage Reverse Osmosis plant to increase recovery; and
- Increase recycling of Effluent Treatment after polishing through RO plant.

Continuous Initiatives to reduce GHG emissions in different factory locations:

The Company plans to reduce around 120,000 Tons of GHG in next two to three years. Some of the key renewable energy projects that contributed to reduction in GHG emissions are:

- Use of biomass for steam generation.
- Replace furnace oil with natural gas for air heaters.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are furnished below:

Research and Development (R&D):

1. Specific areas in which R&D carried out by the Company

Your Company, as a part of Nestlé Group and under the General Licence Agreements, has access to and advantage of drawing from the extensive central R&D efforts and activities of the Nestlé Group. The R&D organization of Nestlé Group has over 4000 R&D experts across more than 23 facilities worldwide and Nestlé

Group invests over CHF 1.7 billion every year. It is uniquely placed to advance purpose driven innovation across all product categories of your Company or elsewhere around the world. R&D organisation has an extensive infrastructure and state-of-the-art facilities along with broad and deep expertise in plant science, food science, nutrition, food safety, culinary matters, regulatory matters, manufacturing and packaging.

Nestlé Group, therefore, provides an access to its unique ability to discover, develop, innovate and renovate products and solution that are produced with careful consideration for natural resources and social impacts, contributing towards advancing re-generative food systems at scale while ensuring quality and safety of products.

It has therefore been possible for your Company to focus its efforts on testing and modification of products for local conditions. Improving and maintaining the quality of certain key raw materials also continued to receive close attention.

2. *Benefits derived as a result of the above R&D*

The ability to leverage the R&D expertise and knowledge of Nestlé Group, has helped your Company to innovate and renovate, manufacture high quality and safe products, improve yields, input substitution and achieve more efficient operations. Consequently, the consumers perceive the products of your Company as a high value for their money.

3. *Future plan of action*

Steps are continuously being taken for innovation and renovation of products including new product development, faster introduction of new products in the market, improvement of packaging and enhancement of product quality/ profile, to offer better products at relatively affordable prices to the consumers.

4. *Expenditure on R&D*

Your Company benefits from the extensive centralised R&D activity and expenditure of the Nestlé Group, at an annual outlay of over CHF 1.7 billion. Expenditure incurred by the Company, in the nature of R&D are primarily relating to testing and modifying of products for local conditions, are as under:

	(₹ in millions)
a) Capital	75.6
b) Recurring	402.2
c) Total	477.8
d) Total as a percentage of total turnover	0.28%

Your Company saves significant amount of R&D expenditure by having access to and advantage of drawing from the extensive central R&D efforts and activities of the Nestlé Group under the General Licence Agreements.

Technology absorption:

1. *Efforts, in brief, made towards technology absorption*

As a result of the Company's ongoing access to the global technology from Nestlé Group, Switzerland, your Company absorbs and adapts the technologies on a continuous basis to meet its specific needs from time to time.

2. *Benefits derived as a result of the above efforts*

Product innovation and renovation, improvement in yield, product quality, input substitution, cost effectiveness, energy conservation and product developed and produced with careful consideration for natural resources and social impacts, contributing towards advancing re-generative food systems at scale, are the some of the major benefits derived.

3. *Imported Technology*

All the food products manufactured and/ or sold by the Company are by virtue of the imported technology received on an ongoing basis from the Nestlé Group. Technology transfer has to be an ongoing process and not a one-time exercise, for the Company to remain competitive and offer high quality and value for money products to the consumers. This has been secured by your Company under the General Licence Agreements

with Nestlé Group and provides access for licence to use the technology and improvements thereof, for the product categories, manufactured/ sold by the Company, on a continuous basis.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to exports; initiatives taken to improve the exports; development of new export market for products and export plans:

Members are requested to refer page no. 15 which forms an integral part of this Report.

(b) Total foreign exchange used and earned:

During the year under review, your Company had earnings from exports of ₹ 9,748.6 million comprising foreign exchange earnings of ₹ 6,216.9 million and export to Nepal and Bhutan in Rupees amounting to ₹ 3,531.7 million.

Foreign exchange outgo of ₹ 46,923.7 million: on account of imports, expenditure on travelling, general licence fees, etc. and remittances made to non-resident shareholders on account of dividend.

On behalf of the Board of Directors

Suresh Narayanan

Chairman and Managing Director

Date : 25th April 2024

Place : Gurugram

ANNEXURE - 6 TO THE BOARD'S REPORT

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The ratio of the remuneration of each director[#] to the median remuneration of the employees of the Company for the fifteen months financial year ended 31st March 2024:

Name of Director	Designation	Ratio to median remuneration of the employees*
Mr. Suresh Narayanan	Chairman and Managing Director	133:1
Ms. Svetlana Boldina ^A	Executive Director - Finance & Control and CFO	44:1
Mr. Satish Srinivasan ^B	Executive Director -Technical	Not Comparable

*Employees for the above purpose includes all employees excluding employees governed under collective bargaining.

^A Appointed w.e.f. 1st March 2023.

^B Appointed w.e.f. 1st July 2023.

[#] The details with regard to Independent Non-Executive Directors are not applicable as they have not received any remuneration except sitting fees for attending Board/ Committee meetings and commission.

- ii. The % increase in remuneration of each director[#], Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the fifteen months financial year ended 31st March 2024:

Name of Employee	Designation	% increase in remuneration [@]
Mr. Suresh Narayanan	Chairman and Managing Director	16%
Ms. Svetlana Boldina ^A	Executive Director - Finance & Control and CFO	Not Comparable
Mr. Satish Srinivasan ^B	Executive Director -Technical	Not Comparable
Mr. Pramod Kumar Rai	Company Secretary and Compliance Officer	12%

[#] The details with regard to Independent Non-Executive Directors are not applicable as they have not received any remuneration except sitting fees for attending Board/ Committee meetings and commission.

^A Appointed w.e.f. 1st March 2023.

^B Appointed w.e.f. 1st July 2023.

[@]The Company's financial year has been extended upto 31st March 2024 i.e. commencing from 1st January 2023 to 31st March 2024 (a period of 15 months), the percentage increase in the remuneration, wherever mentioned, has been indicated on a 12-months basis, to make it comparable.

- iii. The % increase in the median remuneration of employees in the fifteen months financial year ended 31st March 2024: 12%
- iv. The number of permanent employees on the rolls of the Company: 8,736
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The median percentage increase made in the salaries of employees other than the managerial personnel was 12%. The increases are a function of the Company's market competitiveness within its comparator group as ascertained through the detailed salary benchmarking survey the Company undertakes annually and reflects the Company's reward philosophy.
- vi. The key parameters for any variable component of remuneration availed by the directors: Variable Component is a critical element of Total Rewards and delivers value for employees who deliver tangible results for the business, against agreed targets. Employees including key managerial personnel, annual short-term bonus is linked to both Company and Individual Performance.
- vii. It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors

Date : 25th April 2024
Place : Gurugram

Suresh Narayanan
Chairman and Managing Director