



Minutes of the 38th Annual General Meeting (“AGM”) of Nestlé (Malaysia) Berhad (“the Company”) held on a virtual basis through live streaming from the broadcast venue at Level 22, 1 Powerhouse, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 28 April 2022 at 10.00 a.m.

Members of the Board of Directors present at broadcast venue:

1. YAM Tan Sri Dato' Seri Syed Anwar Jamalullail) Chairman
(*Non-Independent, Non-Executive Director*)
2. Chin Kwai Fatt) Member
(*Independent, Non-Executive Director*)
3. Dato' Hamidah Naziadin) Member
(*Independent, Non-Executive Director*)
4. Datin Sri Azlin Arshad) Member
(*Independent, Non-Executive Director*)
5. YM Dr. Tunku Alina Raja Muhd. Alias) Member
(*Independent, Non-Executive Director*)
6. Juan Jose Aranols) Member
(*Non-Independent, Executive Director*)
7. Craig Grant Connolly) Member
(*Non-Independent, Executive Director*)

In attendance:

Tengku Ida Adura Tengku Ismail
(*Company Secretary*)
Present at broadcast venue



Attendance of Shareholders:

- 1. The number of shareholders who participated in the virtual meeting at its commencement of meeting was 161, and the total number of shareholders who had at any point of time participated in the virtual meeting was 551.**
- 2. The number of proxies received appointing the Chairman was 470, representing 16,964,160 shares.**
- 3. There were corporate representatives present, amongst others, from:-**
 - Sociétés des Produits Nestlé S.A. represented by Mr. Juan Aranols;**
 - Minority Shareholder Watch Group (“MSWG”) represented by Mr. Norhisam Sidek; and**
 - Employees Provident Fund (“EPF”) represented by Mr. Chung Yue Han.**

The Company Secretary shared that the meeting was conducted virtually from the broadcast venue at Level 22, 1 Powerhouse, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia. It was announced that the attendance of the AGM was restricted to the shareholders and authorised representatives of corporate shareholders who had registered to join the meeting remotely. The Company Secretary informed that as the discussion in the AGM was deemed confidential and only for the knowledge of relevant parties, and any visual or audio recording was prohibited, unless prior written consent was obtained. Attendees were briefed that the Company had taken all efforts and tried its best to ensure a smooth live streaming but that the quality of the broadcast for the attendees may be affected by their own internet bandwidth connection and stability.

1. Chairman of Meeting

YAM Tan Sri Dato' Seri Syed Anwar Jamalullail (“Tan Sri Chairman”), being the Chairman of Nestlé (Malaysia) Berhad, was in the chair and commenced the proceedings of the 38th AGM of the Company.

Tan Sri Chairman thanked the shareholders, the proxies and members of the management team of the Company for participating remotely from various locations through live streaming. Tan Sri Chairman informed that the broadcast venue was to facilitate the meeting and the Company was guided by the Guidance and Frequently Asked Questions (“FAQs”) on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission (“SC”). Next, Tan Sri Chairman proceeded to introduce the members of the Board of Directors (“the Board”) and the Company Secretary who were seated with him at the broadcast venue. The External Auditors for the financial year ended 31 December 2021, Messrs. Ernst & Young PLT as represented by its partner, Mr. Ng Kim Ling, was present via video conference.



2. Quorum

The Company Secretary confirmed that quorum was present, i.e. at least two (2) members inclusive of those who have logged in at the start of the meeting, by proxy or representatives (for corporations), representing not less than one-third of the issued shares of the Company.

Mr. Juan Aranols was appointed as the proxy for Sociétés des Produits Nestlé S.A. which represented 170,276,563 ordinary shares equivalent to 72.61% of the equity of the Company and the shareholders holding 211,372,238 shares have lodged their proxies within the stipulated time. The holders of 17,600,676 shares have appointed the Chairman to be their proxy. The proxies for these ordinary shares held an equivalent of 90.14% of the equity of the Company.

As the requisite quorum was present, the meeting was called to order.

3. Presentation of the Annual Report 2021

Tan Sri Chairman presented to the shareholders the Annual Report 2021 and read out the Chairman's Message, annexed hereto and marked as "**Annexure A**".

4. Presentation on the Company's Performance

Tan Sri Chairman proceeded with the business of the meeting by inviting Mr. Juan Aranols, the Chief Executive Officer of the Company, to present to the shareholders the Company's performance for the financial year ended 2021.

Mr. Juan Aranols presented the Company's performance for the financial year ended 2021, which amongst others covered the following areas:

1. Covid-19 initiatives, challenges and expenses;
2. The Company's growth;
3. Strengthening the Company's foundations and commitments to Malaysia;
4. Key activities of the Company;
5. Challenges faced by the Company;
6. New product launches;
7. Financial Highlights of the Company; and
8. Sustainability.



The Chairman thanked the Mr. Juan Aranols for his presentation and proceeded with the Agenda of the AGM.

5. Notice of Annual General Meeting

The Notice of AGM dated 28 March 2022, together with the Annual Report for the financial year ended 31 December 2021 having been circulated within the statutory period, was taken as read.

Tan Sri Chairman informed that the AGM was the principal forum for dialogue with shareholders and invited shareholders to raise any questions they had regarding the items on the agenda or on the proposed resolutions to be tabled at the AGM. The Company Secretary thereafter explained how questions may be raised during the meeting.

The Company Secretary next informed that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, any resolution contained in the notice of any general meeting shall be voted on by poll which would be conducted electronically via the Remote Participation and Electronic Voting (“RPEV”) facility provided by Boardroom Share Registrars Sdn. Bhd., the appointed poll administrators. Coopers Professional Scrutineers Sdn. Bhd. had been appointed as the independent scrutineers to validate the casted votes.

Shareholders were informed that voting on the resolutions could be done at any time throughout the meeting until the closure of the voting session. The process of how voting could be done using the RPEV facility and the hotline number for support was shared.

The Chairman then presented the agenda of the AGM as follows:

AS ORDINARY BUSINESS

Agenda 1

To receive the statutory financial statements for the financial year ended 31 December 2021 and the Directors’ and Auditors’ reports thereon.

The Audited Financial Statements of the Company for the financial year ended 31 December 2021 and the Directors’ and Auditors’ reports were tabled pursuant to Section 340(1) of the Companies Act 2016. The audited financial statements were for discussion only and were not required to be put to vote. It was declared that the Audited Financial Statements for the financial year ended 31 December 2021, together with the Directors’ and Auditors’ reports thereon were properly laid before the AGM.

Agenda 2

Resolution 1:

To re-elect YAM Tan Sri Dato' Seri Syed Anwar Jamalullail as a Director of the Company in accordance with Article 97.1 of the Constitution of the Company

Tan Sri Chairman invited, the Company Secretary to table the resolution for the re-election of Tan Sri Chairman who was retiring in accordance with Article 97.1 of the Constitution of the Company. The Company Secretary confirmed that YAM Tan Sri Dato' Seri Syed Anwar Jamalullail had indicated his willingness to be re-elected.

She then informed that YAM Tan Sri Dato' Seri Syed Anwar Jamalullail would abstain from voting on the resolution. However, he would vote in his capacity as a proxy in accordance with instructions received from the non-interested shareholders of the Company who had appointed him as their proxy.

Resolution 2:

To re-elect Craig Connolly as a Director of the Company in accordance with Article 106 of the Constitution of the Company:

Tan Sri Chairman then tabled the next item which was for the re-election of Mr. Craig Connolly who was retiring in accordance with Article 97.1 of the Constitution of the Company. Tan Sri Chairman shared that Mr. Craig Connolly had confirmed his willingness to be re-elected.

Agenda 3

Resolution 3

To re-elect Chin Kwai Fatt as a Director of the Company in accordance with Article 106 of the Constitution of the Company:

Tan Sri Chairman then tabled the motion for the re-election of Mr. Chin Kwai Fatt who was retiring in accordance with Article 106 of the Constitution of the Company. Tan Sri Chairman shared that Mr. Chin Kwai Fatt had indicated his willingness to be re-elected.

Resolution 4:

To re-elect YM Dr. Tunku Alina Raja Muhd. Alias as a Director of the Company in accordance with Article 106 of the Constitution of the Company:

Tan Sri Chairman next tabled the motion for the re-election of YM Dr. Tunku Alina Raja Muhd. Alias who was retiring in accordance with Article 106 of the Constitution of the Company. Tan Sri Chairman shared that YM Dr. Tunku Alina Raja Muhd. Alias had indicated her willingness to be re-elected.



Agenda 4

Resolution 5:

To re-appoint Ernst & Young PLT (Firm No. 202006000003 (LLP0022760-LCA) & AF 0039) as Auditors of the Company and to authorise the Directors to fix their remuneration.

Tan Sri Chairman tabled the next item on the agenda which was on the re-appointment of Messrs. Ernst & Young PLT (Firm No. 202006000003 (LLP0022760-LCA) & AF 0039) as auditors of the Company and to authorise the Directors to fix their remuneration.

He informed that the Board of Directors had approved the recommendation by the Audit Committee to re-appoint Messrs. Ernst & Young PLT as auditors of the Company. Both the Board of Directors and Audit Committee have agreed that the re-appointment of Messrs. Ernst & Young PLT as auditors of the Company fulfilled the criteria as laid out in Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AS SPECIAL BUSINESS

Agenda 5

Resolution 6:

To approve the payment of Non-Executive Director's Fees of RM1,193,580 for the financial year ended 31 December 2021.

The motion for the payment of Non-Executive Director's fees amounting to RM1,193,580 for the financial year ended 31 December 2021 was tabled to the shareholders.

The Company Secretary then informed that Tan Sri Chairman would abstain from voting on this item of the agenda as he is personally interested in the motion. However, he would vote in his capacity as a proxy in accordance with the instructions received from non-interested shareholders who had appointed him as their proxy.

Resolution 7:

To approve the payment of Non-Executive Director's Benefits of RM150,000 for the financial period from 1 July 2022 to 30 June 2023.

Next the motion for the payment of Director's benefits amounting to RM150,000 for the financial period from 1 July 2022 to 30 June 2023 was tabled.

The Company Secretary informed the shareholders that Tan Sri Chairman as an interested person in relation to this motion would abstain from voting on this item of the agenda. However, he would vote in his capacity as a proxy in accordance with the instructions received from non-interested shareholders who had appointed him as their proxy.

Agenda 6

Resolution 8:

Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature, as set out under Section 2.3(a) of the Circular to Shareholders dated 28 March 2022.

The motion for the proposed renewal of Shareholders' Mandate and new Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature as set out under Section 2.3(a) of the Circular to Shareholders dated 28 March 2022 accompanying the Company's Annual Report for the financial year ended 31 December 2021 was tabled. This motion if passed, would allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature.

Agenda 7

To transact any other business of which due notice shall have been given.

It was announced that no notice had been received for any other business to be transacted at the AGM.

6. Questions & Answers

Tan Sri Chairman informed that the Company had received questions from MSWG and invited the Company Secretary to share the questions from MSWG together with the Company's responses. The Company Secretary read out the questions and the Company's responses that were presented on the screen at the meeting.

The Company had also received questions from shareholders/proxies prior to the AGM which were submitted via the RPEV platform, and during the AGM. The questions received would be answered but not in any particular sequence according to the agenda. Shareholders had been informed earlier that questions received would be moderated and may be summarised to avoid repetition or similar questions. It was also informed that in the event the questions could not be answered during the available time, the questions would be answered by email at the earliest possible opportunity after the meeting.

Mr. Juan Aranols was invited to respond to the questions received from shareholders/proxies prior to the AGM and during the AGM via the chat box. Questions posed by shareholders/proxies were also made visible during the meeting.

A summary of questions by MSWG and the shareholders/proxies together with the summarised responses by the Company is annexed hereto and marked as "Annexure-B".

After the questions had been addressed, the meeting proceeded to vote and thereafter the meeting was adjourned for the counting of the votes. It was noted that the Company had also shared the other questions posed by shareholders/proxies via the chat box which were repetitive in nature.

7. Announcement of Poll Result

At 11.33 a.m., Tan Sri Chairman reconvened the meeting for the declaration of poll results which have been verified by the independent scrutineers, as follows:-

Resolution	Vote For		Vote Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1	180,420,321	85.2994	31,093,762	14.7006	211,514,083	100.000
2	211,183,128	99.8432	331,755	0.1568	211,514,883	100.000
3	211,289,328	99.8934	225,555	0.1066	211,514,883	100.000
4	211,210,743	99.8562	304,100	0.1438	211,514,883	100.000
5	210,773,577	99.6495	741,306	0.3505	211,514,883	100.000
6	211,464,527	99.9879	25,655	0.0121	211,490,182	100.000
7	211,459,013	99.9874	26,570	0.0126	211,485,583	100.000
8	41,220,576	99.9589	16,944	0.0411	41,237,520	100.000

Based on the poll results, Tan Sri Chairman declared that all motions tabled at the AGM were carried.

It was RESOLVED as follows:-

Resolution 1

THAT YAM Tan Sri Dato' Seri Syed Anwar Jamalullail, the Director retiring in accordance with Article 97.1 of the Constitution of the Company, be hereby re-elected as Director of the Company.

Resolution 2

THAT Craig Connolly, the Director retiring in accordance with Article 97.1 of the Constitution of the Company, be hereby re-elected as Director of the Company.

Resolution 3

THAT Chin Kwai Fatt, the Director retiring in accordance with Article 106 of the Constitution of the Company, be hereby re-elected as Director of the Company.



Resolution 4

THAT YM Dr. Tunku Alina Raja Muhd. Alias, the Director retiring in accordance with Article 106 of the Constitution of the Company, be hereby re-elected as Director of the Company.

Resolution 5

THAT Ernst & Young PLT (Firm No. 202006000003 (LLP0022760-LCA) & AF 0039) be hereby re-appointed as the Auditors of the Company and to hold office until the conclusion of the next AGM of the Company, and for the Directors to fix their remuneration.

Resolution 6

THAT the payment of Non-Executive Directors' Fees amounting to RM1,193,580 for the financial year ended 31 December 2021 be hereby approved.

Resolution 7

THAT the payment of Non-Executive Directors' Benefits amounting to RM150,000 for the financial period from 1 July 2022 to 30 June 2023 be hereby approved.

Resolution 8

THAT approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 28 April 2021 and new shareholders' mandate pursuant to paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, authorising the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(a) of the Circular to Shareholders dated 28 March 2022 with the related parties mentioned therein which are necessary, for the Company and/or its subsidiaries' day-to-day operations and which are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of minority shareholders.

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or



(iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is earlier;

the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution.

8. Closure of Meeting

There being no other business to be discussed, the meeting was concluded at 11.38 a.m. with a vote of thanks to Tan Sri Chairman.

Signed as a correct record of the proceedings:

- SIGNED -

YAM Tan Sri Dato' Seri Syed Anwar Jamalullail
Chairman

Annexure – A

Chairman's Message

Ladies and gentlemen, I present to you the Annual Report 2021 comprising:

- The Annual Review;
- The Corporate Governance and Financial Report; and
- Nestlé in Society Report.

Ladies and gentlemen,

Despite the current circumstances, it is encouraging that many of our shareholders are participating remotely via the facilities provided. We thank you all for taking the effort to join us today.

The year 2021 continued to bear the brunt of COVID-19 as new variants emerged, leading to further disruptions on a global scale. Amidst this volatile backdrop, the Company demonstrated our perseverance by sharpening our focus towards the fundamental priorities that have driven us since the onset of the pandemic and continued to safeguard our people and business partners, ensuring business continuity while also driving important efforts to support the community.

Although we have not been immune to the challenging environment, our ability to adapt through the uncertainties and remain responsive to the needs of Malaysians has enabled us to maintain our momentum and deliver on our promise to be a force for good.

Ladies and gentlemen,

As a result of our dedicated efforts, we are pleased to note that Nestlé Malaysia has once again recorded a resilient performance, recording remarkable financial results, supported by solid bottom-line and cash flow performance.

This enabled us to deliver a healthy dividend pay-out for the year. The Company declared a third interim dividend of RM1.02 per share for the financial year ended 31 December 2021, bringing total dividends for the year to RM2.42 per share, a healthy dividend pay-out within the context of the pandemic.



Ladies and gentlemen,

We strive to uphold best practices in corporate governance and last year was no exception. With the updated Malaysian Code on Corporate Governance 2021, the Board further enhanced our processes aimed at strengthening Board oversight and tightening Board policies to ensure adherence to the best practices. As we continue to steer the Group forward, we are honoured to have Mr. Chin Kwai Fatt and YM Dr. Tunku Alina Binti Raja Muhd. Alias as our new Board members, as well as Mr. Chin Kwai Fatt for his appointment as the Audit Committee Chairman, leading their expertise and bringing further diversity and strengthening the composition of the Board.

We are also extremely proud of the hard work and commitment demonstrated by our teams. Amid the challenging year, the Company received several prestigious awards, including the National Annual Corporate Reporting Awards (“NACRA”) 2021 Gold Award for Best Sustainability Reporting, Malaysian’s 100 Leading Graduate Employers Awards 2021, and several of our market-leading brands won industry recognition in the Putra Brand Awards 2021, with MILO named Putra Marketer of the Year and earning a place in the Putra Hall of Fame.

Ladies and gentlemen,

Looking ahead, the current volatile climate is set to persist with multiple external challenges. Nevertheless, as the world transitions to the endemic phase of COVID-19, we remain optimistic and focused on achieving our long-term goals, continuing to ensure the safety of our people, nourish Malaysians with high-quality products and playing our part in supporting the nation and extend a helping hand to communities in need. We will also continue accelerating our efforts in 2021 to shape a greener and more sustainable future for all.

Ladies and gentlemen,

On behalf of the Board, I would like to take this opportunity to thank our employees, customers, suppliers, business partners and shareholders for your continued trust, confidence and motivation to be part of our journey.

Not forgetting, the Management Team and our entire Nestlé family for their steadfast dedication. Together, we have emerged stronger and more resilient future for everyone.

Sekian, terima kasih.

Annexure – B

Questions Received from MSWG and the Company's Responses

- 1. Nestlé continued to invest in the future with a capital expenditure of RM275 million in 2021. This investment was primarily utilised to scale up production capacity in several of its manufacturing facilities as well as to enter into new categories such as Plant-Based Meals (page 13 of Annual Review ("AR") 2021).**

- (a) What is the expected percentage increase in production capacity and when is the increased capacity targeted to be fully operational?**

The Company's response to Question 1 (a):

- Capital expenditure was mainly utilised to expand production capacity for our Ready-to-Drink (RTD) products in our Sri Muda factory and our Paste and Granulated Seasoning line in our Batu Tiga factory. The production capacity increase varies for respective lines, but it is significant. RTD new line is already operational, while works at our Batu Tiga factory will be concluded by Q3 2022.

- (b) What percentage of production capacity is set aside for Plant-Based Meals?**

The Company's response to Question 1 (b):

- The Plant-Based Meals Solutions has its own manufacturing facility and as informed earlier, we are unable to cater to the growing demand for locally produced, high-quality, great-tasting plant-based alternatives in the ASEAN region, which holds immense potential with its 650 million population, and is rapidly developing.

- 2. The realisation of the growing interest in healthier and more sustainable lifestyles, especially important for the new generations is behind the Group's entrance into the plant-based space, with the opening of its plant-based meal solution manufacturing facility in Shah Alam in March 2021, and the launch of its HARVEST GOURMET brand (page 16 of AR 2021).**

- (a) What is the expected growth rate for the plant-based meal segment?**
(b) How was the customer response and sales for its HARVEST GOURMET brand?



The Company's response to Question 2:

- There has been good initial response to our HARVEST GOURMET brand and sales have been encouraging.
- However, this is a very nascent category and the contribution to Nestlé Malaysia's total financial figures will remain modest for the next three (3) to five (5) years, as disclosed earlier last year.
- We continue to see a clear opportunity as more consumers shift towards plant-based options and will work towards growing the category from a low base, establishing a solid market position.

- 3. Nestlé continue to drive a strong leadership position in the coffee category, with a wide offering allowing it to delight every Malaysian coffee lover, making their everyday better with coffee that is made with care and respect. Nestlé passion for great coffee is reflected by its three iconic brands, NESCAFÉ, NESPRESSO and STARBUCKS (page 26 of AR 2021).**

What has been the growth rate for the coffee category? What is the expected growth for financial year ("FY") 2022?

The Company's response to Question 3:

- It is not our practice to disclose specific growth rates for the various categories.
- However, we can share that the Coffee business registered strong growth in 2021 and is expected to continue performing well in 2022.

- 4. Tapping on its global R&D expertise and strong local manufacturing capabilities, Nestlé penetrated a segment which has today evolved from a niche into a lifestyle category, through the launch of its first plant-based Nestlé Dairy Free RTD range for its leading brands, MILO and NESCAFÉ (page 30 of AR 2021).**

How was the response and sales for its first plant-based of Nestlé Dairy-Free RTD range for its leading brands, MILO and NESCAFÉ?

The Company's response to Question 4:

- The response for the plant-based RTD range has been encouraging and sales have been increasing steadily.
- With that said, plant-based is currently an emerging market which will take time to grow, but we see immense prospects in the ASEAN region, both in meals and drinks.



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5. **Other expenses increased significantly from RM52.404 million in FY2020 to RM84.119 million in FY2021 (page 46 of Corporate Governance and Financial Report (“CGFR”) 2021). What were the major increases and reason thereof? What is the outlook for FY2022?**

The Company’s response to Question 5:

- The increase in other expenses was primarily due to the increase in COVID-19 related expenses. The main contributor to this was our extensive COVID-19 antigen screening program, which was critical to keep all employees safe and ensure operational continuity.
 - We have now moved towards providing our employees with self-test kits, which are cheaper than the previous testing program. As such, the amount under other expenses should reduce significantly for FY2022.
6. **In line with its global ambitions of achieving net zero carbon emissions by 2050, as well as 100% recyclable or reusable packaging by 2025, key areas of focus this year included our reforestation efforts, plastic circularity and packaging transformation initiatives (page 13 of AR 2021).**

What were the targets and achievements for each of these initiatives in FY2021?

The Company’s response to Question 6:

Project RELeaf:

2021 was a preparatory year with a focus on formalising arrangements with partners & vendors. Beside this, we have also initiated preparations with nurseries nurturing one million seedlings and saplings of various indigenous species, ensuring that they grow healthy and strong. Thus far, some 300,000 seedlings have already been planted into their final sites.

Plastic Neutrality:

In 2021, we formalised the collaboration with three (3) local municipalities on our Door-to-Door collection of post consumer packaging. We collected approximately 1,200 tons of recyclables, out of which 700 tons were plastic materials. Additionally, we have reduced over 530 tons of virgin plastic from our packaging materials. To date, 74% of our total plastic packaging are designed for recycling, and we are proud to be pioneering a number of initiatives in Malaysia at the group level.

7. Nestlé has kickstarted 2022 by transitioning to 100% renewable electricity for all its operations in Malaysia. It is also progressing in its journey towards regenerative food systems, with a clear framework in place to accelerate the adoption of these practices in its farming ventures in Malaysia (page 14 of AR 2021).

(a) What is the current position in regard to transitioning to 100% renewable electricity?

The Company's response to Question 7 (a):

- As of 1 January 2022, we have fully transitioned to 100% renewable electricity across all our operations in Malaysia.
- This will allow the Company to reduce emissions by 75,000 tonnes of carbon dioxide (CO₂) equivalent every year.
- With this move, the Company is leapfrogging and fulfilling its earlier commitment to have 100% of its electricity coming from Renewable Energy sources by 2025.

(b) Please elaborate on the regenerative food systems and any KPIs, targets and achievements to date?

The Company's response to Question 7 (b):

- Globally, Nestlé is laying out its plans to transition to a regenerative food system – one that aims to protect and restore farming areas ensuring fertile soil conditions for the long run, increasing carbon capture and improving the livelihoods of farming communities. All this will contribute to food security.
- In Malaysia, we are developing the Nestlé Group's regeneration framework gradually through the adoption of sustainable agricultural practices through our direct engagement with chili farms in Kelantan, and rice and coffee planting in Kedah.

8. Nestlé continues to work towards developing products with less added sugar and sodium with the aim of being equal or better than the industry average, leveraging scientific approaches to create healthier recipes that deliver the same great taste (page 20 of Nestlé in Society Report 2021).

Reducing sugar and sodium could be a challenging task as customers may not get used to a less palatable taste. How does Nestlé manage or trade-off between these opposing issues of "less sugar and sodium" vs "less palatable taste"?



The Company's response to Question 8:

- Our reformulation work is done with a keen understanding of consumers' taste expectations and preferences for our products.
- We also ensure that before launching, it passes consumers' acceptance test.

With support from our global R&D network, we are able to deliver the sugar/sodium reduced products while continuing to meet consumer taste expectations.

Summary of Questions received from shareholders/proxies prior and during AGM, and the Company's Summarised Responses

1. From Mr. Jacob Lim Lok Wan, a shareholder as follows:

Ukraine war and anti-Russia sanctions on top of COVID-19 mean even worse trouble lies ahead for global supply chains. How do the Nestlé management control the raw materials price and maintain the profit margin?

The Company's response:

Mr. Juan Aranols expressed his wish and hope that the hostility would end soon and peace could be restored. He said the war had a very huge impact as the countries involved in the war were big producers of wheat, barley, and sunflower oil, resulting in a big effect on the global commodities market. The Company was unable to control the price of raw materials as the Company bought those raw materials from the international market. Shareholders were informed that the Company had in place a good hedging policy that would help to mitigate the impact of price volatility of the raw materials. As a result of margin pressure affected by commodity prices, the Company might need to implement a moderate product price increase in order to protect the Company's margin. The Company would continue to leverage on the Group's global supply chain and procurement capabilities. Mr. Juan Aranols further informed that the Company would also look into other sources for its raw materials needs and continue to further improve internal efficiency to mitigate the higher costs of commodities, in order to protect the future of the business.

2. There were also several enquiries and suggestions from shareholders received prior to and during the AGM regarding the absence of door gifts and e-vouchers for the 2022 AGM.

The Company's response:

Mr. Juan Aranols explained that the Company had decided to focus on rewarding the shareholders with a solid dividend and hoped it would be more meaningful to the shareholders. The Company took note of the requests and would consider it for next year's AGM, if circumstances permit.

3. From Mr. Teh Peng Tin, a shareholder as follows:

Besides giving good dividend, may I know when the Company is going to reward shareholders with bonus issues?

The Company's response:

Mr. Juan Aranols informed that the Company might consider bonus issue in the future but not at the current point in time. The Company was of the opinion that the best way to reward the shareholders was by having a solid business strategy which would allow the Company to deliver good results and be able to declare dividends. The Company would continue to do its best to declare dividends every year.

4. From Mr. Lee Mun Hoe, a shareholder as follows:

Chairman/Board members are aged 60 years and above. Is it time for them to retire peacefully and let youngster to take over the baton?

The Company's response:

Mr. Juan Aranols replied that the majority of Nestlé's Board members are aged below 60. Tan Sri Chairman then explained that the Board succession plan was regularly reviewed by the Governance, Nomination and Compensation Committee together with the Board. Tan Sri Chairman further informed that the retirement age of the Nestlé Group Board members is 72, globally. The Company's Board members currently has a diverse age from 48 to 70, with the Directors having the required expertise and experiences. The age of the members of the Board was appropriate for the Company.

5. From Mr. Viknapergash a/l Guraiah, a shareholder as follows:

Can you please advise what is Nestlé's ESG Strategy in view of climate change?

The Company's response:

Mr. Juan Aranols explained that the Company is committed to deliver its commitment towards Net Zero Carbon emissions by 2050 and is set to halve emissions (vs the 2018 baseline) by 50% in 2030 and at least by 20% in 2025. Regenerative Agriculture practices will play an important role as most of our carbon footprint is derived from food commodities and other ingredients. The Company also has many other initiatives in place, with plastic reduction being a key focus area. It aims for 100% of its packaging to be fully recyclable by 2025 and is deploying systems for collection, separation and recycling. The Company has also introduced digital tools to optimise logistics and reduce the carbon impact of road transportation, and has also replaced all its management car fleet to green vehicles. ESG has always been and will remain a high priority for the Company.



6. From Ms. Yap Mee Ling, a shareholder as follows:

There is “fake” MILO in market, how much has Nestlé lost due to this? What have the Company done to curb this?

The Company’s response:

Mr. Juan Aranols commented that there were some market players that intended to sell identical products like MILO, but it was a rare occurrence. The Company was always vigilant and has been cooperating with the relevant authorities to immediately address the situation. Mr. Juan Aranols informed that the quantity involved was not material and was confident that there were no significant losses that would impact the Company.

7. From Mr. Chew Hiap Hong, a shareholder as follows:

Dear Chairman and Board of Directors, the share price of Nestlé per unit is high over RM100. Do you consider share split to make the share more marketable?

The Company’s response:

Mr. Juan Aranols commented that the Company did not foresee any need to exercise those options. However, the Company might consider it in the future, but it was not a priority at the moment. The Company would continue its very best to maintain a healthy dividend payout to reward its shareholders.
