



Minutes of the 40th Annual General Meeting of Nestlé (Malaysia) Berhad held virtually 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 Tuesday, 30 April 2024 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. Mr. Chin Kwai Fatt) Member
(*Independent, Non-Executive Director*)
3. Dato' Hamidah Naziadin) Member
(*Independent, Non-Executive Director*)
4. YM Dr. Tunku Alina Raja Muhd. Alias) Member
(*Independent, Non-Executive Director*)
5. YTM Tan Sri Tunku Puteri Intan Safinaz Sultan Abd Halim) Member
(*Independent, Non-Executive Director*)
6. Tan Sri Wan Zulkiflee Wan Ariffin) Member
(*Independent, Non-Executive Director*)
7. Mr. Juan Jose Aranols) Member
(*Non-Independent, Executive Director*)
8. Mr. Syed Saiful Islam) Member
(*Non-Independent, Executive Director*)

In attendance at broadcast venue:

Tengku Ida Adura Tengku Ismail
(*Company Secretary*)



Attendance of Shareholders (as per the Attendance List):

1. The number of shareholders who participated in the 40th Annual General Meeting (“AGM”) virtually at the commencement of meeting was 753, and the total number of Shareholders who at any point of time participated in the virtual AGM was 1132.
2. The number of proxies received appointing the Chairman was 497, representing 17,622,751 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 Ms. Yan Lai Kuan; and
 - Employees Provident Fund (“EPF”) represented by Encik Muhammad Muadz.

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 (“Company” or “Nestlé Malaysia”), was in the chair and commenced the proceedings of the 40th AGM of the Company.

Tan Sri Chairman thanked the shareholders, the proxies, the Board of Directors 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 and the Company Secretary who was seated with him in the broadcast venue. The External Auditors for the financial year ended 31 December 2023, Messrs. Ernst & Young PLT represented by its partner, Mr. Ng Kim Ling, were also present at the broadcast venue.



2. Quorum

The Company Secretary confirmed that the 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 195,043,670 shares have lodged their proxies within the stipulated time. The holders of 17,622,751 shares have appointed the Chairman to be their proxy. The proxies for these ordinary shares held an equivalent of 90.69% of the equity of the Company.

The Company Secretary informed that as per the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the SC it had stated that participation of members would include those that participated virtually. Quorum would be determined by the number of members logged-in at the start of the meeting. As the requisite quorum was present, the meeting was called to order.

3. Presentation of the Annual Report 2023

Tan Sri Chairman presented to the shareholders the Annual Report 2023 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 31 December 2023.

Mr. Juan Aranols' presentation on the Company's performance for the financial year ended 31 December 2023, amongst others, covered the following areas:

1. Presentation of the 2023 results and initiatives that contributed to solid performance.
2. Emphasis on Nestlé's global presence and commitment to inclusivity, human rights, and environmental responsibility.
3. Nestlé Malaysia's contribution to the local economy, job creation, and tax payments.
4. Focus on Environmental, Social and Governance ("ESG") commitments, including reducing emissions, regenerative agriculture, plastic reduction, and waste management.



5. Introduction of the Nestlé Farmer Connect Responsible Cocoa Sourcing program in Sarawak.
6. Financial performance overview, including revenue growth and market share.
7. Recognition of the efforts of various teams across the value chain, including factories, supply chain, and distribution network.
8. Solid profit performance and dividend distribution to shareholders.
9. New investment cycle with over MYR 1 billion from 2023 to 2025, demonstrating the Company's commitment to the nation.

When the presentation was completed, he passed the meeting back to the Chair.

5. Notice of Annual General Meeting

The Notice of AGM dated 29 March 2024, together with the Annual Report for the financial year ended 31 December 2023 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 and she next explained 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 Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd., the appointed poll administrators. It was also notified that KPMG Management and Risk Consulting Sdn. Bhd. had been appointed as the independent scrutineers to validate the casted votes.

The voting process using the RPV facility and the hotline number for support was explained.

Shareholders were advised that voting on the resolutions could be done at any time throughout the meeting until the closure of the voting session.

The Company Secretary also informed that all questions received would be moderated and may be summarised to avoid repetition or similar questions. Those questions would be answered after all agendas had been presented. She also notified that any questions which could not be addressed due to time constraint would be answered by email at the earliest possible opportunity after the meeting.



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 2023 and the Directors' and Auditors' reports thereon.

The Audited Financial Statements of the Company for the financial year ended 31 December 2023 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 2023, together with the Directors' and Auditors' reports thereon were properly laid before the AGM.

Agenda 2.1

Resolution 1:

To re-elect Mr. Chin Kwai Fatt as a Director of the Company in accordance with Article 97.1 of the Constitution of the Company.

Tan Sri Chairman tabled the motion for the re-election of Mr. Chin Kwai Fatt who was retiring in accordance with Article 97.1 of the Constitution of the Company. Tan Sri Chairman shared that Mr. Chin Kwai Fatt had indicated his willingness to be re-elected.

Agenda 2.2

Resolution 2:

To re-elect YM Dr. Tunku Alina Alias as a Director of the Company in accordance with Article 97.1 of the Constitution of the Company.

Tan Sri Chairman tabled the motion for the re-election of YM Dr. Tunku Alina Alias who was retiring in accordance with Article 97.1 of the Constitution of the Company. Tan Sri Chairman shared that YM Dr. Tunku Alina Alias had indicated her willingness to be re-elected.

Agenda 2.3

Resolution 3:

To re-elect Mr. Juan Aranols as a Director of the Company in accordance with Article 97.1 of the Constitution of the Company.

Tan Sri Chairman then tabled the motion for the re-election of Mr. Juan Aranols who was retiring in accordance with Article 97.1 of the Constitution of the Company. Tan Sri Chairman shared that Mr. Juan Aranols had indicated his willingness to be re-elected.



Agenda 3.1

Resolution 4:

To re-elect YTM Tan Sri Tunku Puteri Intan Safinaz Sultan Abd Halim 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 YTM Tan Sri Tunku Puteri Intan Safinaz Sultan Abd Halim who was retiring in accordance with Article 106 of the Constitution of the Company. Tan Sri Chairman shared that YTM Tan Sri Tunku Puteri Intan Safinaz Sultan Abd Halim had indicated her willingness to be re-elected.

Agenda 3.2

Resolution 5:

To re-elect Tan Sri Wan Zulkiflee Wan Ariffin 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 Tan Sri Wan Zulkiflee Wan Ariffin who was retiring in accordance with Article 106 of the Constitution of the Company. Tan Sri Chairman shared that Tan Sri Wan Zulkiflee Wan Ariffin had indicated his willingness to be re-elected.

Agenda 4

Resolution 6:

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

AS SPECIAL BUSINESS

Agenda 5.1

Resolution 4:

To approve the payment of the Non-Executive Directors' Fees of RM1,248,500.00 for the financial year ended 31 December 2023.



The motion for the payment of Non-Executive Director's fees amounting to RM1,248,500.00 for the financial year ended 31 December 2023 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.

Agenda 5.2

Resolution 8:

To approve the payment of Non-Executive Directors' Benefits of RM250,000.00 for the financial period from 1 July 2024 to 30 June 2025.

Next the motion for the payment of Non-Executive Directors' benefits amounting to RM250,000.00 for the financial period from 1 July 2024 to 30 June 2025 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 9:

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature, as set out under Section 2.3(a), Part A of the Circular to Shareholders dated 29 March 2024.

The motion for the proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature as set out under Section 2.3(a), Part A of the Circular to Shareholders dated 29 March 2024 accompanying the Company's Annual Report for the financial year ended 31 December 2023 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. Tan Sri Chairman then invited the Company Secretary to share the questions from MSWG together with the Company's responses.

The Company had also received questions from the shareholders prior to the AGM which were submitted via the RPV platform, and via chat box during the AGM. The questions received were 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. Tan Sri Chairman also informed that any questions which were not addressed would be answered by email at the earliest possible after the meeting.

Mr. Juan Aranols was invited to respond to the questions received from shareholders/proxies prior to the AGM and 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 dealt with, the meeting proceeded to vote and was adjourned at 11.44 a.m. for the counting of votes.

7. Announcement of Poll Results

Tan Sri Chairman reconvened the meeting for the declaration of poll results which had been verified by the independent scrutineers, KPMG Management and Risk Consulting Sdn. Bhd. as follows:

Resolution	Vote For		Vote Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1	213,322,832	99.9943	12,124	0.0057	213,334,956	100.000
2	213,322,732	99.9936	13,623	0.0064	213,336,355	100.000
3	213,328,676	99.9964	7,679	0.0036	213,336,355	100.000
4	213,326,325	99.9958	9,026	0.0042	213,335,351	100.000
5	208,465,339	97.7273	4,847,912	2.2727	213,313,251	100.000
6	212,765,977	99.7335	568,497	0.2665	213,334,474	100.000
7	213,275,428	99.9727	58,346	0.0273	213,333,774	100.000
8	213,306,122	99.9899	21,453	0.0101	213,327,575	100.000
9	43,047,860	99.9795	8,827	0.0205	43,056,687	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 Mr. Chin Kwai Fatt, 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 YM Dr. Tunku Alina Alias, 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 Mr. Juan Aranols, 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 4

THAT YTM Tan Sri Tunku Puteri Intan Safinaz Sultan Abd Halim, 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 Tan Sri Wan Zulkiflee Wan Ariffin, the Director retiring in accordance with Article 106 of the Constitution of the Company, be hereby re-elected as Director of the Company.

Resolution 6

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 Annual General Meeting of the Company, and for the Directors to fix their remuneration.

Resolution 7

THAT the payment of Non-Executive Directors' Fees amounting to RM1,248,500.00 for the financial year ended 31 December 2023 be hereby approved.

Resolution 8

THAT the payment of Non-Executive Directors' Benefits amounting to RM250,000.00 for the financial period from 1 July 2024 to 30 June 2025 be hereby approved.

Resolution 9

THAT approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 26 April 2023 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 29 March 2024 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;

THAT 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

Before the conclusion of the meeting, the Chief Executive Officer, Mr. Juan thanked Tan Sri Dato' Seri Syed Anwar's remarkable contributions and guidance throughout his tenure as Chairman of the Board. His mentorship in facilitating the board discussions, experience and profound knowledge have proven to be invaluable in steering and overseeing the Company's strategic growth and progress. As Tan Sri Dato' Seri Syed Anwar passes the baton to Tan Sri Wan Zulkiflee Wan Ariffin, this transition marks a remarkable moment in Nestlé 's Malaysian history. Tan Sri Chairman also took the opportunity to express his heartfelt appreciation to the Board and the management for their unwavering support and dedication. He then proceeded to hand over the chairmanship to Tan Sri Wan Zulkiflee Wan Ariffin, marking the beginning of a new chapter for Nestlé Malaysia.



There being no other business to be discussed, the meeting was concluded at 12.02 p.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, with the requisite quorum being present, I hereby call the meeting to order.

On behalf of the Board of Directors, it gives me great pleasure to welcome all of you to our virtual 40th Annual General Meeting.

It is encouraging to see that many of our shareholders are participating remotely via the facilities provided. We are pleased to note the active involvement of our shareholders and we thank you all for taking the effort to join us today.

The Annual Report 2023 and other accompanying documents are available on our Corporate Website for your reference.

Ladies and gentlemen, amidst geopolitical uncertainties, heightened commodity prices, foreign exchange volatilities and inflationary pressures, the Malaysian economy charted a course of moderate growth in the fiscal year 2023.

These formidable challenges tested the mettle of our business. Nevertheless, guided by our promise of "Good Food, Good Life," Nestlé Malaysia remained focused on our pursuit of excellence, delivering robust financial results and advancing in our Environmental, Social, and Corporate Governance (ESG) commitments.

Mindful of the needs of the Rakyat and despite the challenges faced in 2023, such as inflation, commodity price fluctuations and foreign exchange volatility, the Group once again recorded a notable increase in our sales and continued to deliver relevant offerings and strategic brand investments.

Ladies and gentlemen, in line with our commitment to delivering value to our shareholders, we maintained consistent dividend payments. The Board declared a third interim dividend of RM1.28 per share for the financial year ended 31 December 2023. This brings the total dividends for the year to RM2.68 per share, reaffirming our dedication to providing stable returns to our valued shareholders.

As we continue to grow, we are dedicated to robust corporate governance and prudent risk management.

Testament to this, in 2023, we further strengthened the Board's oversight functions to ensure effective corporate stewardship and the adoption of enhanced sustainability reporting requirements. We also welcomed YTM Tan Sri Tunku Puteri Intan Safinaz Sultan Abd Halim



and Tan Sri Wan Zulkiflee Wan Ariffin to the Board during the year, enriching our leadership with their valuable expertise and experience.

Ladies and gentlemen, I would like to extend our deepest gratitude to the Nestlé Malaysia family, as well as our partners across the value chain, for their invaluable support.

Before we commence today's proceedings, the Company wishes to make a presentation. I would like to invite our Chief Executive Officer, Mr. Juan Aranols to take us through this.

Sekian, terima kasih.



Annexure B

Questions received from MSWG and the Company's Responses

1. The year 2023 witnessed an economically volatile landscape, marked by persistent inflationary pressures, heightened commodity prices and unfavourable exchange rates, as well as geopolitical tensions, aggravated by the conflicts and humanitarian crises." (Page 15 of Annual Report 2023 ("AR2023"))

Given the economically volatile landscape in 2023, how did the Company mitigate risks associated with inflationary pressures? Did the Company manage to pass on the rising costs to consumers? How does the Company balance between passing on the higher costs and remain competitive in terms of pricing?

The Company's response to Question 1:

- We understand that inflation and commodity price fluctuations affect consumer purchasing power. Price increases in recent times have been unavoidable as they were driven by the surge in key food commodity prices.
- Regarding our products, we have passed price increases prudently and after mitigating them as much as possible through savings and efficiencies. This sensitive approach will continue. We constantly monitor consumer sentiment and benchmark against competition to ensure that our value proposition remains attractive.

2. "Perennial favourites MILO and MAGGI continued to capture the hearts of Malaysians by securing lead positions in the Kantar BrandZ Awards' top 10 ranking, with MILO as the Most Chosen Brand in Malaysia's Beverage sector and MAGGI claiming the number one spot in the Food sector." (Page 7 of AR2023).

Given the awards and recognition received for brands like MILO and MAGGI, how does the Company plan to maintain and enhance its brand recognition amidst evolving consumer preferences and intensifying competition particularly from the alternative brands and products?

The Company's response to Question 2:

- We remain focused on producing high-quality products that deliver on taste and meet the expectations of Malaysians, ensuring that we always deliver a competitive value proposition.
- This is also supported by consistent and sustained brand investment, strong consumer engagement programs and our nationwide distribution network,



which allows us to have the widest territorial coverage across customers and channels.

3. “Demonstrating the Company’s capability to consistently elevate customer engagement, Nestlé Malaysia triumphed at the 2023 Loyalty & Engagement Awards, winning three Gold awards. This included Best Use of Technology, Best Use of Relationship Marketing – B2C, and Best Use of Consumer Insights/Data Analytics, showcasing Nestlé Malaysia’s expertise in leveraging technology and data analytics to drive lasting loyalty.” (Page 7 of AR2023)

In the age of data-driven marketing, how does Nestlé safeguard consumer data privacy and ensuring ethical practices in targeted advertising and personalized marketing campaigns, particularly in compliance with the evolving regulatory frameworks?

The Company’s response to Question 3:

- We prioritise safeguarding personal data and respecting digital privacy for all stakeholders and have very strong protocols, policies and guidelines, that are fully meeting regulatory requirements.
 - Regarding data security, we uphold robust protections on sensitive information through stringent cybersecurity protocols, adhering to best practices, regulatory frameworks, and remaining vigilant against potential threats and risks, building also on the knowledge resources and tools of Nestlé’s global IT network.
4. “During the year, we increased our plant-based offerings under the HARVEST GOURMET brand, as well as launched the NESTLÉ GOODNES brand. Catering to the rising demand for nutritious and environmentally conscious choices, our growing plant-based portfolio provides Malaysians with great-tasting Malaysian-made products that are both better for their health, and better for the planet.” (Page 13 of AR2023)

With a focus on consumer preferences for healthier and sustainable options, what is the Company’s innovation pipeline to cater to specific dietary needs, such as functional foods and plant-based alternatives?

The Company’s response to Question 4:

- Plant-based products are a strategic growth platform, and we are making progress in this area, that provides a range of cholesterol free, low-fat products, with great taste and convenience in preparation. They are also more environmentally sustainable vs. the meat-based alternatives.



- At the same time, we are constantly improving the nutritional profile of all our products by reducing sugar and salt or fortifying with micronutrients, as relevant.
 - Additionally, we offer different products targeted to meet specific nutritional requirements.
 - As examples of this, we can mention our Nestlé ENERCAL COMPLETE, targeted to meet the nutritional needs of aging adults or our Nestlé OMEGA range catering for cardiovascular health and the lowering of cholesterol. Let us also mention the broad range of Nestlé Health Science products to address specific health conditions.
5. The forthcoming subsidy rationalisation, together with the increase in Malaysia Sales & Service Tax (SST), may add additional pressure on consumer spending power, how is Nestlé adapting its product portfolio and marketing strategies in response to these consumer concerns?

The Company's response to Question 5:

- We ensure affordability of our products and brands by offering a range of options with different product formats to suit all income levels and demographic segments.
 - We also closely monitor and take action on our internal costs and strive to mitigate the impact of commodity cost inflation as explained in a previous question earlier.
6. The Group incurred an impairment loss of RM90.62 million on property, plant and equipment during the financial year ended 31 December 2023. (Page 60 of Corporate Governance & Financial Report 2023)

What were the specific reasons behind the impairment loss on property, plant, and equipment? Were there any specific assets or asset classes that were primarily responsible for this impairment loss?

The Company's response to Question 6:

- The Group continues to invest in new technology and digitalization to adapt capacity, support innovation and drive efficiencies, with a planned investment of over RM1 billion for the 2023-2025 cycle.
- As part of this process, we continuously review our asset infrastructure to enhance its performance. As part of this disciplined process and also



because of financial prudence, we recognized some impairment losses for idle and obsolete assets that were no longer in use.

Sustainability Matters

1. Please provide insights into the impact and outcomes of the Company's community engagement initiatives, such as the MILO Malaysia Breakfast Day (MBD) and MAGGI's "Wanita Cukup Berani" mentorship programme? How does the Company measure the effectiveness of these programs in creating positive social change?

The Company's response to Question 1:

- We are deeply convinced that our community engagement initiatives, such as MILO Malaysia Breakfast Day (MBD) and MAGGI's "Wanita Cukup Berani" mentorship program, as well as many others, have played and continue to play a fundamental role in building the positive equity and relevance of our brand.
- To assess the effectiveness of our initiatives, we consider various metrics starting from the brand's market share, household penetration and others. We also assess and measure the number of participants reached through events and workshops, improvements in nutrition knowledge among participants, successful business growth among mentored entrepreneurs, and community feedback.
- We also evaluate longer-term impact, looking at whether positive habits are sustained and the lasting positive change on families and communities.



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

1. From Tan Yi Wan, a shareholder as follows:

The AGM has been held online for a couple of years now. Would there be plans to have a physical AGM? We also miss the AGM shareholder goodie bag. Can you please send us shareholder AGM gift?

The Company's response to Question 1:

Mr. Juan Aranols ("Mr. Juan") acknowledged the convenience and success of the virtual AGM for the past four years. He recognised the continuous improvements in technology that have made the virtual meeting increasingly user-friendly. The Company expressed its commitment to regularly evaluate the arrangement for future AGMs, considering virtual, physical, or hybrid options. Mr. Juan confirmed that participants would receive a goodie bag containing Nestlé products as a gesture of appreciation for attending the AGM.

2. From Khoo Suan Phaik, a shareholder as follows:

Since the share price has jumped so much, is the Company considering splitting the share so that it becomes more affordable to trade? This question has been raised before when the price was much lower.

The Company's response to Question 2:

Mr. Juan stressed that the primary focus of the Company remains on ensuring shareholders receive a consistently strong dividend year after year. He mentioned that while the possibility of splitting shares may be considered in the future, it was not part of the Company's plans at the moment.

3. From Kow Lih Sih, a shareholder as follows:

- i) Has the Company experienced a significant impact and loss of sales due to boycotts in recent financial year?

The Company's response to Question 3(i):

Mr. Juan acknowledged the intense conversations surrounding boycotts, which have not only affected Nestlé but also wide range of international brands that potentially had influenced shopping behaviours among Malaysians. He reassured shareholders that extensive surveys, including recent ones conducted in January and February, affirmed Nestlé's standing as the most trusted company and brand



in Malaysia, with unchallenged trustworthiness, taste, and leadership in sustainability.

Addressing the further question raised by MSWG regarding strategy amidst the sentiments, Mr. Juan reaffirmed Nestlé's commitment to prioritizing the provision of trusted products that meet Malaysian's expectations in taste, value, quality and nutrition, to ensure its products remain the preferred choice. Additionally, Mr. Juan also highlighted the Company's involvement and contribution to the nation in societal initiatives and sustainability endeavours, expressing the Company's support intensifying these efforts. He further emphasised that over its 112-year history in Malaysia, Nestlé has remained committed to the nation and Rakyat.

- ii) Can Nestlé Malaysia provide clarification that it is under Malaysian control, to instil confidence among Muslims in Malaysia and regain their support?

The Company's response to Question 3(ii):

Mr. Juan reaffirmed the trust that many Malaysian Muslims place in Nestlé, as evidenced by their continued support and continued purchases of Nestlé products. He then highlighted Nestlé's Swiss origin, a fact highlighted by the Secretary General of the Malaysian Red Crescent earlier in the video presented. Both organizations took pride in their Swiss roots. Nestlé Malaysia is also a Shariah-compliant public listed company in Malaysia, with many Malaysian shareholders, and a Board of Directors that reflects the diversity of Malaysia. Reflecting on Nestlé's history and its commitment to Malaysia, Mr. Juan expressed confidence in the Company's continued presence and mission to enhance the quality of life for Malaysians for generations to come.

- iii) What efforts or action plans does the Board have, aside from CSR activities, to make a positive impact?

The Company's response to Question 3(iii):

Mr. Juan emphasised Nestlé's significant contributions to Malaysia, starting with the provision of decent working conditions to thousands of Malaysians, thereby positively impacting numerous families in the country. Nestlé Malaysia ensures that its suppliers throughout the value chain comply with human and labour rights standards, demonstrating a commitment to ethical practices beyond its direct operations. The Company consistently invests in Malaysia, introducing advanced technology, creating jobs, and enhancing sustainability efforts year after year.

Mr. Juan further emphasised that Nestlé's brands play a crucial role in promoting healthier lifestyles among Malaysians, with notable examples such as MILO and our many brands providing specific nutritional benefits (OMEGA, ENERCAL, NUTREN Optimum, NUTREN Diabetic Plus, NUTREN GlucoSmart, etc). He stressed



that these efforts were not merely corporate social responsibility initiatives but integral to Nestlé's core commitment.

Considering the breadth of the Company's efforts and the tangible impact they have on Malaysian society, Mr. Juan expressed confidence in the Company's positive contribution to the nation. He concluded by reaffirming Nestlé's commitment in continuing these efforts in the future.

- iv) What is the company's plan of action in response to fluctuations in the Ringgit's value in foreign exchange, particularly if it worsens beyond RM5?

The Company's response to Question 3(iv):

Mr. Juan addressed concerns about fluctuations in the US dollar, portraying it as a business variable that Nestlé manages alongside other factors like moderate commodity costs, salary inflation and many others. He explained that Nestlé has a hedging policy to currency fluctuations, allowing time to accommodate strategy accordingly.

Acknowledging the challenges posed by the sharp devaluation of the Malaysian ringgit in the previous year, which was influenced by international conditions such as rising interest rates in the US and Europe. Mr. Juan reassured shareholders that managing currency fluctuations was part of Nestlé's daily business operations. He emphasised the Company's track record of effectively navigating such challenges over the years.

4. From Chua Long Siew, a shareholder as follows:

- i) What is your effort reducing the sugar intake in your products?

The Company's response to Question 4(i):

Mr. Juan highlighted Nestlé's ongoing efforts to improve the nutritional content of its products, particularly by reducing sugar content. He acknowledged the challenge of balancing taste preferences with health considerations, especially in a market like Malaysia where there is a penchant for sweetness.

Mr. Juan mentioned specific examples of Nestlé's reformulation efforts, such as MILO products earning the Healthy Choice logo through recipe enhancements while maintaining its beloved taste. He also explained the reduction of sugar in NESCAFÉ coffee mixes over two years ago as another instance of Nestlé's commitment to healthier options.

Overall, Mr. Juan expressed his confidence that Nestlé will continue to meet consumer expectations by providing nutritional recipes that cater to evolving dietary needs while preserving the flavours that Malaysians love.



- ii) How do you mitigate rise on cocoa prices? Is Nestlé encouraging locally grown produce to mitigate shock exposure from the world market?

The Company's response to Question 4(ii):

Mr. Juan discussed the volatility in the world market, particularly regarding cocoa prices, which have tripled over the past 12 to 18 months due to potential supply shortages and speculative behaviour.

To mitigate these challenges, Mr. Juan mentioned Nestlé's unavoidable decision to implement moderate price increases due to the high commodity price increase, as have been reported in the press. He assured shareholders that Nestlé would continue to closely monitor the situation.

He also highlighted the Company's collaboration with Malaysian Cocoa Board to relaunch cocoa growing in Sabah and Sarawak. He announced the launch of KIT KAT Dark Borneo chocolate, made with Malaysian cocoa beans. This marked the first time a KIT KAT product is made with locally sourced cocoa beans from Malaysia.

Mr. Juan emphasised Nestlé's commitment to expanding the use of local ingredients, not only in cocoa but also in coffee, rice, chilies, and other products, as part of the Nestlé's strategy to localise further out ingredients supply.

5. From Azhar Bin Khamaruzaman, a shareholder as follows:

- i) Can you provide more insights into the company's financial performance in 2023? What were the key drivers behind the performance?

The Company's response to Question 5(i):

Mr. Juan referred shareholders to his earlier address for a comprehensive overview of Nestlé's financial performance in 2023. He highlighted the year's significant growth, disciplined cost management, and focus on innovation as key factors contributing to the Company's solid performance, which he shared with shareholders.

- ii) What unique skills and experiences do the directors up for re-election bring to the board? How have they contributed to the company's success in the past?

The Company's response to Question 5(ii):

Tan Sri Chairman highlighted the diverse and well-rounded composition of Nestlé Malaysia's Board of Directors, as detailed in the Annual Review 2023. Each Director



brings a unique set of skills, experiences, and perspectives, enhancing the Board's strength and diversity. Nestlé Malaysia has adopted a policy of a maximum tenure of nine years or until the age of 72 for Directors, allowing for regular Board renewal and fresh perspectives.

Tan Sri Chairman emphasised the importance of a diverse Board, noting that Nestlé Malaysia was one of the first large companies to have reached at least 30% representation of women on the Board (43% currently). This commitment to diversity contributes to effective decision-making and fosters an environment where Directors can freely express their views during Board meetings without hindrance. Tan Sri Chairman viewed this as a credit to Nestlé and acknowledged the board's collective efforts to uphold these principles.

- iii) Why is Ernst & Young PLT being recommended for re-appointment? How do they compare to other auditing firms?

The Company's response to Question 5(iii):

Mr. Chin Kwai Fatt, as the Chairman of the Audit and Risk Committee, explained the recommendation for the reappointment of Ernst & Young PLT as Nestlé Malaysia's auditors. Ernst & Young was globally recognized for its extensive resources, expertise, and successful track record with multinational companies.

The recommendation followed an annual assessment conducted by the Audit and Risk Committee in line with corporate governance guidelines. This assessment evaluated both the independence and capabilities of auditors. As part of this evaluation, the Audit and Risk Committee reviewed Ernst & Young's audit transparency report for 2023, which demonstrated a high level of independence, commitment to audit quality, and a thorough understanding of Nestlé Malaysia's business.

Based on these findings, the Audit and Risk Committee was pleased to recommend the reappointment of Ernst & Young as Nestlé Malaysia's auditors. This recommendation reflects Ernst & Young's strong performance and effective communication throughout the audit process.

- iv) Can you elaborate on the nature of the recurrent related party transactions? How do these transactions benefit the company and its shareholders?

The Company's response to Question 5(iv):

Mr. Syed Saiful, the Chief Financial Officer explained that related party transactions were routine and necessary for Nestlé Malaysia's day-to-day business operations. These transactions leveraged Nestlé S.A's scale and reach to secure favourable terms for commodity purchases and other supplies. He also provided



an example of how Nestlé's global network ensured uninterrupted supply of commodities during the COVID-19 pandemic, highlighting the benefits of these transactions to maintain operational continuity.

He emphasised that all related party transactions adhere to the arm's length principle, meaning that terms offered to related parties were no more favourable than those available to external parties. This ensured compliance with regulations, while still benefiting Nestlé Malaysia through access to favourable terms and uninterrupted supply.

- v) What are the company's key strategic initiatives for 2024? How does the company plan to navigate any potential challenges?

The Company's response to Question 5(v):

Mr. Juan emphasised the importance of maintaining a portfolio of products and brands that meet the preferences of Malaysians in terms of taste, quality, and nutrition.

Mr. Juan emphasised the importance of best-in-class commercial execution to ensure visibility in stores and attractive promotions. He also highlighted Nestlé's commitment to innovation and renovation, with a continuous pipeline of innovative products.

Engaging communication was another focus area, with efforts to ensure Nestlé's brands drive positive interest among Malaysians through targeted digital tools and first-party data.

He also stressed the Company's continuous focus on operational efficiency to protect the Company's profitability without relying too heavily on price increases. Despite the anticipated challenges, he expressed confidence that Nestlé Malaysia will deliver resilient results through a combination of growth-driving strategy and actions.

- vi) How is Nestlé Malaysia addressing sustainability in its operations? What progress has been made in this area?

The Company's response to Question 5(vi):

Mr. Juan highlighted Nestlé Malaysia's significant progress in environmental sustainability. He reminded shareholders of the Company's commitment to reduce carbon emissions by 20% by the end of 2025, a target achieved two years ahead of schedule in 2023.



He mentioned Project RELeaf, a reforestation initiative launched by Nestlé Malaysia, which aims to plant three million trees by the first half of 2025. Despite facing delays due to COVID-19 lockdowns, Nestlé Malaysia has already planted 1.5 million trees.

Mr. Juan also discussed efforts in Nestlé's factories, such as the recent launch of a biomass boiler, expected to reduce carbon dioxide emissions by 14,000 tons per year. Water efficiency measures have also been implemented, with continuous reduction in water consumption per ton.

Regarding packaging and plastic waste management, Mr. Juan noted that 90% of Nestlé's packaging is designed for recycling, with initiatives like household waste collection and the use of 100% recycled PET in plastic bottles.

He encouraged shareholders to explore Nestlé's sustainability efforts further through the Nestlé in Society 2023 report, which comprehensively outlines the Company's environmental initiatives. Mr. Juan expressed pride in Nestlé Malaysia's role in driving environmental transition in Malaysia, underpinned by tangible actions and commitments.

6. From Wong Lean Huat, a shareholder as follows:

What is the expected percentage growth in term of net profit for the next two years?

The Company's response to Question 6:

Mr. Juan acknowledged the difficulty in predicting net profit growth with precision for the next two years. However, he assured shareholders that despite anticipated challenges in short-term growth, Nestlé Malaysia remained confident in its long-term prospects. He emphasised Nestlé Malaysia's commitment to providing shareholders with a decent return in the form of dividends at year-end, reinforcing confidence in the Company's resilience and future success.

7. From Tham Ying Wai, a shareholder as follows:

Do you anticipate turnover falling after the July's price increase? If yes by how many percent?

The Company's response to Question 7:

Mr. Juan responded that it was very difficult to predict. He acknowledged that while there was some elasticity in volume, they had implemented prudent price increases. He emphasised that price adjustments were not the sole strategy, highlighting the importance of accompanying decisions with commercial activities to boost engagement among shoppers. He expressed confidence that turnover



would not necessarily decline and affirming the Company would manage with the usual prudence and acumen.

8. From Azhar Bin Khamaruzaman, a shareholder as follows:

i) Export Challenges:

In 2020, export sales faced difficulties in certain key markets, with a 9.8% decline. What measures has the company taken to address these challenges and enhance its export performance?

ii) Sustainability Initiatives:

Could you share insights into Nestlé Malaysia's sustainability efforts, particularly related to responsible sourcing, environmental impact, and community engagement?

iii) Product Innovation:

What new product launches or innovations are in the pipeline?

The Company's response to Question 8:

Mr. Juan replied that the mentioned 9.8% decline might align with what they reported for 2022, around 8.5%. He acknowledged the inherent volatility in export trends but emphasised that their export business remained substantial and stable in 2024, despite occasional shifts in sourcing. Overall, he anticipated a healthy export performance for the year, with new sources of business from other Nestlé markets and third-party exports expected to perform well.

In response to the question on sustainability initiatives, Mr. Juan noted that responsible sourcing and community engagement were key areas of focus. He mentioned ongoing initiatives in chili, cocoa, coffee, and rice in Malaysia and also the Company's efforts in ensuring that all suppliers adhere to strict protocols, including human rights and child labour avoidance.

On product innovation, he mentioned upcoming launches, such as the new Nestlé ENERCAL with a refreshed visual identity, new HARVEST GOURMET products and various other products urging anticipation and enjoyment of these offerings.

9. From Sing Chaw @ Seng Kong Choo, a shareholder as follows:

How does inflation affect a company's business?



The Company's response to Question 9:

In his response, Mr. Juan highlighted that the main source of inflation in Malaysia was closely linked to commodity costs, as previously mentioned. He emphasized the Company prudent approach to price adjustments, implementing them, when necessary, while simultaneously focusing on optimizing the internal cost structure. This strategy enables the Company to sustain support for the brands while minimizing the need for frequent price increases.

10. From Janice Khoo Suan Ean @ Ong Choon Kee, a shareholder as follows:

Do we sell any protein drinks to accommodate senior citizens above 70 years?

The Company's response to Question 10:

Mr. Juan recommended Nestlé ENERCAL, a product specifically formulated to meet the nutritional, including protein requirements of the aging population. It also offers a delightful vanilla taste. Nestlé ENERCAL could be found in pharmacies and retail stores.

11. From Au Yong Chee Hoong, a shareholder as follows:

i) It is true that MILO brands are not allowed in schools or sports events.

The Company's response to Question 11(i):

Mr. Juan clarified that it was untrue. He explained that the Company actively promote MILO presence in schools to encourage physical activities and sports engagement.

ii) If we have the opportunity, would there be a chance for Nestlé Factory to be opened to shareholders?

The Company's response to Question 11(ii):

Mr. Juan expressed gratitude for the interest and noted that we would consider the request if they found a safe way to organise such visits taking into consideration the stringent protocols required in factory environment.

iii) Will there be a MILO breakfast day to be conducted this year?

The Company's response to Question 11(iii):

Mr. Juan responded that the final decision regarding MILO Breakfast Day has yet to finalise. However, the Company was mindful to rigorously evaluate where to



invest the marketing resources for the best return in brand building to drive consumption.

12. From Mohd Helmy Rizal Bin Abdullah, a shareholder as follows:

How true is it that there are differences between the MILO sold in Malaysia and the MILO sold in Australia? If so, what are these differences, including the amount of sugar contained in the MILO product? Thank you.

The Company's response to Question 12:

Mr. Juan elaborated on the distinctiveness of Nestlé products, emphasising Nestlé's commitment to tailoring offerings to suit local tastes and preferences. He highlighted the diversity of taste buds across different nations and underscored this understanding of local consumer preferences as a significant competitive advantage to Nestlé. He explained that the Malaysian MILO variant, has a stronger maltiness and chocolate flavour compared to the Australian recipe, which had a higher dairy content. He shared that the Malaysian MILO meets the lower sugar Healthier Choice criteria aligning with efforts to ensure healthier options.

13. From Tan Keng Chok, a shareholder as follows:

i) As announced in the press, prices for all Nestlé products will increase by July 2024. As a result, what is the projected increase in turnover and gross profits?

The Company's response to Question 13(i):

Mr. Juan clarified that only certain Nestlé products would undergo a moderate price increase. He emphasised that this increase is not widespread, but rather targeted, driven by specific circumstances such as the escalating prices of cocoa and coffee commodity prices, as previously mentioned. He emphasised that this pricing adjustment was not intended to directly stimulate increase in turnover and gross profits but should be considered in conjunction with the overall development of the business across all levels.

ii) The Company has never issued bonus shares for shareholders, will the board consider doing so in the future?

The Company's response to Question 13(ii):

Mr. Juan reiterated that the Company's commitment was to deliver a high dividend on a yearly basis. He reminded stakeholders that the Company paid more than 90% of its profits as dividends, and this method would continue to be their preferred



way of remunerating shareholders. While he didn't rule out the possibility of considering bonus shares in the future, he emphasised that, for the next few years, stakeholders could expect this policy to remain unchanged.

14. From Muhammad Hazim Bin Rosmi, a shareholder as follows:

Please share more tips on how to win the “Gaji Seumur Hidup” campaign that commence today.

The Company’s response to Question 14:

Mr. Juan encouraged active participation in the campaign, emphasising that entering via “WhatsApp” only requires the purchase of RM20.00 worth of Nestlé’s products. He highlighted the simplicity of the process and emphasised that participating in “Gaji Seumur Hidup” not only offers a chance to win but also supports the 17 identified charities. Mr. Juan urged submission of multiple entries to increase the chances of winning, expressing excitement for the campaign's potential to bring dreams to life, as it did during the challenging times of the COVID-19 lockdowns in 2020.

15. From Tan Siew Wah; Mohd Rajaei Nuruddin Bin Mohd Rani and Stephen Lye Tuck Meng, shareholders as follows:

- i) Good Job. Well Done, Nestlé
- ii) Thank you, Nestlé for the door gifts. Really appreciate it.
- iii) Hi Juan, this is Stephen Lye - we met last Fri at Aeon Maluri if you recall - Just want to give a big shout out to you and your team and keep up the good work. Cheers.

The Company’s response to Question 15:

Mr. Juan expressed his gratitude to the shareholders for their kind compliments. He greatly appreciated their support and positive feedback.

16. From Veiven Goon, a shareholder as follows:

What percentage of your sales are online, what are your strategies to promote more Sales Online?

The Company’s response to Question 16:

Mr. Juan provided an overview of the Company’s online sales, stating that they currently account for a relatively small percentage of total sales. He acknowledged the significant growth in online sales during the COVID-19 pandemic, followed by a slight decrease as offline shopping resumed. However, the Company’s strategy



remains focused on comprehensive coverage across all channels. While online sales present significant opportunities, the Company's focuses also on the offline retail channel. The e-Commerce team focus is on enhancing activities and targeted promotions to better serve the needs of the shoppers online. Moving forward, the Company aims to maintain a balanced approach in its growth strategy, ensuring coverage across both e-Commerce and traditional retail channels.

17. From Lee Tuck Keong, a shareholder as follows:

Wonder how badly the ongoing war in Europe, particularly Ukraine and Russia is affecting the supply chain of the company locally and its mother company in Europe? What are the percentage of sources of Supply from Europe and locally?

The Company's response to Question 17:

Mr. Juan addressed concerns regarding the supply of raw materials and packaging materials. He noted that Nestlé was not significantly impacted by the war due to the implementation of business continuity plans over the years. These plans ensure that Nestlé does not rely solely on one source for its materials but rather seeks alternative suppliers whenever possible.

Regarding conflicts such as the current situation in Gaza, Mr. Juan expressed hope for a swift restoration of peace. He emphasised the importance of resolving the conflict to alleviate the suffering of affected individuals and restore stability for all.

- End -