

Vote Bulletin – Nestlé SA

Meeting Type – Annual

Meeting Date – 18 April 2024

Shareholder Resolution

Item number	Item description	Management recommendation	SSGA vote
7	An Amendment to the Articles of Association regarding sales of healthier and less healthy foods	AGAINST	AGAINST

Text of Proposal

"The shareholders propose to amend the company's Articles of Association by adding an Article 23bis following Article 23 and reading as follows:

Report on non-financial matters

For each financial year, the Board of Directors shall prepare a report on sustainable development, social issues, employment matters, respect for human rights and anticorruption, which presents the results achieved in relation to certain environmental, social and governance (ESG) key performance indicators (KPIs). These KPIs will include absolute and proportional sales figures for food and beverage according to their healthfulness, as defined by a government-endorsed Nutrient Profiling Model. The company will set a timebound target to increase the proportion of its sales derived from these healthier products."

Analysis

The 2024 AGM of Nestlé SA (Nestlé) included a shareholder resolution requesting the company to set a timebound target to increase the proportion of sales derived from healthier products and to disclose sales figures for their healthier and less healthier products.

We determined that the proposal was overly prescriptive in asking for a change in Nestlé's strategic approach to the proportion of sales of healthier and less healthy products.

Given that Nestlé has identified the materiality of public health and associated risks in its public disclosures, we sought to understand the company's approach to this topic through engagement. In our conversation, Nestlé representatives provided details on the board's oversight of the risks and opportunities presented by changing consumer preferences and potential future regulation, as well as how the board keeps up to date on evolving issues on public health and nutrition. The company shared progress against its healthier products target, rationale for categorising certain products as nutritious and the company's approach to responsible marketing practices. Nestlé also noted that a recent Swiss regulatory expectation¹ for the company to publish a non-financial report has further enhanced Nestlé's disclosures on its material non-financial risks. We will continue to discuss Nestlé's delivery of its strategy and its approach to managing risks and opportunities in our future engagements.

SSGA Policy

We believe that company boards do right by investors and are responsible for overseeing strategy and company management. Towards that end, we generally vote against a shareholder proposal if it appears to impose changes to business strategy or operations, such as increasing or decreasing investment in certain products or businesses or phasing out a product or business line. Our criteria for assessing shareholder proposals are outlined in our [Global Proxy Voting and Engagement Policy](#).

SSGA Vote

For these reasons, SSGA voted AGAINST the shareholder proposal.

¹ Art. 964a et seqq. [Swiss Code of Obligations](#) (CO)

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*Pensions & Investments Research Center, as of 12/31/22.

[†]This figure is presented as of March 31, 2024 and includes ETF AUM of \$1,360.89 billion USD of which approximately \$65.87 billion USD is in gold assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.

Marketing Communication

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Global Entities Link

https://www.ssga.com/ae/en_gb/institutional/ic/footer/state-streetglobal-advisors-worldwide-entities

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