



Welcome

From NEPF

The Nestlé European Pension Fund OFF (NEPF) is a cross border pension fund registered in Belgium and complies with the prudential law applicable in this country.

NEPF is part of the toolkit available across Nestlé and serves the purpose of managing various pension plans open to Nestlé employees across various countries. Each pension plan rules depend on the local context and the design is under the responsibility of the local market. NEPF is the vehicle that implements these plan rules.

After a series of on-boarding in the recent years, NEPF entered a consolidation phase. No major new plan is expected to be added in the near future, unless it makes sense to choose this tool more than another.

Last year, we warned about future uncertainty ahead : the recent months confirmed geopolitical disruptions and the rapid rise of AI added also added to making the future even less certain.

In major economies, inflation remained contained around the objectives of central banks. In terms of performance on assets, the portfolio managed by NEPF delivered a positive performance despite volatility. Assets labelled in USD suffered from this currency depreciating vs. EUR or CHF when their performance was expressed in these currencies.

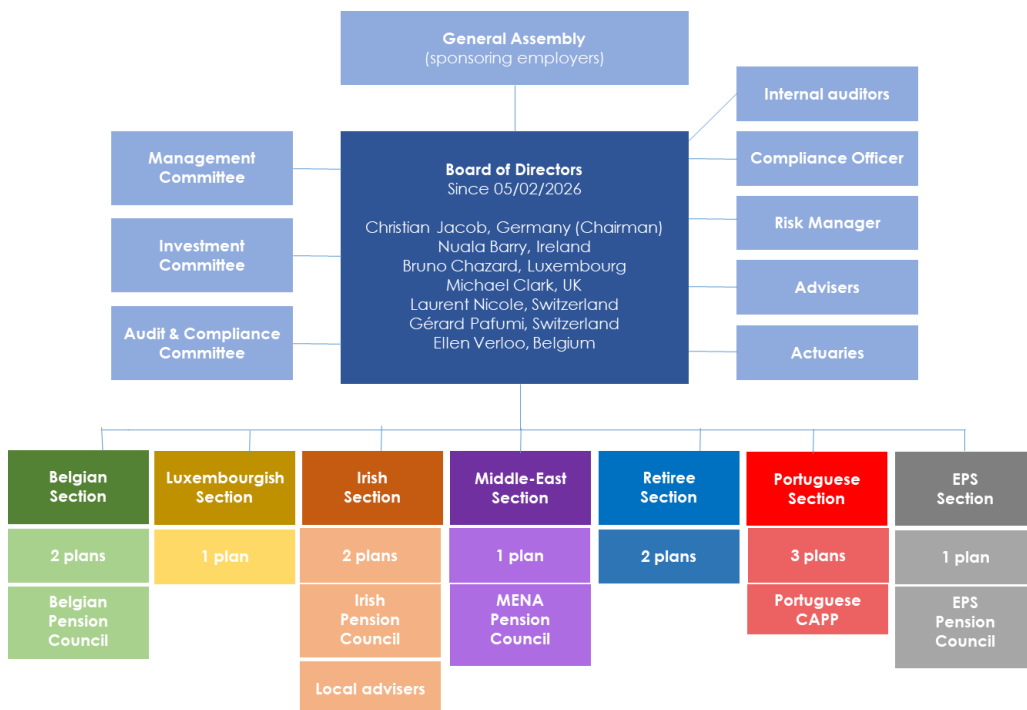
In 2025, no major reshuffling of the governance of NEPF was conducted, but the various bodies of the pension fund were adjusted to further leverage on experience and knowledge available through the Nestlé Group, combining resources from the corporate and from various European dedicated pension teams for an improved cross-fertilisation.

Christian Jacob
Chairman of the Board

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How is the NEPF run?



The advisers

NEPF

Internal auditor:
Wim Verbelen
BDO

Actuarial Function:
Gert Borremans
AON Belgium

Compliance officer:
Jan Van Gysegem,
Claeys & Engels

Risk Manager:
Gert Borremans
AON Belgium

Data Protection Officer:
Simon Claes
BDO

Statutory auditors:
Sarah Dupuis
EY Belgium

Investment advisers:
ORTEC

Investment managers:
BlackRock, Pimco
and various other
investment managers

Underwriter:
Intercona Re

Middel East section

Administration:
Previnet

The Board of Directors has the overall responsibility for all decisions relating to funding and investment for all sections of NEPF and must comply with all statutory requirements. It is the overall “Trustee” of the fund.

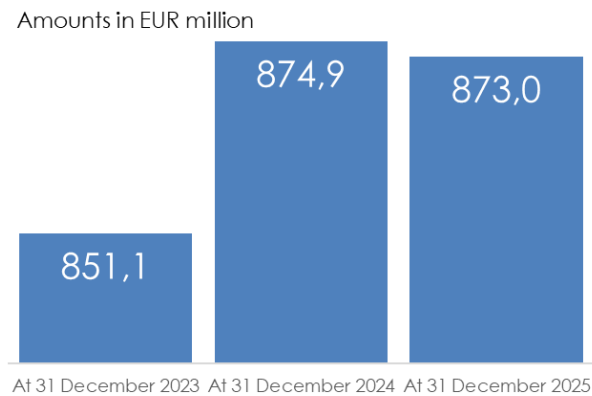
The current seven Directors are all Nestlé Group employees from various countries who have relevant professional experience. Normally they meet four to six times a year either in person or remotely. The directors are assisted by a range of specialist advisers. The Directors are appointed by the General Assembly, which meets once or twice a year and consists of representatives from the various sponsoring employers.

In addition, local sections can create Pension Councils to consider local pension issues and legislation. The Belgian and Irish Pension Councils are made of Nestlé and member-nominated representatives. The CAPP in Portugal is formed by the unions, employees and employer representatives. The Middle-East consists of employer representatives only and broadened its scope in 2020 to activities and countries beyond the sole remit of NEPF. Because of size, the Luxembourgish and the Retiree section waived on a dedicated pension council to the benefit of direct communication with members. The EPS pension council was created in 2023 to deal with matters related to this pension plan.

The pension councils are not responsible for investment or funding issues but are informed of them and can make recommendations, if they feel appropriate.

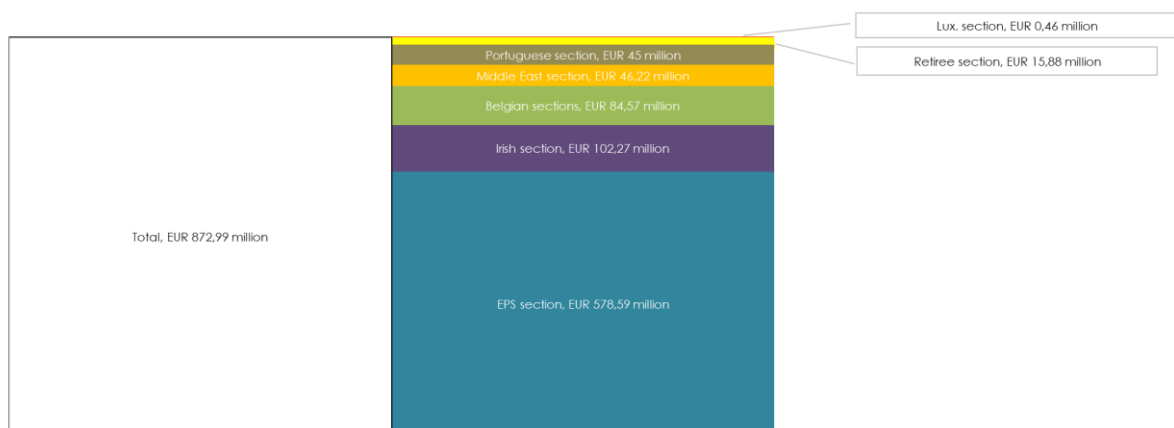
Value of NEPF

As reported by the actuarial function of the fund the total value of NEPF established as follows:



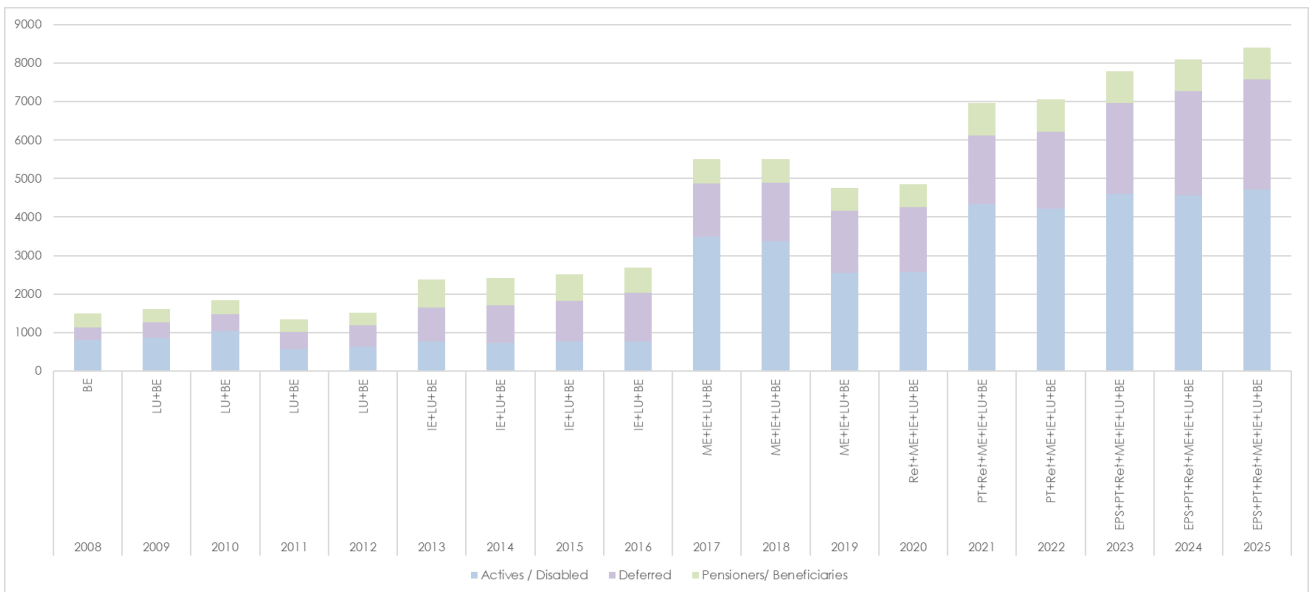
The Nestlé European Pension Fund OFF (NEPF) is a cross-border pension arrangement designed to manage pension plans for Nestlé Group employees in several countries and geographical areas. The number of sections managed NEPF amounts to 8, covering Belgium (CB + DB), Luxembourg, Ireland, Portugal, several countries in the Middle-East, a section dedicated to a small group of retirees and the Expatriate Pension Scheme. It is one single legal entity, with responsibility for the assets and liabilities of all pension plans (eleven in total at this stage) and it has been entrusted with their management. With the exception of pure defined contribution plans, the assets of the plans are managed collectively. However, in practice, NEPF administratively ring-fences assets and liabilities of each individual plan/section based on parameters such as the value of the assets at the point each plan is transferred to NEPF. Further, the decision was made to run a separate CHF-portfolio for the EPS section, because of its different characteristics. The slight decrease of the assets in 2025 was essentially linked to the activation of contributions holidays for the EPS, partially offset by the positive performance on invested assets.

As at 31 December 2025, the assets were allocated by sections as follows:



Membership data

NEPF manages eleven pension plans of different types over eight different sections. In Belgium and Luxembourg, membership to a pension plan is automatically obtained whereas in Ireland and the Middle East it is optional. The EPS is an umbrella plan offered to career expatriates. In 2025, the overall number of members increased to 8'401, due to the own dynamics of existing plans, as no new on-boarding happened. In 2010 Luxembourg joined NEPF, in 2013 Ireland, in 2017 the Middle East and in 2021 Portugal. The observed decline in members in 2019 is mainly due to a change of plan in the Middle East and the option to opt out and not enter the new plan. In 2020 the Retiree section and, late 2023, the Expatriate Pension Scheme.



Membership as at 31 December 2025

2025	Belgium	Luxembourg	Ireland	Retiree	Portugal	Middle-East	EPS	NEPF
Actives / Disabled	617	35	122	0	2340	1425	181	4720
Deferred	1635	33	379	0	806	6	7	2866
Pensioners/ Beneficiaries	180	0	324	12	251	0	48	815
Total	2432	68	825	12	3397	1431	236	8401

Membership as at 31 December 2024

2024	Belgium	Luxembourg	Ireland	Retiree	Portugal	Middle-East	EPS	NEPF
Actives / Disabled	616	33	117	0	2133	1472	203	4574
Deferred	1577	31	391	0	684	12	0	2695
Pensioners/ Beneficiaries	191	0	329	13	261	0	25	819
Total	2384	64	837	13	3078	1484	228	8088



Income & expenditure

As NEPF is a Belgian based pension fund, the annual accounts are prepared in accordance with Belgian accounting standards and are audited accordingly. This means there are some differences in the items that are accounted for and the way in which they are accounted for, compared to pension fund accounts that would be prepared using other local standards.

The decrease in contributions reflects the holidays contributions applied for the EPS. Similarly, the Middle East and Portuguese sponsoring companies decided to use a part of the free reserves (made of unvested amounts) to finance their employer contributions. No extraordinary contributions were paid in 2025. The decrease in benefit payments is essentially driven by the conjunction of the plans themselves. The financial result has positively been impacted by the good performance on assets.

Below is a summary of the P&L account of NEPF for the three most recent years.

Figures in thousand EUR	2025	2024	2023
Technical result			
Company & Employee contributions	12.216,0	34.434,3	22.618,8
Benefits paid	-34.201,5	-52.127,4	-14.491,7
Change in valuation of technical provisions	27.009,7	58.746,8	-508.208,8
Net transfer from/to another fund	-1.866,9	-646,1	552.024,5
Annuities, reinsurance and other items	-3.883,3	-3.773,8	-1.682,3
Total	-726,080	36.633,901	50.260,624
Financial & Operating result			
Investment and other financial income	675,3	277,5	352,1
Investment & banking expenses, taxes	-329,0	-249,3	-184,7
Net changes due to currency fluctuations	5.409,60	-1.690,79	-5.311,57
Net changes due to market movements	23.344,13	50.531,03	48.386,79
Administration expenses	-2.550,17	-2.436,02	-1.687,29
Total	26.549,9	46.432,4	41.555,3
Net result	25.823,8	83.066,3	91.815,9

Investments

Nestlé European Pension Fund OFFP is running different portfolios tailored to the needs of its various sections. In the context of the DCP, the asset allocation of the USD-section is not decided on a top-down basis but is a consequence of the members choosing one investment option or the other.

As a member of the DCP you are now offered 4 investments options:

- A defensive option
- A conservative option
- A Life cycle option
- A Sharia-compliant option

These options have some common characteristics :

- As contributions to the DCP and benefits paid out of the DCP are made in USD, the available investment options are designed in USD.
- A default option applies, so that if you don't express a different choice, your account balances will be exposed to the default, i.e. the defensive strategy for savings accounts A & B (for those who had accrued rights prior to May 2019) and the life cycle strategy for the savings accounts C & D (rights acquired from May 2019)
- You can switch investment option once a year and can make a different decision for savings accounts A&B or savings accounts C&D.

Further, each of the 4 strategy has its own characteristics :

- The **defensive option** is designed for utmost capital preservation and is exposed to money-market instruments.
- The **conservative option** is designed for people expected to remain member of the plan for 3-5 years. It is exposed to fixed income and equity instrument with no change in weight between the different types of investment throughout the life of the option
- The **life cycle option** is designed for longer term, to retirement. It is exposed to the same investment types as the conservative strategy, but the weights of these are varying based on the age of the member.
- The **Sharia-compliant** option is gathering investments that are managed under Islamic finance principles.

Over the recent period the performances of the various options were :

	2025(1YR)	3YR	Since May 2019
Defensive option	+4.59%	+5.15%	+1.63%
Conservative option (Static mix)	+10.43%	+7.63%	+6.56%
Sharia compliant option (Static mix Islamic)	+4.55%	+1.50%	+0.00%
Life cycle (age 25)	+14.09%	+12.78%	+9.63%
Life cycle (age 50)	+11.90%	+9.77%	+7.85%
Life cycle (age 55)	+9.69%	+6.81%	+6.07%
Life cycle (age >60)	+7.48%	+3.90%	+4.30%

It is reminded that short-term performance can vary heavily and that no hasty decision shall be made. Further, in the context of the life-cycle option the members are changing buckets automatically as they are getting older so that the above examples cannot reflect the exact situation of each individual member. The above figures are shown annualized and net of investment costs. The cost of administrating the DCP and the pension fund are borne by the employers in the Middle East.



ESG

With the successive entry into force of the Directive EU 2016/2341 (the so-called IORP II directive) and of the Regulation EU 2019/2088 (SFDR) and EU 2020/852, pension funds have to take into account E(nvironmental), S(ustainability) and G(overnance) factors into account in their decision-making process and have certain reporting requirements assigned to them.

Long prior to these requirements, NEPF recognized the need for tackling ESG issues and made a first step by integrating ESG considerations in its investment policy (2012). The Fund however recognized the limitation it could face when trying to implement principles. More recently (2018), the Board of NEPF approved its first formal ESG policy but has only been able to scale-up and start implementing its principles in 2021. NEPF is now invested in ESG Screened Emerging Markets Equity, ESG Screened Developed Markets Equity and an ESG Screened minimum volatility ETF. These investments are only a first step in the sustainability journey and does not mean NEPF sees itself as a green pension fund. In the near future, further steps will be taken to make the investments more sustainable.

Funding levels

The Board of NEPF regularly monitors the adequacy of the funding of promised benefits. Every year the fund publishes a funding update at a total level as well as on a country-by-country basis. This essentially relates to defined benefit or cash-balance plans, as the liabilities of defined contribution plans are, by construct, fully matched by the assets in member accounts.

For the purpose of assessing the funding level, the Actuarial Function of the Fund compares the value of NEPF's assets (i.e. the money it has available including any debt and receivables) against its liabilities (i.e. the estimated amount needed to ensure that in the future all benefits owed to the members can be paid). Comparing the assets with the liabilities gives a funding level, which indicates whether NEPF has a surplus or a deficit.

Under Belgian funding regulations, the actuaries are required to value the liabilities on both a short term and a long-term basis, using different assumptions. At all times, NEPF, both as a whole and for each of its sections, must be at least 100% funded on a short-term funding basis. If any section is found to be less than 100% funded, the sponsoring employers of that section are required to make additional contributions as soon as possible and within the same calendar year to bring the short-term funding level back to at least 100%.

Additionally, if any section is found to be less than 100% funded on the long-term funding basis, a formal recovery plan must be established, under which the sponsoring employers make additional contributions to remove the deficit within a five-year period.

NEPF is satisfied that appropriate procedures are in place to monitor and ensure that both employer and employee contributions are received according to local rules relevant to the pension plans and especially, for the Irish plans, in accordance with the Rules of the Irish Section and Irish legislative requirements as set out under Section 58A of the Pensions Act 1990 under which :

- *Member contributions must be received within 21 days from the end of the month in which they were deducted from pay; and*
- *Employer contributions must be received in accordance with the timings noted by the actuary in the schedule of contributions or as stated in the Plan Rules or otherwise within 30 days of the end of the Scheme year.*

As at 31 December 2025 the funding levels on a long-term basis for the total fund and each of its sections were established as follows (assets, liabilities and surpluses in million euro):

	Belgium	Luxembourg	Ireland	Portugal	Retiree	Middle-East	EPS	NEPF
Assets	84,6	0,5	102,3	45,0	15,9	46,2	578,6	873,0
Liabilities	67,1	0,3	89,8	44,1	11,7	43,5	420,1	676,6
Surplus	17,4	0,1	12,5	0,9	4,1	2,8	158,5	196,4
Funding Level	126,0%	141,1%	113,9%	101,9%	135,3%	106,4%	137,7%	129,0%

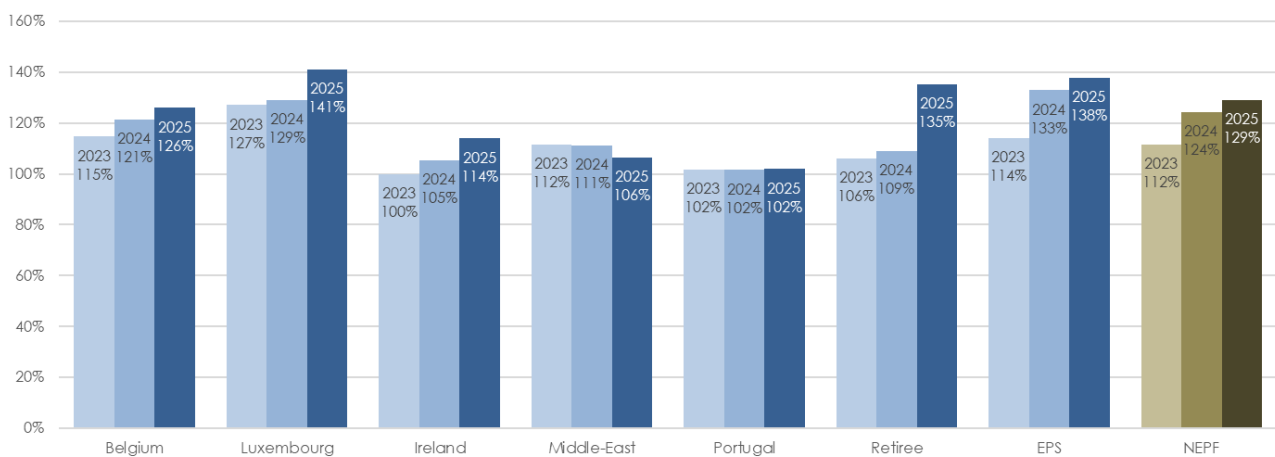
NEPF ended the year 2025, with all its sections individually fully funded.

Evolution of the funding levels

Over the 19 year history of the fund, the funding level has stayed above the 100% mark in 17 cases. The last time the fund was underfunded was at the end of 2022, as the bad performance on assets during that year wiped out surpluses accumulated prior to that, for some sections at least. The fund was already back to fully funded status at the end of 2023 and remained since.

NEPF calculates funding levels using a Belgian funding basis. This might differ from methods applied elsewhere and especially the Minimum Funding Standard that is used to test the funding level of defined benefit pension plans in Ireland. The methods applied for calculating statutory funding levels for pension funds might also diverge from the way these are accounted according to IFRS standards.

The continuity in the method is key to assess the financial situation of a fund and the main objective will always remain allowing the fund to pay all its promises.





Documents you might like to see

The following documents are available on request from your pension plan administrator or through NEPF (contact details at the end of the present document)

About NEPF

- By-Laws
- Statement of Investment Principles
- Actuarial Report
- Annual Accounts
- Financing Plan
- The Management Agreement
- Data Privacy Policy
- Remuneration Policy

About your section

- Plan rules
- Constitution and Powers of the local Pension Council (if relevant)

About the NEPF

The NEPF is a cross-border pension scheme registered with the Financial Services and Markets Authority in Belgium under FSMA reference number 50.111 and registered at the crossroads bank with number: 0410.355.926. Its registered address is:

Nestlé European Pension Fund OFP
Rue de Birmingham, 221
1070-Anderlecht
Brussels
Belgium

Email: nepf@be.nestle.com

Please address any correspondence to the above address for the attention of the Pension Fund Manager.

Member contact details

Should you require any further information with regards to the above, please contact NBS directly at NBSCairo.EmployeeServicesNME@eg.nestle.com