



**MODERN
SLAVERY
AND HUMAN
TRAFFICKING
REPORT**

2021



Nestlé Good food, Good life

ABOUT THIS STATEMENT

This document serves as a statement complying with the Modern Slavery Act 2018 in Australia and the Modern Slavery Act 2015 in the UK. It covers the structure, operations and supply chain of the Nestlé business in Australia and the UK for the period ending on December 31, 2021.

Nestlé in Australia ('Nestlé Australia') comprises Nestlé Australia Ltd, a wholly owned subsidiary of Nestlé SA, and a number of subsidiaries: ACN 004 211 812 Pty Ltd (previously Uncle Tobys Foods Pty Limited), ACN 000 008 962 Pty Ltd (previously The Uncle Tobys Company), Supercoat Holdings Australia Ltd, ACN 003 198 203 Pty Limited (previously Supercoat Feeds Pty Ltd), ACN 065 333 780 Pty Ltd (previously Supercoat Petcare Pty Ltd) and Vitaflo Australia Pty Ltd. All these subsidiaries except Vitaflo Australia Pty Ltd are inactive, and none are reporting entities for the purposes of the Modern Slavery Act 2018.

Nestlé in the UK ('Nestlé UK') is comprised of Nestlé UK Ltd, a wholly owned subsidiary of Nestlé SA, in addition to a number of sister companies and joint ventures.

In addition to its consolidated operations, Nestlé has a 50 per cent interest in the Cereal Partners Worldwide joint venture with General Mills, which competes in the ready-to-eat cereal category in markets outside North America.

Globally, Nestlé has policies and processes in place relating to modern slavery and human rights in our operations and supply chains that cover both Nestlé Australia and Nestlé UK. These policies are promulgated by and on behalf of Nestlé SA, which is the principal governing entity of the Nestlé group of companies, of which Nestlé Australia and Nestlé UK are part, and the entities within the group operate on a consultative basis.

In addition, Nestlé Australia and Nestlé UK have many shared suppliers due to the nature of Nestlé's procurement structure. For this reason, this document provides a consolidated description of the actions of Nestlé to assess and address modern slavery risks. References to Nestlé in this document refer to the Nestlé Group.

The process of preparing this statement involved the participation of a wide range of internal stakeholders across Nestlé. It has been approved by directors of the relevant reporting entities.





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INTRODUCTION

Our 2021 Modern Slavery and Human Trafficking Report reflects a significant point in the evolution of how Nestlé approaches the challenges of human rights in our operations and supply chain.

Globally, rising inequality has been exacerbated by climate change. Human rights are inextricably linked to our shared future. By respecting and advancing them in our value chain, we are building a foundation that contributes to a resilient future for our planet and its people.

So, in 2021, Nestlé announced our ambition to advance a regenerative food system at scale, focused on transforming farming practices at the heart of the food system while enabling a just and equitable transition. Our commitment to respecting and promoting human rights is key to enabling this move to a fairer food system. A regenerative food system is one that puts people at the centre, providing resilient and fair livelihoods and dignified work that enables people across the world to support themselves and their families.

We want to go beyond 'do no harm' to have a positive impact on food systems – at scale.

We have already launched our [Net Zero Roadmap](#). To enable the just and equitable transition needed for people to be at the heart of our climate actions, in late 2021 we launched our [Human Rights Framework and Roadmap](#).

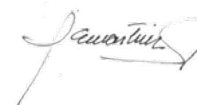
Respecting and promoting human rights is not new to us: it is an ongoing task. Building on the knowledge we have gathered and the strength of the programs we have implemented, the Human Rights Framework and Roadmap aims to enhance our positive impact. Guided by it, and with due diligence at the heart of our approach, we are developing action plans to specifically assess, address and report on the most salient issues we face and foster powerful collaborations on the ground.

While in the context of this report we focus on modern slavery risks and indicators in our own operations and supply chains, Nestlé's approach to human rights covers our entire value chain and goes beyond modern slavery.

For these reasons, our report this year has also evolved, as we focus on the next steps we must take. We believe this approach will help us to address the abhorrent, heartbreaking practice of modern slavery – including forced labour and child labour – in a holistic way that contributes to a fairer food system and a just transition.

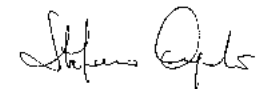
What we do matters. We have the size, scale and reach to inspire others and help drive collective action. With strong governance, forward-looking advocacy and leading transparency, we are committed to further strengthen our contribution to the Sustainable Development Goals. We are determined to make a genuine difference.

This statement was approved by the board of Nestlé Australia Ltd on 31 May 2022



Sandra Martinez
Managing Director
Nestlé Australia
31 May 2022

On behalf of Nestlé UK Ltd



Stefano Agostini
Chief Executive Officer
Nestlé UK and Ireland
June 2022

OUR STRUCTURE AND OPERATIONS

Nestlé's business spans a diverse range of products, from healthcare nutrition to breakfast cereal, coffee to catering products and confectionery to beverages. We have around 2,000 brands and our products are distributed and consumed in 186 countries around the world.

Behind this, as the world's largest food and beverage manufacturer, Nestlé employs around 276,000 people in 120 countries and operates 354 factories in 79 countries.

In Australia, key brands include *KitKat*, *Allen's*, *Uncle Tobys*, *Nescafé*, *Nespresso*, *Maggi*, *Purina*, *NAN*, *Milo*, *Sustagen* and *Starbucks at Home*. At the end of 2021, we employed over 4,000 people across 6 factories, 3 offices, 2 distribution centres and a network of boutiques. We also partner with a range of third-party manufacturers in Australia.

In the UK, key brands include *S.Pellegrino*, *Aero*, *Nescafé* and *Nescafé Dolce Gusto*, *Nespresso*, *Purina*, *Carnation*, *SMA Nutrition*, *Maggi* and *Starbucks at Home*. At the end of 2021, Nestlé UK employed 7,600 people across 20 sites.

While we operate in geographic markets, such as Nestlé UK & Ireland and Nestlé Oceania (which cover Nestlé UK and Nestlé Australia respectively), and many of our products are manufactured locally within markets, Nestlé products may also be manufactured in Nestlé factories outside the market or, in some instances, by third-party manufacturers.

Within our operations – that is, those areas within our direct control – our commitment to ensure decent employment, meeting relevant local laws as a minimum, and avoiding practices which can contribute to inadvertent labour abuses mean that modern slavery is low risk.

Nestlé works with 150,000 direct suppliers, also known as tier-1 suppliers, and sources ingredients directly from 500,000 individual farmers worldwide.

As the raw ingredients we use come from suppliers and farmers all over the world, our agricultural supply chains remain the area at most risk of modern slavery and other human rights abuses, and the primary focus both of our activity, and of this report. Globally, human rights risks in agriculture, including child labour, forced labour and human trafficking, are widespread. This is exacerbated by agriculture's seasonal nature, which leads to greater use of both third-party recruiters and temporary and migrant workers.

By volume, 14 agricultural raw materials cover 95 per cent of our annual sourcing: palm oil, hazelnuts, sugar, coffee, cocoa, fish and seafood, dairy, pulp and paper, soya, cereals and grains, meat, poultry and eggs, vegetables, spices and coconut.

NESTLÉ GLOBAL IN NUMBERS



[Find out more about Nestlé's operations in 2021](#)

SOURCING RAW MATERIALS

Nestlé works with **150,000** direct suppliers and sources ingredients from around the world.

DIAGRAM KEY



Palm oil



Hazelnuts



Sugar



Coffee



Cocoa



Fish and seafood

OUR APPROACH TO HUMAN RIGHTS

We respect and promote human rights in our operations and entire value chain, in line with the United Nations Guiding Principles and the Ten Principles of the UN Global Compact.

Nestlé was an early adopter of the UN Guiding Principles on Business and Human Rights (UNGPs), which clarify the State duty to protect human rights, the corporate responsibility to respect them and the rights of victims of human rights abuses to access effective remedies. The UNGPs have helped us develop a structured approach to human rights performance across our activities globally.

We aim to ensure our approach to human rights is strategic, comprehensive and unified across all business activities, covering appropriate policies, due diligence processes and remediation measures. It also provides mechanisms to assess, prevent and address potential human rights impacts, improve our performance on the ground and gather data to measure our performance.

We take steps to identify and address any actual or potential adverse impacts arising directly or indirectly through our own activities or our business relationships. We manage these risks by

integrating controls into our policies and internal systems, acting on the findings, tracking our actions, and communicating with our stakeholders about how we address impacts.

We are committed to the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's Declaration on the Fundamental Principles and Rights at Work.

We are committed to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO) and the OECD Guidelines for Multinational Enterprises.

In particular, we take action against any violations of human rights in our operations and value chain, with zero tolerance to child labour, forced labour and modern slavery.

By the same token, we respect the right and freedom of association of our employees, including the organisation and participation in associations and unions.



Building on our history

Our human rights journey started long ago as we worked to incorporate human rights into all aspects of our business. To date, human rights have been incorporated into 22 policies and embedded in corporate governance. More than 282,000 employees have been trained on human rights, including 57,892 in 2021. As we operate in most countries around the world, this consistent approach is extremely important.

Much of our work so far has been about building strong foundations, embedding systems and developing the processes at the corporate level and on the ground that allow us to assess, address and report on human rights risks in our operations and supply chains. We have also made significant progress by creating awareness of human rights where it was previously limited, and by building capacities where they were most needed.

Our experience has taught us that carrying out on-the-ground due diligence must play a central role in assessing and addressing human rights risks. We have also learned that for due diligence to be effective, it must be supported by a strong governance structure, including policies and procedures. Additionally, success depends on engagement and partnership with external stakeholders as well as transparent reporting on both progress and challenges.

Since we started this work, the landscape has evolved. There is greater awareness of human rights risks and greater transparency, with more companies taking action and developing their own human rights programs, and the welcome development of emerging new legislation that can help bring all companies behind the efforts needed to protect people at risk.

WHO ARE WE PROTECTING?

When Nestlé talks about protecting human rights, we are referring to a specific set of people. Modern slavery risks sit primarily in our supply chains.

- Farmers in our supply chain and their families
- Workers in our supply chains, including at farm level
- Communities in and around our operations and supply chains, including women and children
- Our employees and on-site contractors
- Consumers

Our approach takes new direction

Our approach took new direction in 2021, as Nestlé introduced its new Human Rights Framework and Roadmap (the Framework). This builds on our announcement of our ambition to advance a regenerative food system at scale, which is focused on transforming farming practices at the heart of the food system while enabling a just and equitable transition.

The Framework was developed by our Human Rights Community over 2 years, including a review of the last decade of our human rights work. It incorporates stakeholder recommendations and has been developed to anticipate regulatory developments. We also included recommendations from organisations including business and human rights experts and benchmarks.

Recognising that a just transition to a regenerative food system demands a multifaceted approach that prioritises and protects people, the Framework provides our foundation. Due diligence is at its core, beginning with the development and publication of action plans for each of our 10 salient human rights issues (see page 12). Our salient issues are those human rights at risk of the most severe negative impacts on people through our activities and business relationships.

Our action plans will articulate our strategy for assessing, addressing and reporting on each salient issue, defining what we need to do across our value chain, as well as what collective action can be taken. They are supported by 5 enablers that will further enhance our due diligence and help us scale positive impact and track our progress.

By sharpening our focus in this way and brokering global and local partnerships for more effective on-the-ground collaboration, we can strategically meet our aim of scaling positive impact across geographies.

THE FRAMEWORK HAS 2 MAIN AIMS:

1. **Strengthen our level of due diligence across our value chain**
2. **Support enabling environments for the respect and promotion of human rights**

[Find out more about our approach to human rights risks](#)

[Learn more about Nestlé's regenerative food systems](#)

FIVE ENABLERS TO DRIVE OUR ACTIONS

We have identified **5 enablers** that are key to supporting and helping us enhance the way we conduct due diligence and advance respect for human rights on the ground.

Due diligence is essential to respecting and advancing human rights and must be built into the way businesses operate. To enhance our due diligence, we have structured 5 key drivers that are designed to support action plans that specifically address the most salient human rights issues we face.

Enabler 1 **Governance and Incentives**

We have integrated human rights at all levels of our corporate governance structure, ensuring clear, unambiguous roles and responsibilities for implementing our human rights framework and monitoring progress. We have the structures we need to drive continuous progress.

In 2020 we launched a new, internal Human Rights Community to continuously embed due diligence and awareness into our operations, overseeing all relevant functions that manage human rights within Nestlé. In addition, a new ESG & Sustainability Council of 8 Executive Board members was created in 2021 with the mandate of managing salient issues in the upstream supply chain.

By 2023 an environment, social and governance target for our Executive Board will ensure clear incentives around human rights are in place and measured as part of our progress.

Enabler 2 **Policies and Control Systems**

We have been embedding human rights considerations into our operational policies, standards and procedures to embed human rights awareness and considerations into all aspects of our business.

We will continue building human rights awareness and considerations into all aspects of our business. For example, we will continue to improve how we communicate our policy commitments to affected stakeholders, suppliers and business partners, as part of our commitment to open engagement on human rights. As well, we will continue to explore how to improve access to remedies and ways of allowing rights holders and stakeholders to inform us of potential issues across our value chain in an anonymous, safe and retaliation-free way.

Enabler 3 **Engagement and Advocacy**

We believe collective action is the key to effectively protecting and promoting human rights around the world. We support legislation that leads companies to greater action, collaboration and transparency of the challenges they face.

Going forward, we will focus on promoting appropriate human rights due diligence legislation, supporting enabling environments in sourcing countries to address the root causes of human rights issues through collective action, and building markets' capacity for local engagement at all levels.

As well, each of our salient issue action plans will feature a collective action component, detailing how we will aim to collaborate with stakeholders to help tackle the root causes of an issue through collective action and advocacy.



Enabler 4 Strategic Partnerships

We collaborate with a wide variety of corporate, industry and civil organisations to enhance our understanding of the human rights challenges we face on the ground. From community liaisons to social partners, non-governmental organisations and international organisations, these collaborations are crucial for building common approaches that can have the biggest impact.

Looking ahead, we will use the collective action component of our salient issue action plans to help us determine the most effective partnerships and industry or multi-stakeholder initiatives for us to leverage.

By 2023, an environment, social and governance target for our Executive Board will ensure clear incentives around human rights are in place and measured as part of our progress.

Enabler 5 Transparency and Reporting

We have always been transparent about the human rights issues we identify, the actions we have taken, the progress we have made and the challenges we face. We believe a transparent approach, and sharing what we've learned on the way, is essential for tackling the root causes of human rights issues.

By the end of 2022, we will be working toward defined key performance indicators on human rights. These will be published as part of our salient issue action plans.

By 2025, we will report on our progress on implementing each of our salient issue action plans. In the meantime, we will continue to report through our Creating Shared Value reports.

New grievance reporting and case management system

In April 2021, we launched a single global internal and external reporting channel for non-compliance concerns and questions – *Speak Up*.

Speak Up, which replaces two previous systems, is independently operated by a third party to ensure anonymity. It provides a dedicated communication channel for reporting non-compliance concerns, with improved transparency and data. Every allegation is handled professionally and confidentially.

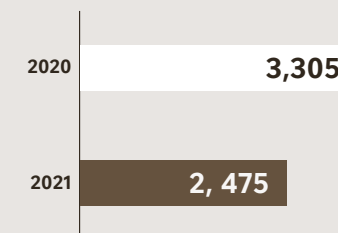
Consequences of substantiated cases in 2021 included 133 employees leaving the company, and the termination of six service providers' contracts.

With the launch of *Speak Up*, we introduced a new Case Management System, which enables ongoing analysis of relevant anonymised KPIs and statistics. This will give us more complete and accurate information and better analysis capabilities to support the development of improvement plans.

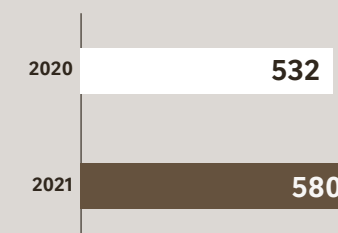
Non-compliance concerns raised through *Speak Up* by category

Breakdown categories for <i>Speak Up</i> messages	Messages received	Messages substantiated
Abuse of power and/or mobbing/ bullying	567	188
Unfair treatment	386	97
Labor practice	373	77
Safety and health	156	29
Fraud (misappropriation or misconduct on accounting/financial statement)	137	28
Harassment (excluding sexual harassment)	108	37
Third-party compliance	94	17
Gifts, families and relatives, conflicts of interest	91	8
Violation of laws/regulations	91	25
Violence and discrimination	78	19
Seeking compliance advice	63	10
Sexual harassment	59	22
Bribery and corruption	55	4
Confidential information, Privacy Policy (data privacy, trade secrets, intellectual property)	49	11
Human rights (child labour, forced labour and modern slavery risks)	49	1
Environmental impact	43	3
Antitrust and fair dealing	33	1
MANCOM members related	17	2
Non-compliance with WHO Code	11	1
Trade sanctions	10	0
Executive Board member/senior managers in Switzerland	5	0

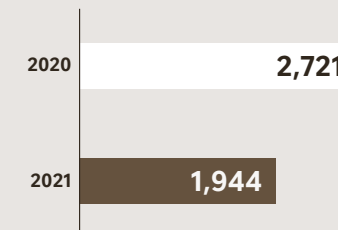
Total non-compliance concerns raised through *Speak Up*



Total cases substantiated through *Speak Up*



Total cases closed through *Speak Up*



TAKING ACTION: NESTLÉ'S 10 SALIENT ISSUES

We are developing action plans for each of the 10 salient issues identified as most at risk of causing a severe negative impact on people through our activities or business relationships globally, articulating our strategy for assessing, addressing and reporting on each as well as what collective action can be taken. These action plans sit at the heart of our due diligence program and will enable us to act as a force for good.

As well as taking action on the ground across our value chain, collaboration will be built into each action plan with the aim of sparking new engagement and inspiring collective action with peers, civil society, NGOs and governments. This way, we can tackle the root causes of our salient issues more effectively and create positive impact at scale.

During 2020 and 2021 we developed a human rights risk assessment (HRRRA) methodology based on publicly available sources, which looks at the risks posed to rights holders. The results of our HRRRA, the 13 human rights impact assessments we carried out between 2009 and 2017, the results of our strengthened audit and monitoring processes covering our own operations and upstream supply chains, and the grievances logged via our *Speak Up* reporting system, inform the basis of our salient issue action plans. We will publish these action plans by the end of 2022 and report on progress by the end of 2025.

Child labour and access to education

Child labour is work that is mentally, physically, socially or morally dangerous and harmful to children or interferes with their education by depriving them of the opportunity to attend school – obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long working hours or heavy work.

We can play an important role in addressing risks and improving access to education, especially in communities where poverty is widespread and resources are scarce. For example, we were the first company in the industry to introduce a Child Labor Monitoring and Remediation System (CLMRS). This works directly with communities on the ground to prioritise access to education – including building schools and securing birth certificates for registration – and tackling rural poverty through income diversification programs and support.

THE 10 SALIENT ISSUES

- Child labour and access to education
- Forced labour and responsible recruitment
- Living income and living wage
- Gender equity, non-discrimination, and non-harassment
- Safety and health at work
- Freedom of association and collective bargaining
- Right to water and sanitation
- Indigenous peoples and local communities' land rights
- Data protection and privacy
- Right to food and access to nutritious, affordable and adequate diets

We were also the first to openly report child labour risk in our cocoa supply chain when we published our inaugural Tackling Child Labor Report in 2017. We produced a [second report in 2019](#) showing how our CLMRS has benefited thousands of children and their families in Côte d'Ivoire and Ghana.

[Learn more about how Nestlé is tackling child labour risk](#)

[Learn more about our commitment on child labour in agricultural supply chains](#)

[Learn more about helping kids in cocoa communities back into education](#)

Forced labour and responsible recruitment

Forced labour is any work or service exacted from any person under threat of penalty and for which that person has not offered themselves voluntarily. It can manifest itself as abuse of vulnerability, deception, restriction of movement, isolation, physical and sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, and excessive overtime.

We are addressing the risk of forced labour in various agricultural supply chains by using our influence to promote and ensure fair and equitable recruitment practices. For example, we have supported the development of a human rights-based due diligence tool on ethical recruitment for palm oil supply chains that can be used by suppliers looking to responsibly recruit workers.

In our [seafood supply chain in Thailand](#), we work with [Issara Institute](#) to analyse recruitment practices and channels to implement responsible recruitment pathways with recruitment agencies, grassroots organisations and government. Through work with Issara and other partners since 2018, Nestlé seafood suppliers in Thailand have all improved responsible recruitment practices for all workers.

Living income and living wage

A living wage or living income is the benchmark income level that allows people to enjoy a decent standard of living, as stated in Article 25 of the Universal Declaration of Human Rights. This includes safe shelter, sufficient food, water and sanitation, healthcare, education, clothing and transport.

Since 2013, Nestlé has run a Living Wage Initiative to ensure our employees all earn a living wage. We work with [Business for Social Responsibility](#) to define the threshold in each country and update this information regularly to ensure our employees continue to be paid above the living wage.

In our supply chain, we have worked to improve livelihoods of smallholder farmers. Through both our [Nescafé Plan](#) and our [Nestlé Cocoa Plan](#), we invest in initiatives to help farmers improve yields, access capital and diversify their incomes. Some focus on supporting farmers with growing their business through regenerative agriculture, protecting local biodiversity and halting deforestation, thus helping tackle several of the issues posed by rural poverty.





Gender equity, non-discrimination and non-harassment

Everyone has the right to work free from discrimination, violence and harassment. Eliminating all types of discrimination in employment is part of the foundations of the rule of law.

Nestlé is clear about our values for our own workplaces and supply chain. We are committed to building workplaces where everyone feels safe to speak up when rights are not protected. We focus on specific areas within diversity and inclusion: gender balance, people with disabilities, the LGBTIQ+ community and ethnicity.

Safety and health at work

A safe and healthy working environment is an important part of the protected rights of workers around the world. People are at the heart of our business, so the safety and health of our employees, business partners and communities in which we operate is extremely important for us.

In dealing with the COVID-19 pandemic we have established additional safety measures in our factories, offices and distribution centres, and encourage our office-based employees to work from home whenever possible. We have also initiated interventions in various supply chains to help ensure workers have access to protective personal equipment, hygiene services and emergency equipment.

Freedom of association and collective bargaining

Workers and employees have the right to freely and voluntarily establish unions and join one of their choice.

In addition, unions have the right to carry out their activities in full freedom without interference.

Organisations representing workers and employers can engage in open, transparent and fair negotiations to determine working conditions and terms of employment and regulate relations between employers and workers. These are among the founding principles of the International Labour Organization (ILO).

Nestlé has built and nurtured a culture based on the values of trust, mutual respect and dialogue, and aims to promote continuous improvements in the working conditions of our employees.

Right to water and sanitation

Access to safe, affordable and reliable drinking water and sanitation services are basic human rights and essential for sustaining healthy livelihoods, eradicating poverty, building peaceful and prosperous societies and ensuring inclusive sustainable development.

As a global business, we use our scale to give more people around the world access to clean, drinkable water and sanitation facilities. Our Nestlé Guidelines on Respecting the Human Rights to Water and Sanitation have benefited more than 1.4 million people to date. Recognising the unique needs of different communities, in 2019 we developed a community relations process mapping tool which helps identify key stakeholders who would most benefit from tailored water, sanitation and hygiene (WASH) interventions.



Mechanisation as a route to worker safety

In Thailand, we partnered with Verité on a project to explore how to improve safety on Thai fishing vessels. The project focused on promoting safe working and living conditions at sea. A demonstration vessel funded by Nestlé and our supplier, Thai Union, showcased how worker welfare and business imperatives can align through increased mechanisation. Outcomes included less overcrowding on the vessel due to smaller crews required and improved worker safety when operating nets.

Indigenous peoples and local communities' land rights

Land rights have an impact on aspects of the right to self-determination, including the right to free, prior and informed consent (FPIC) of indigenous peoples. The right of self-determination is particularly relevant to companies pursuing economic, social and cultural development using natural wealth and resources.

Requirements for land rights and FPIC are included in our [Responsible Sourcing Standard](#) and our [Commitment on Land and Land Rights in Agricultural Supply Chains](#). In addition in our [Forest Positive strategy](#), Nestlé is helping increase direct engagement with local communities to secure land rights for indigenous peoples.

Data protection and privacy

Data protection is about securing data against unauthorised access, while data privacy is concerned with the collection, storage and use of personal data and the rights of the individual. Nestlé's Privacy Program is based on internationally recognised privacy principles. We participate in a range of multi-stakeholder groups to keep up to date with developments and issues and advocate for better data privacy and security.

Right to food and access to nutritious, affordable and adequate diets

Every individual, regardless of their living circumstances, has the right to adequate food, or ways and means to procure it, at all times. Despite this, many people still lack access to adequate food on a regular basis. Approximately 840 million people go to bed hungry and an estimated 3 billion cannot afford a healthy nutritious diet. Nestlé wants to support these people so they can access the nutrients they need.

We have been focusing on expanding our range of affordable staples that are fortified with important micronutrients to help address conditions such as anaemia and wasting, especially in vulnerable populations.





PRODUCED SUSTAINABLY: PROTECTING HUMAN RIGHTS ACROSS THE GLOBAL SUPPLY CHAIN

As a food company with a global footprint, we can support agricultural communities to improve their livelihoods and quality of life. Such action plays an important role in reducing the risks of modern slavery in our supply chains.

We rely on secure supplies of high quality, sustainably produced ingredients, in line with our [Responsible Sourcing Standard](#), which sets out our non-negotiable requirements and ways of working for supply chain tiers, going back to the origins of our goods and services. Many of the environmental and social challenges in our supply chains have their roots in poverty.

This is another reason we are embracing regenerative agriculture. The benefits of regenerative agriculture help improve the resilience of farmland to climate change, and can help improve livelihoods. In this way, by promoting regenerative food systems and supporting a just transition we can help farmers create resilient businesses, earn a living income, and protect human rights. This in turn helps foster resilient communities.

In coffee and cocoa, the [Nespresso AAA Sustainable Quality™ Program](#), [Nescafé Plan](#) and [Nestlé Cocoa Plan](#) provide additional requirements specific to these raw materials. Our key partners and sourcing teams also carry out regular farm visits and assessments against our Responsible Sourcing Standard, in addition to third-party audits and certification where relevant.

While our main consideration is the people within our direct supply chain and their immediate families, we also support activities that reach into the wider community, such as building schools, providing access to water and sanitation and running women's literacy and numeracy programs.

Building on years of work with suppliers and farmers to source key raw materials that are traceable and responsibly sourced, we are now raising the bar with a more comprehensive and systematic approach to assessing, addressing and reporting on social, environmental and animal welfare risks in our supply chain.

Our new approach will help build the foundations to advance regenerative food systems at scale. We are now focusing on the systematic deployment of our responsible sourcing requirements through our supply chain to help transform agricultural production practices for a positive impact on people, nature and climate.

To measure progress, we have defined a new 'produced sustainably' key performance indicator (KPI) for our 14 priority raw materials that combines multiple requirements.

This replaces our 2 previous commitments and related KPIs that came to a close in 2020: percentage of volume traceable and percentage of volume responsibly sourced. As our new KPI is more ambitious than the previous ones, results are not comparable with prior years' performance. We aim for 100% of key raw material volumes to be produced sustainably by 2030.

We will source:

100%
sustainably produced
key ingredients by 2030

100%
certified sustainable
palm oil by 2023

100%
sustainable cocoa
and coffee by 2025

What does 'produced sustainably' mean?

Our new 'produced sustainably' KPI builds on our [Responsible Sourcing Standard](#), and applies to the 14 key agricultural raw materials which cover 95 per cent of our annual sourcing by volume. 'Produced sustainably' means the origin of the key ingredient is known and the direct supplier is progressing to address social and environmental performance.

The minimum criteria to define if a raw material is produced sustainably are:

- Traceable back to the point of origin (farm or group of farms)
- Human rights and environmental due diligence systems are in place to assess, address and report on impacts in the supply chain
- The tier-1 supplier is measurably progressing in addressing human rights and environmental impacts (actual or potential) identified in its supply chain, as well as animal welfare where applicable

For each key raw material in scope, specific criteria have been defined to take into account their specificities.

Connected to our efforts to ensure sustainability, we disclose the [list of suppliers](#) of the priority raw materials that are part of our Responsible Sourcing program. This disclosure, the first of its kind in the industry, aims to increase transparency in the sector.



SUPPORTING LIVELIHOODS

Our approach is to help farmers improve their incomes in multiple ways, such as training in good agricultural practices and providing access to diversified income sources. Improving incomes also helps tackle child labour risks and deforestation.

Agronomy

Our global team of 1,000 agronomists helps farmers optimise production and reduce costs through techniques such as pruning and chemical fertiliser optimisation.

Providing financial assistance

In some rural areas, there is a lack of financial infrastructure to allow farmers to save or borrow money. The *Nestlé Cocoa Plan* has helped farmers access basic financial services through the creation of 270 village savings and loans associations.

Agripreneurship

The *Nescafé Plan* provides training to many farmers in business skills such as bookkeeping. In addition, in Southeast Asia our operations have introduced the Farmer Business Schools concept in collaboration with the *GIZ Sustainable Cocoa Business Project*, training over 10,000 farmers since its introduction in 2018, with some participants more than doubling net farm income in 12 months by changing the mindset of smallholder farmers to become entrepreneurs.

Diversification

We encourage farmers to reduce their exposure to global market prices for their main crop (and boost

biodiversity) through ‘intercropping’ – planting other crops in their fields. We also encourage income diversification through activities such as beekeeping and biogas and renewable energy generation.

Women’s empowerment

Data from the *Nestlé Cocoa Plan* demonstrate a clear link between higher levels of women’s education and reduced risks of child labour. Activities such as founding women’s groups, developing income-generating activities and providing literacy and numeracy courses support women, their families and wider communities.

Premiums

In Ghana and Côte d’Ivoire, Nestlé was one of the first companies to purchase 2020/2021 cocoa with the governments’ joint Living Income Differential premium. We believe it can be a useful tool to complement our efforts to improve the lives of farmers and their communities. Our evolving regenerative agriculture approach also envisages using cash incentives for vulnerable smallholders supplying ingredients grown using regenerative methods. Direct investments will also help support farmers.

[Learn more about sustainable sourcing](#)





PALM OIL

We are working toward a sustainable palm oil supply chain where all workers, at all tiers of production, work and live in safe and healthy conditions, are provided contracts detailing their working conditions, are paid fairly, have the right to associate freely and collectively bargain and have access to grievance mechanisms.

We have worked with the [Danish Institute for Human Rights](#) and [Earthworm Foundation](#) on a labour rights assessment in Indonesia and our first comprehensive Action Plan on Labor Rights in Palm Oil Supply Chains. This has formed the basis of our approach for some years.

Building on this previous work, we partnered with [Verité](#) to run a management systems assessment of how we manage labour rights risks in our palm oil supply chain globally. The results and recommendations made in this assessment, together with our previous experience and learnings, led to a revision of our approach.

Together with [Verité](#), we developed, and are now implementing, a Program Assurance Framework which focuses on strengthening management systems for assessing, addressing and remediating labour rights issues, and launched a detailed, upgraded [Labor Rights Action Plan for Palm Oil](#). This has now been tested with 5 suppliers and will be rolled out to all suppliers by 2023.

We continue to train palm oil suppliers and producers on the guidelines and tools we have helped to develop over the years to explain specific labour-related issues and how they can be addressed.

Protecting children living on plantations

Thousands of children may live on palm oil plantations in some areas, often undocumented and without access to basic services such as education and schooling. Working with [Earthworm](#), a [Child Risk Assessment Framework](#) has been developed to support palm grower companies, covering topics such as education, childcare, maternity protection, healthcare, nutrition, birth registration and child sexual exploitation prevention. A training model on the Framework has been developed and rolled out.

Responsible recruitment

Nestlé has supported several key initiatives to promote responsible recruitment, including funding the development of a [human rights-based due diligence tool](#) to support producers to establish transparency in recruitment practices and identify risks. Suppliers can track and measure their progress using a performance matrix.

We have also invested in training assessors to identify forced labour risks associated with migrant workers' recruitment, and supported research conducted by [Earthworm](#) into recruitment practices and costs among small and medium third-party suppliers.

Giving workers a voice

The third-party [worker helpline](#) we developed with [ELEVATE](#) and the Responsible Business Alliance has been extended to reach all Sime Darby Plantations operations, or around 35,000 workers. This support line enables workers to report safely on working conditions, recruitment, safety and other rights abuses. More than 4,500 workers have now participated in in-person training, with many more receiving information via other means.

Multi-stakeholder engagements

In East Kalimantan, Indonesia, we support [Earthworm](#) in its multi-stakeholder engagements with the government and suppliers on the themes of children on plantations and fair employment for casual workers. These consultations included a workshop for 54 representatives from palm oil companies, the government, civil society organisations and unions.

Given the industry's complexity and the estimated 4 million people it employs in South East Asia, addressing labour and human rights issues relies on cross-industry efforts. We participate in a number of multi-stakeholder initiatives including the [Consumer Goods Forum Forest Positive coalition](#), the [Responsible Labor Initiative](#) and the [Leadership Group for Responsible Recruitment](#). We also actively participated in the consultation process to strengthen the Principles & Criteria of the [Roundtable for Sustainable Palm Oil](#).

[Sustainably Sourced Palm Oil at Nestlé: 2021 Progress Report](#)

[Learn more about our palm oil sourcing](#)



HAZELNUTS

Hazelnuts are an important ingredient in a range of our foods and beverages including confectionery and ice cream.

Most of our hazelnut supply comes from the western and eastern Black Sea region of Turkey, the world's largest producer, but we also source from Spain, Italy and Azerbaijan. We do not source directly from farms, but purchase from suppliers which obtain hazelnuts through intermediaries. We have published a list of our [hazelnut Tier 1 suppliers](#), their cracking sites and countries of origin.

Assessing the challenges

The hazelnut supply chain contains significant challenges, especially with labour conditions and child labour risk.

To identify and address the challenges we face in our supply chain, we carry out impact assessments to help us understand the needs of the communities where we source our hazelnuts. These assessments have highlighted the need for safe and healthy living and working conditions for labourers, especially the many temporary migrant workers, and the existence of child labour.

A collaborative approach, working with suppliers, local communities, governments and implementing partners, such as the [Fair Labor Association \(FLA\)](#) in Turkey and [Verité](#) in Spain and Italy, is key to carrying out assessments and responding effectively.

Implementing social impact assessments

Nestlé has worked with the FLA since 2011 to assess labour practices in Turkey. Working with suppliers [Olam Progida](#), [Balsu](#) and [Yavuz](#), the Turkish government and local and international non-governmental organisations, we have implemented remedial activities to bring systemic improvements in labour standards to the sector.

We have shifted our approach from audits, as these told us little about the effect of interventions, to a social impact assessment of our actions and activities around training, renovations and summer schools for children.

As well, we conduct regular impact assessments and follow their recommendations, such as training workers in their places of origin and during the quieter seasons when workers have more time, and providing guidance on issues such as wages, working hours and occupational health and safety.

We recognise the importance of protecting the human rights and livelihoods of workers and children, through raising awareness of workers' rights, keeping children engaged with summer schools, developing women's skills, tackling gender stereotypes while helping address child labour risks, and providing hygienic accommodation for workers.



We help promote the human rights and livelihoods of hazelnut workers and children by:

- Raising awareness of workers' rights in Turkey
- Keeping children engaged with summer schools
- Developing women's skills
- Tackling gender stereotypes while helping address child labour risks
- Providing hygienic accommodation for workers





CASE STUDY

Harvesting the Future

Nestlé began working with the [Fair Labor Association](#) in Turkey in 2011 to help address labour conditions and child labour risks associated with seasonal workers in our hazelnut supply chain.

To help improve recruitment and employment practices for seasonal migrant workers, we needed to address root causes across all the seasonal jobs workers move between in agriculture in Turkey. For this reason, we joined [Harvesting The Future](#) in 2019, a multisectoral, multi-geography and multi-stakeholder project led by the FLA to help supply chain partners address working conditions for their shared seasonal workforce.

In 2021 the program focused on child protection and child labour risk remediation, eliminating hazardous work for workers under 18, improving access to basic services and greater adherence to responsible recruitment practices, grievance mechanisms and living wages.

To date, 85 company and supplier representatives have received training in these areas. Twelve suppliers have launched child labour risk monitoring and remediation programs and we have increased awareness and registration of labour intermediaries.

[Learn more about our hazelnut sourcing](#)



SUGAR

We source sugar as both sugarcane and sugar beet from more than 200 suppliers in 60 countries.

Sugarcane harvesting can be dangerous, and labour conditions are often challenging. For this reason, we are committed to working with our suppliers to ensure labour rights are upheld.

We are actively working with our suppliers and implementing partners, such as [Proforest](#), to address challenges in some of the countries where we source sugar, including child labour risks, working and living conditions for labourers and environmental challenges such as deforestation and agrochemical applications.

We work with Proforest to map our sugar supply chain and assess our suppliers. We have mapped the supply chain back to the sugar mills in several countries and regions, including Brazil, Mexico, India, Australia, Thailand, the Philippines, China and Central America. Supplier assessments include exploratory and full site visits and analysis of traceability and employment data. The findings inform development of strategies for mills to improve their practices and implement changes and training across their supply bases.

The challenge of itinerant workers

During harvest in countries such as Côte d'Ivoire, Mexico and Thailand, large numbers of temporary migrant workers live and work temporarily in sugarcane-growing areas. The nature of this labour force leads to many risks within the supply chain, such as limited access to sanitation and potable water, overcrowding, children missing school and limited access to safe working practices.

Improving conditions for workers and children in Mexico

Tackling child labour

Child labour in Mexico can be a sensitive issue in mills due to the way labour is contracted and the influence mills feel they can exert on cane cutter recruiters. This has made it challenging to establish a clear plan.

Together with Proforest and its local partner, ABC Mexico, we have been working to address this risk at our supplying mills, including [Grupo Beta San Miguel \(BSM\)](#). Mills were initially supported in developing policies and implementation and monitoring plans, followed by training and awareness-raising activities.

BSM has developed a policy to tackle child labour risk in its supply base and implemented programs to identify and address root causes of child labour

and raise awareness about children's rights among producers, shelters for migrant workers, leaders of the cane-cutting teams and mill personnel.

With BSM, we are focusing on responsible recruitment, and implemented a due diligence process to verify the age of workers and prevent children from entering field work.

Improving working and living conditions

We work with Proforest to help our major suppliers improve working conditions for cane cutters. This includes access to sufficient potable water, hygiene and emergency equipment.

We are supporting our supplier La Gloria in rehabilitating shelters for cane cutters, focusing on ventilation, lighting and ensuring the space is used efficiently. Equipment to improve clean water availability during harvest and first aid kits have also been distributed.

With Proforest's support, Nestlé and BSM developed a protocol to guide improving housing infrastructure for migrant workers. We have also supported BSM implement a hydration program at the Casasano mill in Morelos, which helps people in shelters by delivering water containers and filters to improve water collection and quality. As well, mills have installed mechanisms and distributed equipment to increase access to drinkable water in the field for cane cutters.

[Learn more about our sugar sourcing strategy](#)



COFFEE

Coffee is one of the world’s most traded commodities and a vital export crop for many countries. We source most of our coffee from smallholders who are a key part of our global supply chain spanning more than 30 countries – each presenting unique conditions and risks.

Demand for coffee continues to rise globally, but as other crops compete with coffee for limited land, farmers face considerable challenges including profitability, human rights risks and the effects of climate change. Nestlé works to continuously improve our green coffee supply chain and make every cup more sustainable, and has made the commitment for 100 per cent of our coffee to be produced sustainably by 2025.

We have a constant focus on the traceability of our coffee. Knowing where our beans come from is essential to assessing the suppliers and farmers we source from and empowering them to improve their practices to become part of a more sustainable supply chain.

Improving coffee sustainability through the Nescafé and Nespresso programs

Over a decade ago, we launched a global coffee sustainability initiative called the Nescafé Plan. As part of the plan, we work towards reducing the environmental impact of coffee, from the farming to our factories. We also train farmers to support their economic and environmental resilience and build a body of knowledge around best practices. These cover

topics such as sustainable crop growing, reforestation and helping address local human rights issues, such as gender disparities.

We engage in collective and pre-competitive actions via sector-wide initiatives such as the [International Coffee Organization’s Public-Private Taskforce](#), the multi-stakeholder [Global Coffee Platform](#) and [Sustainable Coffee Challenge](#).

As well, for almost 20 years Nespresso has been helping farmers build sustainable livelihoods through the [Nespresso AAA Sustainable Quality™ Program](#).

In addition to our branded initiatives, in 2021 we continued to support the [International Coffee Organization’s task force](#) to develop better visibility and tools to address coffee farmer income levels towards a Living Income.

Our coffee supply chain is a complex global network and, with suppliers in multiple countries, we work hard to comply with a diverse range of regulations and standards. Nestlé is committed to keeping human rights abuses out of our supply chain, including forced and child labour and all other forms of labour rights violations. We promote and embed best practices to protect and empower the people behind our beans.

For example, in addition to the due diligence of verified or certified programs, we currently have intensive monitoring, engagement and remediation programs in Mexico and the Philippines. While the COVID-19 pandemic created some challenges, we continued these programs, working with [Certificadora de Productos Sostenibles](#) in Mexico and with [Maquindanaon Development Foundation Inc](#) in the Philippines.

Empowering women in East Africa

Many of the farmers we work with are women. Promoting better access to land, credit and information for them not only helps them improve their farming, but can impact health, education, nutrition and the welfare of their families.

We start by addressing gender biases. We’re committed to training all our farming partners and agronomists to help the industry be more diverse and equitable. We have reached more than 15,000 women in East Africa over the past 8 years and improved knowledge on sustainable farming practices, financial literacy and leadership. They are adopting improved practices ranging from pruning and weeding to mulching and harvesting, and also better commercialising of their crops.

With these new skillsets, women can improve their income, obtain greater financial independence and lead the way for girls and women in the future.

[Learn more about our sustainable coffee sourcing](#)

[Learn more about our Nescafé Grown Respectfully program](#)



COCOA

Cocoa is a key ingredient of confectionery, especially chocolate. But cultivating cocoa presents challenges such as deforestation, child labour risks and a lack of living incomes for cocoa farming households.

The Nestlé Cocoa Plan, along with Rainforest Alliance certification, recognises the enmeshed social, environmental and economic factors that contribute to these challenges and allows us to address them to create a responsible cocoa supply chain. It helps us build a more responsible supply chain for cocoa production as we work with farmers, communities and local and international organisations to develop and implement solutions.

As well as developing solutions to key issues, we aim to ensure our cocoa suppliers comply with our own Responsible Sourcing Standard. Through the Nestlé Cocoa Plan, we are also helping transform cocoa supply chains beyond Nestlé.

Child labour risks and access to education

We were the first company in the cocoa sector to introduce a Child Labor Monitoring and Remediation

System (CLMRS), and many companies have now adopted it as a leading tool to help tackle child labour risks by working directly with communities on the ground. Our CLMRS prioritises access to education, including building and renovating schools and securing birth certificates for registration, and tackling rural poverty through income diversification programs and support.

The CLMRS is a 6-step process that starts with raising awareness. Community Liaison people visit farmers and cooperatives, and based on visits and surveys, identify children at risk. Families of children identified receive further visits where they are advised and supported by the Community Liaison People. Regular follow-up visits allow us to measure how many children have been prevented from entering child labour or have stopped doing hazardous work. Our Tackling Child Labor report details how this program supports children and their families.

Each year, we identify some children in our supply chain who are at risk of engaging in child labour. We carry out follow-up visits with each of these children and record the number who report that they are no longer at risk during 2 consecutive visits. In 2021, the number of children who reported no longer being at risk at the 2 most recent visits was 6,307 in Côte d'Ivoire and 738 in Ghana.

Our cocoa work is organised under 3 pillars

- **Better Farming:** helping farmers improve their crops, increase their income and improve their livelihoods
- **Better Lives:** tackling child labour, empowering women and improving education to help communities thrive
- **Better Cocoa:** enhancing supply chain traceability and tackling deforestation

Supporting living incomes

In January 2022, we announced a new plan to tackle child labour risks in cocoa production. At the centre is an innovative Living Income Accelerator Program, which aims to improve the livelihoods of cocoa-farming families, while also advancing regenerative agriculture practices and gender equality.

[Learn more about our cocoa sourcing](#)

[Learn more about the Nestlé Cocoa Plan for tackling child labour risks](#)

CHILD LABOR MONITORING AND REMEDIATION SYSTEM PERFORMANCE

In West Africa:

100,726

Children in Côte d'Ivoire and Ghana were covered by our Child Labor Monitoring and Remediation System to prevent and address child labour risks in 2021

40,000

More than 40,000 children have increased access to education

131

With our partner, the Jacobs Foundation, 131 bridging classes have been set up to help children who have missed out on schooling



FISH AND SEAFOOD

Fish and seafood are critical resources for the planet.

They are also key raw materials for our pet food products, which is why we work hard to ensure our fish and seafood are produced sustainably. We understand the importance of sourcing from fisheries and aquaculture farms with healthy fish and responsible labour practices. For this reason, we collaborate on innovative solutions to tackle the most pressing challenges faced by the seafood industry, such as labour conditions and poor environmental practices, as well as illegal, unreported and unregulated fishing.

Identifying the precise sources of fish presents unique challenges in sourcing seafood. Our main use of these materials is in pet food, which primarily uses fish by-products, which are the remnants left after fillets have been removed for human consumption. Typical traceability mechanisms for whole fish are already insufficient, and sourcing by-products makes identifying the origins even more complex.

Labour rights violations have been identified as key challenges within the fish and seafood supply chain, representing a risk for Nestlé in Thailand. Issues such as trafficking, forced labour, lack of grievance procedures, poor workplace conditions, and wages and benefits all need to be addressed there urgently.

Working with our partners, the Royal Thai Government, industry association the [Seafood Taskforce](#) and our suppliers, we have been taking action to address these challenges. We also work with 2 NGOs – [Verité](#), which specialises in tackling labour abuses in supply chains, and the [Issara Institute](#), which provides workers with grievance mechanisms to address these challenges.

The key actions we've taken to date are:

- Developing a business case for safe living and working conditions on vessels
- Deploying Issara Institute's worker voice and remediation tools throughout our supply chains
- Requiring responsible recruitment of workers into Thai seafood processing facilities in our supply chain and supporting several initiatives to extend this practice further upstream.

To improve conditions in our supply chain further, we have banned transshipment at sea – that is, transferring goods from one vessel to another while in transit – as it is a significant risk factor for labour abuses. We are now working on compliance with our suppliers, who have committed to delivering on this.

We have also partnered with other industry players, The J.M. Smucker Company and Mars Petcare, to fund 2 further projects. The first is to improve the conditions of fishermen on vessels with our supplier Thai Union, and



the second to develop and implement legally binding illustrated contracts. Offering contracts in an illustrated form helps tackle language barriers and promotes simplicity, understanding and transparency.

We have initiated a partnership with [The FAIR Hiring Initiative](#) (TFHI) to conduct capacity-building for ethical and fair recruitment for agencies and employers enrolled in TFHI's On The Level certification program pilot. This partnership aims to support an increase in the pool of responsible recruitment agents to bring more responsibly recruited workers into the industry.

[Learn more about our fish and seafood sourcing](#)

NESTLÉ AUSTRALIA UPDATE

Our activities in 2021 were dominated by the challenges created by COVID-19. Our primary focus was on keeping our staff safe and well, and ensuring that our workplaces were managed in such a way as to prevent the transmission of disease on site.

Despite this, there were significant disruptions to both our operations and supply chains as labour shortages and disruptions, and restrictions limiting the movement of people to prevent the spread of disease, had a ripple effect in Australia and more broadly.

Aware of the additional burden that this placed on businesses to staff their operations adequately, our program of detailed local supplier audits was critically important. Encouragingly, our 2021 audit program found no critical gaps relating to workers' rights in our domestic supply chains.

Where we find non-compliance in audits, we work with the supplier to address the gap, and to follow up to ensure the gap has been closed within agreed timeframes. Where we have found critical gaps in the past, it is encouraging that subsequent audits of these suppliers have demonstrated genuine change and now show no gaps.

As part of Nestlé's global commitment to ensuring our employees are trained in human rights, we have now embedded human rights training into the induction

program for all new employees, with 86% of our employees in Australia having completed this training by the end of December 2021. Our [human rights e-learning](#), developed by Nestlé together with the Danish Institute for Human Rights, is publicly available for other organisations to use and adapt to support their own efforts.

Nestlé supports mandatory human rights due diligence by businesses. No individual company can address the problem of modern slavery in isolation; our own history of working on these issues shows that we can make the most difference where we collaborate and partner with others. For this reason, as we look towards the review of Australia's Modern Slavery legislation in 2022, Nestlé will advocate to strengthen this legislation, recognising that this is in the best interests of rights holders. At the same time, we will also advocate for the need for consistent approaches across borders to facilitate effective and efficient action by business in dealing with these global challenges.

NESTLÉ UK UPDATE

Over the past few years, we have been implementing a 5-stage strategy:

1. External engagement and participation in working groups

Our external engagement helps us understand how we can implement better practices by learning from others. As part of this we are active members of the United Nations Global Compact Human Rights Working Group. We have also been participating in the work being carried out by the [Bingham Institute Policy and Evidence Centre](#).

2. Establish a Nestlé employee awareness training program

Since 2018 we have partnered with UK modern slavery charity, [Unseen](#), to create and deliver modern slavery training to Nestlé UK staff. More than 120 colleagues have been through this training in the past 3 years. The training has covered colleagues throughout the business, including Procurement, Co-manufacturing, Legal and Human Resources teams. As part of this training, we have also created virtual reality videos that highlight the plight of victims – this is a powerful way to bring the issue to life. These videos are available for other companies to use. This training will continue in the coming years.

3. Join the Unseen Business Portal

Nestlé joined the Unseen Business Portal in early 2022 to give us early understanding of any relevant local matters by providing access to real-time reports of cases relevant to our UK supply chain and more broadly within the UK food and beverage industry.

The portal is a secure online platform which draws on situational information reported directly to the Unseen UK Modern Slavery & Exploitation Helpline. Once reviewed and de-identified by Unseen, the portal provides details such as the type of exploitation, location, police force region and some demographic data. Once a case is seen by Nestlé, we collaborate on next steps with Unseen, who coordinate with police, service providers and other businesses who may be involved.

Nestlé benefits not only from Unseen's expertise, but the Helpline's victim-centred approach, which protects the vulnerable people indicated on a case-by-case basis.

4. Enhanced supplier engagement program and supplier policy

We are acutely aware that the greatest risk of modern slavery sits some tiers up our supply chain. This means that it is essential we work with our suppliers to ensure that they also appreciate the risk of modern slavery and are focussed on its elimination, so that they in turn can make it a priority with their own suppliers. To this end, we held a supplier day in

March 2021 to explain our expectations to approximately 65 suppliers, with Unseen co-delivering the session. This focus on our suppliers will continue going forward.

We are also reviewing our procurement tender process for new suppliers to incorporate modern slavery. The ambition is that suppliers commit to modern slavery training, delivered by Unseen, as part of becoming a supplier to Nestlé.

5. Implement survivor support program

Longer term, we will collaborate with Unseen to create a program for survivors of modern slavery to be supported by Nestlé volunteers to learn skills such as using computers and preparing CVs. We would also look at mentoring opportunities. We fully understand that survivors have had a traumatic experience and are sensitive to ensuring that any support we create will be effective and appropriate for survivors.

THE IMPACTS OF COVID-19

In 2021 the ongoing COVID-19 pandemic continued to highlight the importance of human rights in an increasingly difficult environment for both our global workforce and suppliers, reinforcing our decision to link Nestlé’s human rights endeavours with key sustainability priorities.

In our operations, dealing with the COVID-19 pandemic has seen us establish additional safety measures in our factories, offices and distribution centres, and encourage our office-based employees to work from home whenever possible. We also initiated interventions in various supply chains to help ensure workers have access to protective personal equipment, hygiene services and emergency equipment.

In our supply chains, movement restrictions and lockdowns have delayed some activities, and led to uncertainty in others. We remain acutely aware that modern slavery and other human rights abuses thrive in the dark, and the impact of reduced visibility over our supply chains remains a concern.

Put simply: due diligence cannot be performed from a desk. Teams on the ground, engaging with factory workers, farmers and local communities are critical to understanding what impacts we can have on rights holders, and on how to address them.

Despite these challenges, we were able to progress our work in a number of areas as we learned to adapt to this changing situation. For example, digital technology, the presence of Community Liaison people in cocoa-growing communities, and suppliers and stakeholders increasingly aware of the need to address modern slavery and worker conditions led to new ways of working to monitor and address human rights risks. We were able to pilot our Living Income Accelerator program in cocoa-growing communities in Côte d’Ivoire, and shape it ready for more widespread roll out.

As the world begins to reopen, we look forward to furthering our activities to support workers in our supply chains, their families and communities, to build regenerative practices that address modern slavery.



LOOKING AHEAD

The launch of our new Human Rights Framework and Roadmap, on the back of the launch of our ambition to support and accelerate the transition to a regenerative food system, has helped us strengthen our due diligence and establish an integrated approach to enabling a just and fair transition to more sustainable farming practices.

In this new phase of work we will continue to be transparent, reviewing and sharing our progress, learnings and challenges. We will continually assess and, if required, adapt our approach to meet on-the-ground realities to ensure we meet our goals. We will continue to hold ourselves to high standards of transparency by regularly reporting our progress and performance and sharing our learnings and challenges. We've been reporting on our human rights progress as part of our Creating Shared Value reports since 2008 and will continue to do so.

By the end of 2022 we will publish salient issue action plans for our 10 salient human rights issues. This will include key performance indicators on human rights which will be published as part of our salient issue action plans. By 2025 we will report our progress against our action plans.

With our strong governance structures and world-leading advocacy and transparency in place, we continue to be leaders in our industry. Our new Roadmap provides a clear strategy and direction for how we will continue to address and improve human rights throughout our supply chains. We are now working through each step in the Roadmap to ensure we are enabling dignified, safe work that

respects and protects human rights, while reducing contribution to global emissions.

Our focus areas will continue to be:

- Promoting appropriate human rights due diligence legislation
- Supporting enabling environments in sourcing countries to address root causes of human rights issues through collective action
- Building our capacity for local engagement in each country
- Featuring a 'collective action' component in our salient issue action plans, detailing collaboration and amplification with external stakeholders

Respecting and advancing human rights is a key element of this journey. In the spirit of enabling a just transition, it is vital that we support and empower the most vulnerable individuals and communities across our value chain. This is what will help us drive equitable change and build the foundations of a fairer food system. We can only succeed when we all are safe and living lives of dignity and opportunity, with our rights respected and promoted.

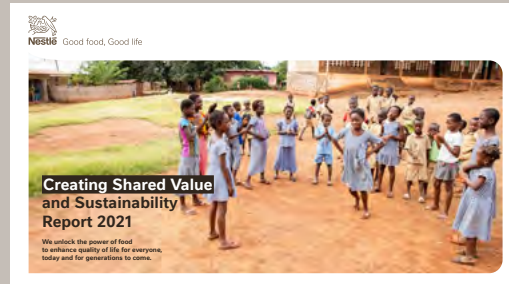
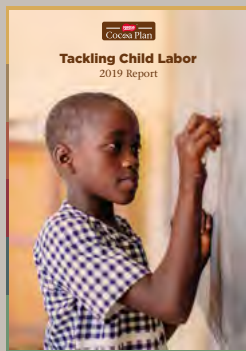
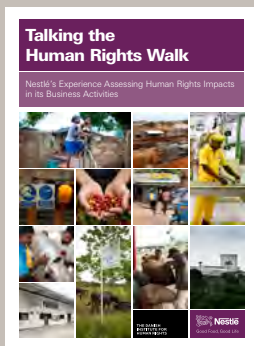
That is the world we are helping to build.



For further information on our priorities, please consult our [Creating Shared Value and Sustainability Report 2021](#).

As well as [reporting on our progress](#) in human rights since 2008, we have produced a number of reports on specific areas relating to human rights.

Click to read more:



Nestlé Good food, Good life

We welcome your input and views:

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