



Nestlé Good food, Good life

NESTLÉ'S HUMAN RIGHTS FRAMEWORK AND ROADMAP

Supporting a just transition toward a regenerative food system

DECEMBER 2021





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MAKING A JUST TRANSITION

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.

The start of a journey

People and respect for human rights are at the core of Nestlé's culture and values. We are committed to raising awareness, promoting best practices and empowering people across our value chain, which includes our own operations and supply chains. We were early adopters of frameworks like the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. At the same time, we piloted many programs to assess and address risks on the ground.

Since we began our human rights journey, the landscape Nestlé* works in has evolved. There is now greater transparency – and greater awareness – of human rights risks. More companies have taken action and developed their own human rights programs. Another welcome development has been the emergence of new legislation that can help bring all companies behind the efforts that are necessary to protect people at risk.

Adapting to change

In 2021, Nestlé announced its 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. Our commitment to respecting and promoting human rights is a key part of enabling this move to a fairer food system.

A regenerative food system is one that puts people at the center. It is a food system that provides resilient and fair livelihoods and dignified work that enables people across the world to support themselves and their families.

We will use our scale, experience and resources to contribute to that future. Guided by our roadmap, we will enhance our due diligence by developing action plans designed to specifically address the most salient issues we face and foster powerful collaborations on the ground. With strong governance, forward-looking advocacy and leading transparency, we want to be leaders in our industry. Our work in this area will further strengthen our contribution to the Sustainable Development Goals (SDGs).

As the world's largest food and beverage company, Nestlé is in millions of homes around the world. What we do matters. We have the size, scale and reach to inspire others and help drive collective action.

This is our roadmap for our journey ahead.

* Nestlé throughout this document refers to the Nestlé Group.

FOREWORD

PEOPLE AT THE HEART OF OUR REGENERATION PROMISE



"To feed the world for generations to come, our approach must go beyond 'doing no harm' to having a positive impact on food systems at scale."

U. Mark Schneider
Chief Executive Officer

Paul Bulcke
Chairman

The rise in inequality has become significant for societies around the world. This is now further amplified by the impact of climate change.

Stakeholders of all kinds are looking to businesses to demonstrate how they are offering dignified, safe work that respects and advances human rights while also reducing their contribution to global emissions.

At Nestlé, we are striving to support and accelerate the **transition to a regenerative food system** – one that aims to help protect and restore the environment, improve the livelihoods of farmers and enhance the well-being of farming communities.

We want this transition to be **just and equitable**. Therefore, it is vital that we support farmers around the world with scientific and technical assistance to adopt regenerative agriculture practices. We want to reward farmers for their quality ingredients, but also for their positive impact on the environment and on communities.

To feed the world for generations to come, our approach must **go beyond 'doing no harm' to having a positive impact** on food systems at scale.

We have already launched Nestlé's Net Zero Roadmap in which we said that people would be at the heart of our climate actions. Now, to support the people behind our regeneration promise and strengthen the foundation for a just transition, we are launching our Human Rights Roadmap, which sets out how Nestlé intends to tackle its most salient human rights risks by putting people at the center of what we do.

Respecting and promoting human rights is not new for us. We have already trained almost all of our employees on human rights and advocated for higher global and regional due diligence standards. Beyond our own operations, we have implemented innovative due diligence systems, like the Child Labor Monitoring and Remediation System in our cocoa supply chain that has set new standards for the industry.

Our experience has shown that respecting and advancing human rights is an ongoing task. The progress we have made and the challenges we are still facing have helped us rethink our approach. Building on the knowledge we have gathered and the strengths of the programs we have implemented, our new Human Rights Framework aims to enhance our positive impact on the ground.

We have put due diligence at the heart of our new approach. This begins with creating detailed action plans for every single one of our 10 salient human rights issues, supported by five enablers that will further enhance our due diligence and help us scale positive impact and track our progress. These include governance and incentives, policies and control systems, engagement and advocacy, strategic partnerships, and transparency and reporting.

This is the roadmap for how we will continue to protect and empower the people across our value chain. But it is a map without borders, because we will keep working, learning and adapting to advance human rights across our business.

A PROUD HISTORY OF EMBEDDING HUMAN RIGHTS



Nestlé has been working to incorporate human rights in all aspects of our business for many years. Today, human rights elements have been mainstreamed into 22 Nestlé policies. Since 2011, over 282 000 Nestlé employees have been trained and human rights are now embedded across our company's governance structures.

Mainstreaming human rights

Today, all of our corporate employees receive training on human rights as part of their induction program – 282 532 people to date. We have also mainstreamed human rights into 22 policies and procedures across our global business. This translates tangible requirements into relevant documents such as our [Responsible Sourcing Standard](#) and [Employee Relations Policy](#), making human rights a topic all our employees can understand and speak about. This is all the more important for a global company like us, operating in most countries around the world.

Assessing human rights risks

Our human rights impact assessments (HRIAs), which we started in 2009, have been instrumental in helping us understand the environment we work in. These robust explorations into the on-the-ground reality of our operations and supply chains helped Nestlé to develop targeted, effective procedures and programs that contributed to positive impacts for people and communities on the ground. These assessments have also been instrumental in further improving our level of due diligence at the corporate level by highlighting where our policies and control systems could be strengthened.

DUE DILIGENCE – WHICH IS SO CORE TO RESPECTING AND ADVANCING HUMAN RIGHTS – CAN'T BE PERFORMED FROM A DESK.



Yann Wyss (on the left), Senior Manager, Social Impact

"You need teams to be on the ground and engaging with factory workers, farmers and local communities among other rights holders to understand exactly what impacts you – as a company – can have on these people, and how to address them.

That's why we have placed great value on learning by doing. We have tried many innovative approaches and initiatives across a number of geographies. Based on successes and challenges, we have taken something from each of them to help us better understand the landscape we operate in and further enhance our human rights performance.

I am proud of the work we have accomplished as we have worked to integrate human rights due diligence processes into our corporate policies and procedures, the partnerships we have built and the innovative approaches we have piloted to address risks on the ground. Now, in this next phase of our journey, I am excited to engage more closely than ever with colleagues, peers, civil society, NGOs, governments and others to build the partnerships, programs and action plans we need to further improve livelihoods and transform lives."

Our human rights journey started a long time ago

Here is what we have achieved since 2008

2008

We started reporting on human rights as part of our annual Creating Shared Value report

The Danish Institute for Human Rights

(DIHR) conducted a human rights gap analysis of our policies and procedures

2009



We conducted our first human rights impact assessments

(HRIAs) together with the DIHR in Colombia and Nigeria to fully understand the type and scope of the human rights impacts of our operations in those countries

2010

We conducted our first corporate human rights risk assessment together with Nestlé's Group Risk team

2011

We launched our Human Rights Due Diligence program

based on the newly adopted United Nations Guiding Principles on Business and Human Rights

The Fair Labor Association (FLA) conducted its first assessment of our hazelnut supply chain in Turkey

We started rolling out our human rights training tool to Nestlé employees worldwide

Who our work protects

We are committed to respecting and promoting human rights in our operations and supply chain, taking action to protect rights holders and to achieving long-term systemic change. When we talk about human rights at Nestlé, we are talking about supporting a particular set of people. Meet them below.

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



2012

We included specific human rights in our compliance-focused CARE audits¹ covering all Nestlé's sites around the world, including factories and distribution centers

We became the **first food and beverage company to join the FLA** and extend the scope of our work with it to cocoa in Côte d'Ivoire

2013

We strengthened human rights requirements in Nestlé's Supplier Code and Responsible Sourcing Guideline
(now the *Responsible Sourcing Standard*)

2014

We organized a roundtable with human rights and rural development experts from non-governmental organizations (NGOs), intergovernmental organizations, think tanks, consultancies and trade associations

2015

We commissioned NGO Verité to investigate allegations of human rights abuses in the Thai fishing industry and released our action plan based on its report and recommendations



2016

Working with the DIHR and in consultation with key stakeholders, **we identified our salient issues** – those human rights at risk of the most severe negative impacts on stakeholders through our activities and business relationships

We issued our first Modern Slavery and Human Trafficking Report based on the 2015 UK Modern Slavery Act

¹ Compliance assessment of Human Resources, Occupational Health & Safety, Environment and Business Integrity (CARE) audits, which have been conducted by third-party organizations since 2005 to check our operations against specific benchmarks and performance indicators

Working to understand our human rights risks

We've carried out 13 human rights impact assessments (HRIAs) to better understand risks across our operations and geographies



2017

We published *Tackling Child Labor*,

our first report on the progress we had made on addressing child labor risks in our cocoa supply chain



2018

We launched our new **CARE Audit Protocol**, which used independent assessments to measure compliance with key principles

We completed a pilot study of new US Department of Agriculture guidelines on eliminating child labor in our hazelnut supply chains in Turkey, in collaboration with the FLA

2019



We became the first company to make our human rights training for employees publicly available

We published our second report on our progress on tackling child labor risks in the cocoa supply chain, and improvements in our databases enabled us to get more accurate data on child labor risks

A major review of our grievance mechanisms for internal and external stakeholders confirmed the systems were working effectively

2020

We launched a new **internal Human Rights Community** that developed our Human Rights Framework and Roadmap

We implemented our strengthened human rights governance structure

282 532 employees trained on human rights since 2011

2021

We strengthened our grievance mechanisms by combining our internal and external platforms into a single global reporting system called

SPEAK UP

See our full human rights journey since 2008

TAKING THE NEXT STEP



Building strong foundations

Much of our work so far has been about building the 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 limited and by building capacities where they were needed.



Leveraging the lessons learned

Our experience has shown 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. Finally, success depends on engagement and partnerships with external stakeholders, together with transparent reporting on progress and challenges.



How we are moving forward today

We are implementing a more strategic approach to scaling our human rights efforts.

By the end of 2022, we will publicly launch action plans for each of our 10 salient issues, which you can find on page 14.

These action plans will be instrumental in helping us develop a strategic and comprehensive approach for all our salient issues, based on the 'assess – address – report' framework.



Where we are going

By 2025, we will report our progress against our action plans. In the meantime, we will continue to report through our Creating Shared Value reports.

Our roadmap provides a clear strategy for how we will approach human rights, but as we progress, we will also continually adapt our approach to meet on-the-ground realities.

OUR STRUCTURED EVOLUTION

How our Human Rights Framework was created

A just transition to a regenerative food system demands a multifaceted approach that prioritizes and protects people. Our Human Rights Framework is the foundation of that approach.

The Framework was developed over 2019 and 2020 by our Human Rights Community, following a review of the last decade of our human rights work. The Framework incorporates stakeholder recommendations and inputs and has been developed to anticipate upcoming regulatory developments. In addition, we included recommendations from various organizations, including business and human rights experts and benchmarks.



What the Framework will help achieve

Our Human Rights Framework has two aims:

1.
To strengthen our level of due diligence across our value chain



2.
To support enabling environments for the respect and promotion of human rights



The Framework puts due diligence at the core of our approach and defines the five enablers that support our work.

We will achieve the first aim by developing dedicated salient issue action plans and leveraging our five enablers to implement them effectively.

We will achieve our second aim by brokering global and local partnerships

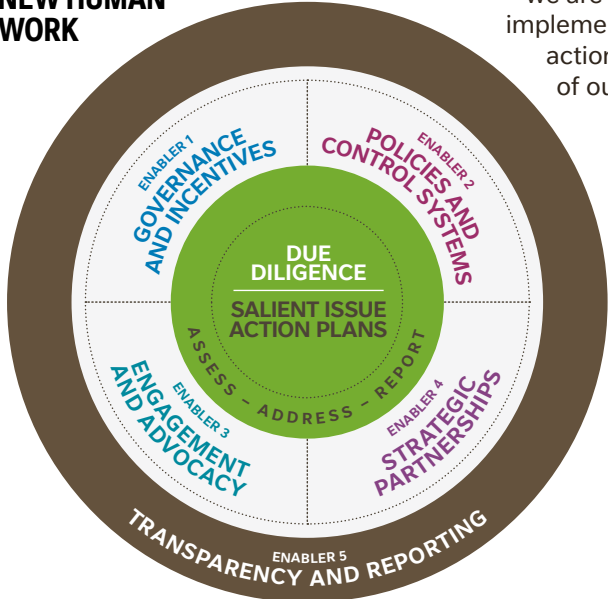
for more effective on-the-ground collaboration, by leveraging our market-based network of experts, and by supporting legislation that encourages companies to assess, address and report on their potential impacts on human rights.

Throughout our journey, we will share our learnings and challenges with the aim of inspiring collective solutions that we can help scale.

OUR HUMAN RIGHTS FRAMEWORK

DUE DILIGENCE IS AT THE HEART OF OUR NEW HUMAN RIGHTS FRAMEWORK

To enhance our due diligence, we are developing and implementing dedicated action plans for each of our salient issues.



These action plans will help create crucial synergies across Nestlé. Our experience has taught us that to be effective, our action plans will need to be built on the following enablers:

ENABLER 1

Governance and incentives
We will integrate human rights at all levels of our governance structure.

ENABLER 2

Policies and control systems
We will leverage our policies and control systems to ensure human rights are embedded throughout the organization.

ENABLER 3

Engagement and advocacy
We will engage with key stakeholders and advocate for smart due diligence legislation and collective action on the ground.

ENABLER 4

Strategic partnerships
We will partner with thought-leading and boots-on-the-ground organizations.

ENABLER 5

Transparency and reporting
We will provide a high level of transparency about the progress we make and the challenges we face.



KNOWING AND SHOWING

DUE DILIGENCE

Due diligence must be built into the way a business operates

Respecting and promoting human rights in business activities demands that companies like ours develop and implement effective approaches to the unique challenges that different countries and industries face. At the same time, a growing body of legislation and the changing expectations of stakeholders mean that there is more interest in our actions.

The only way to strengthen our human rights approach and stay ahead of these demands is by carrying out effective due diligence to **assess**, **address** and **report transparently** on actual and potential human rights risks. These efforts must cover our own operations and supply chains across all countries where we work.

By sharpening our focus on due diligence, we can strategically meet our aim of scaling positive impact across incredibly diverse geographies using a clear and comprehensive approach.

**PRIORITY:
SALIENT ISSUE ACTION PLANS**

UNDERSTANDING OUR SALIENT ISSUES

We are developing action plans for our 10 salient issues. These plans, which sit at the heart of our due diligence program, will enable us to act as a force for good.

The 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.

We aim to harness the strengths and capacities of each Nestlé department through clearly defined expectations. With collaboration built into each action plan, we hope to spark new engagement and inspire collective action with peers, civil society, NGOs and governments. This way, we can tackle the root causes of our salient issues and create positive impact at scale.

We will publish all our salient issue action plans by the end of 2022 and report on progress against key performance indicators (KPI) by the end of 2025.

THE FOUNDATIONS OF OUR SALIENT ISSUE ACTION PLANS

These action plans sit on solid foundations: the 13 HRIAs we carried out between 2009 and 2017; the results of our strengthened audit and monitoring processes covering both our own operations and upstream supply chains; the grievances that have been logged into our Speak Up system; and the human rights risk assessment (HRRRA) methodology that we developed over the course of 2020 and 2021.

The HRRRA assesses the level of risks posed to rights holders across the countries where we operate (either directly or through our business relationships, in particular, the sourcing of raw materials). It is based on publicly available information from Unicef, the World Bank, the International Labour Organization (ILO), the United Nations Development Programme and the US Department of Labor, among others, in addition to Verisk Maplecroft indicators. We are planning to use the results of the HRRRA as a basis for developing our salient issue action plans.



NESTLÉ'S SALIENT ISSUES

Our salient issues are the areas we have identified as those human rights at risk of the most severe negative impact on people through our activities or business relationships. Pages 14–24 detail how we define and address each of the following issues:

- ▶ Child labor and access to education
- ▶ Forced labor 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

Child labor and access to education

Defining the issue

Child labor 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 hours and heavy work. One of the ILO's founding principles is the effective abolition of child labor.



Why it matters

Children deserve the chance to learn, to grow in a safe and healthy environment and to be happy. Companies like ours play an important role to address risks and improve access to education, especially in communities where poverty is widespread and resources are scarce.



PROVIDING ACCESS TO EDUCATION IN WEST AFRICA

Through our Child Labor Monitoring and Remediation System (CLMRS), we keep in contact with the families of over 86 000 children in Côte d'Ivoire through 1640 community liaisons – all local people who themselves come from cocoa-growing communities

We act as soon as children at risk are detected. For the cases where we can intervene, we try to understand the root cause and then work with the family and/or the community to develop a tailored solution.

We know that there is a clear connection between better education and lower levels of child labor risk. With our partner the Jacobs Foundation, we've set up 131 bridging classes to help kids who have missed out on schooling and need to catch up. These schools deliver two years' worth of the national curriculum in small classes in just nine months.

Approximately

128 000 CHILDREN

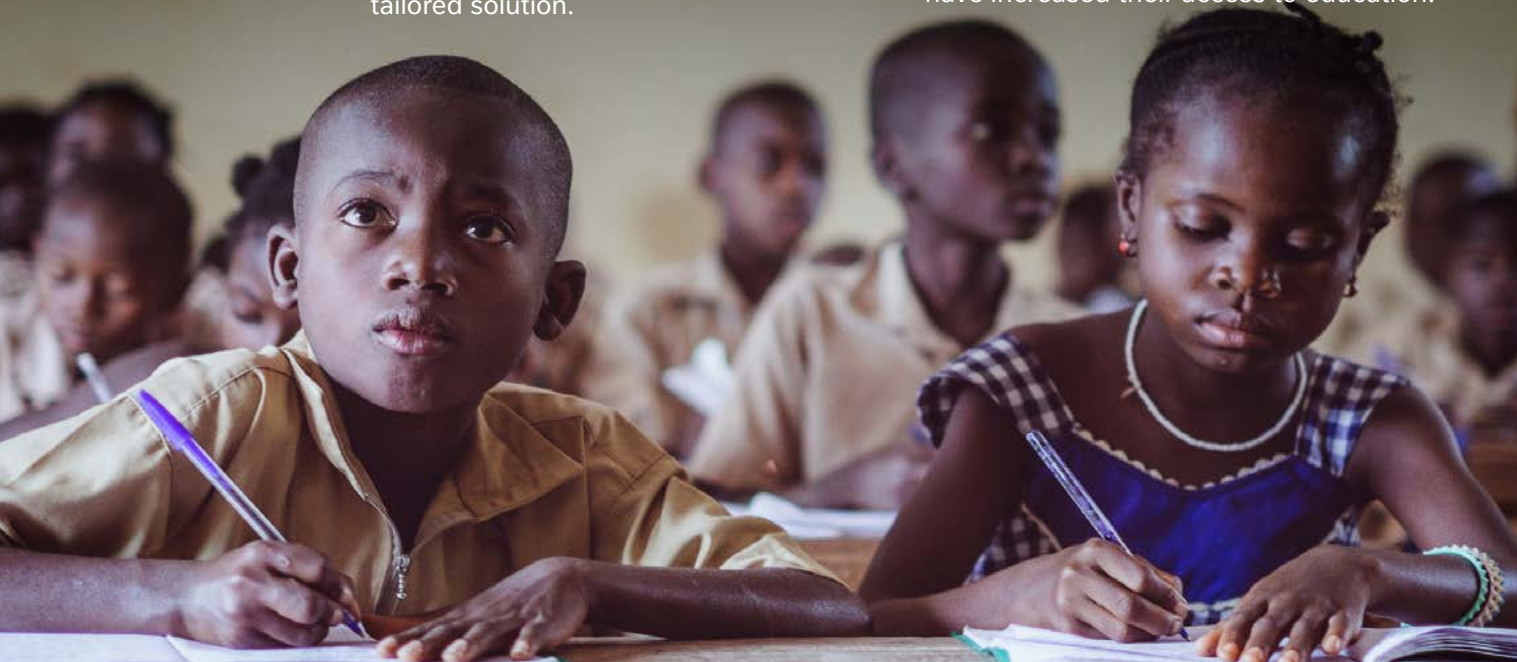
have been protected against the risk of child labor since 2012, of which more than 40 000 have increased their access to education.



What we've done so far

We were the first company in the industry to introduce a Child Labor Monitoring and Remediation System (CLMRS), which has now become a leading tool that helps tackle child labor risk by working directly with communities on the ground. Our CLMRS prioritizes access to education – including building and renovating schools and securing birth certificates for registration – and tackling rural poverty through income diversification programs and support.

We were also the first to openly report child labor risk in our cocoa supply chain when we published our inaugural *Tackling Child Labor* in 2017. We produced a second report in 2019 that showed how our CLMRS has benefited thousands of children and their families in Côte d'Ivoire and Ghana.





Forced labor and responsible recruitment

Defining the issue

Forced labor is any work or service that is exacted from any person under threat of any 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.

Why it matters

More than 24 million people are estimated to be trapped in forced labor around the world, mostly in industries with a lot of work and little regulation, such as agriculture. Nestlé can play an important role in helping address this issue – for example, by using our influence to promote and ensure fair and equitable recruitment practices.

What we've done so far

We are addressing the risk of forced labor in various agricultural supply chains by developing programs targeting forced labor indicators, like unethical 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 analyze recruitment practices and channels to implement responsible recruitment pathways. Partnering on the ground with recruitment agencies, grassroots organizations and government, Issara works to ensure worker voice and remediation of grievances, from recruitment through employment. Through work with Issara and other partners, Nestlé seafood suppliers in Thailand have all improved responsible recruitment practices for all workers since 2018.

CASE STUDY

DRIVING ETHICAL RECRUITMENT PRACTICES IN OUR SUPPLY CHAINS

Ethical recruitment practices to address deception in recruitment and debt bondage are a core focus of our palm oil responsible sourcing work. We funded the development of training modules and a performance matrix to support our suppliers with the adoption of a human rights-based due diligence tool on ethical recruitment. The performance matrix has been designed to allow our palm oil suppliers to track and measure progress specifically related to improvements in their recruitment practices.



Living income and living wage

Defining the issue

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 (UDHR). This includes safe shelter, sufficient food, water and sanitation, healthcare, education, clothing and transport.



Why it matters

Poverty is one of the root causes of many social and environmental challenges, from child labor to deforestation. We are using our place as an important actor in the food and beverage industry to help enable and support resilient communities built on strong and sustainable livelihoods.

What we've done so far

Since 2013, Nestlé has been implementing a Living Wage Initiative to ensure that all our direct employees, including temporary ones, earn a living wage. We work with our partner Business for Social Responsibility (BSR) to help us define the living wage threshold in each country where we operate. We use this information to identify and address cases where legal minimum wages do not fulfill basic needs. These figures are updated on a regular basis to ensure that our employees continue to be paid above the living wage.

In our supply chain, we have worked to improve the livelihoods of smallholder farmers. Through both our *Nescafé Plan* and our *Nestlé Cocoa Plan*, we have invested in initiatives that are helping farmers improve their yields, access capital to invest in their businesses and diversify their incomes. Some of these initiatives focus on supporting farmers with growing their business through regenerative agriculture that can protect local biodiversity and halt deforestation, helping to tackle several of the issues posed by rural poverty.

TESTIMONIAL



"As a major food and beverage company, we rely on the more than 500 000 farmers and 150 000 suppliers we source from. Transforming our food systems requires working together to improve the livelihoods of farmers and increase the resilience of rural communities. Rewarding farmers and suppliers for social and environmental services is part of the solution: it will have a positive impact on both people and the planet."

Benjamin Ware (on the left),
Global Head of Sustainable
Sourcing and Climate Delivery

Gender equity, non-discrimination and non-harassment



Defining the issue

Everyone has the right to work free from discrimination, violence and harassment, including gender-based violence and harassment. The elimination of discrimination in employment and occupation are part of the foundations of the rule of law.

Why it matters

Nestlé is clear about our values for our own workplaces and for our supply chain. We are committed to building workplaces where everyone believes their contribution will be recognized and where they feel safe to speak up when rights are not protected.

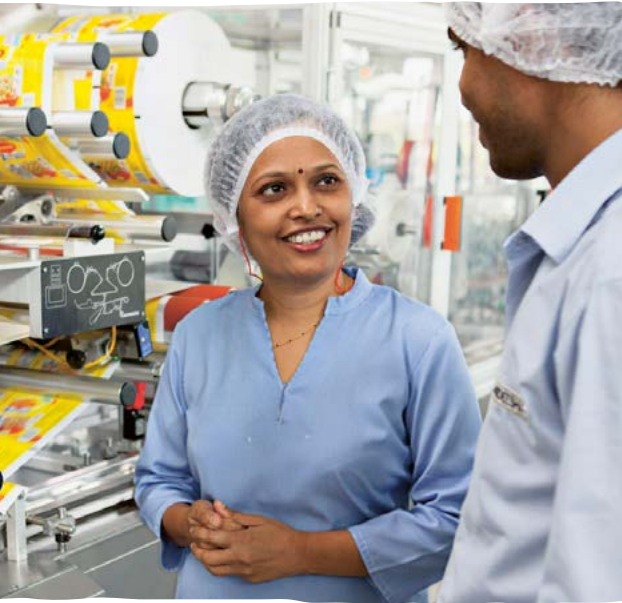
What we've done so far

We focus on specific areas within diversity and inclusion: gender balance, people with disabilities, the LGBT+ community, and race and ethnicity. Our Gender Balance Acceleration Plan aims to increase the proportion of women in our top 200 senior executive positions to 30% by 2022. We promote the inclusion of people with disabilities across our global workforce through our membership of the ILO Global Business and Disability Network. We partner with a range of LGBT+ civil society groups to advocate for civil rights and workplace protections. Furthermore, 88% of our management committee positions in the countries where we operate are held by local employees.

TESTIMONIAL

"Diversity and inclusion is an integral part of Nestlé's culture. It is right for our business, for society and for the future. As a major business that relies on hundreds of thousands of employees across the world, we do better when our colleagues are healthy, safe, accepted, valued and supported. As we work toward this – implementing policies and systems to prevent, report, investigate and remediate any form of discrimination, violence and harassment in the workplace – I'm proud to say that we are in a new era of openness, engagement and candid feedback at Nestlé, striving toward a global workplace where everyone is respected and included."

Nilufer Demirkol, Global Head of Diversity and Inclusion



Safety and health at work

Defining the issue

A safe and healthy working environment is an important part of the protected rights of workers around the world. Many standards have been adopted by the ILO specifically dealing with occupational safety and health. In addition, the COVID-19 pandemic has emphasized how important it is to ensure and promote a safe and healthy working environment.



Why it matters

People are at the heart of our business. Therefore, the safety and health of our employees, business partners and the communities where we operate is extremely important for us. We believe that taking care of people helps to build and sustain healthy and motivated workforces that support the aims of our business to create a positive impact on society.

CASE STUDY

EXPLORING MECHANIZATION 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. This was based on a demonstration vessel funded by Nestlé and our supplier Thai Union to showcase how worker welfare and business imperatives can align through mechanization.

Impacts of the mechanization included less overcrowding on the vessel (due to needing smaller crews) and improved worker safety as crew members were no longer extensively involved in deploying and retrieving nets.



What we've done so far

We take action to promote the health and safety of our employees and the workers in our supply chains, using solutions that are relevant to the industry and local context. In light of the COVID-19 pandemic, in addition to our normal strict hygiene standards, we have put in place additional safety measures in our factories, offices and distribution centers. We have also encouraged our office-based employees to work from home whenever possible.

Beyond addressing the risks posed by the global pandemic, we have initiated interventions in various supply chains to help ensure workers have access to protective personal equipment, hygiene services or emergency equipment.



Freedom of association and collective bargaining

Defining the issue

Workers and employees have the right to freely and voluntarily establish unions and join one of their choice. In addition, these organizations have the right to carry out their activities in full freedom and without interference. Organizations 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 ILO.



Why it matters

When workers are engaged and empowered, they become a valuable partner in change by actively working with us in good faith to scale improvements.

What we've done so far

Nestlé has built and continues to nurture a culture based on the values of trust, mutual respect and dialogue. We aim to promote continuous improvements in the working conditions of our employees, giving special attention to respecting their rights to establish and join organizations of their own choosing and engage in constructive negotiations.

Regular dialogue with our employees and union representatives creates an opportunity to discuss matters of mutual concern and allows us to engage our employees on our business activities and objectives.

Since 2013, we have held dialogues with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) on a biannual basis. This helps us develop areas of common interest, such as health and safety, working conditions, freedom of association and collective bargaining.

TESTIMONIAL



“Open dialogue, where the voice of the employee is heard, and direct and frequent communication with all employees, both union members and non-union members, are key at any time. As we continue building awareness and developing the leadership behaviors to help us build trusted relationships, earlier in 2021 we launched an online introductory training on Employee Relations. It highlights the importance of respecting human rights and the part we can all play in creating a working environment where people feel and perform at their best.”

Bilyana Georgieva-Voeva,
Group Employee Relations and
Employee Health Manager



Right to water and sanitation

Defining the issue

Access to safe, affordable and reliable drinking water and sanitation services are basic human rights. They are indispensable to sustaining healthy livelihoods and maintaining people's dignity. Human rights to water and sanitation are essential for eradicating poverty, building peaceful and prosperous societies and ensuring inclusive sustainable development.

Why it matters

We are committed to helping protect the rights to water and sanitation. As a global business, we use our scale to help ensure more people around the world have access to clean, drinkable water and to sanitation facilities.



IMPROVING ACCESS TO WATER AND SANITATION IN KENYAN COMMUNITIES DURING COVID-19

Throughout the COVID-19 pandemic, access to water, sanitation and hygiene (WASH) could be the difference between life and death. We supported people in need through our partnership with the International Federation of Red Cross and Red Crescent Societies (IFRC) and the Kenya Red Cross Society.

A portion of our donation financed the installation of a solar-powered water pumping system, as well as water storage and distribution facilities, and the circulation of crucial sanitation and hygiene information.



What we've done so far

In 2016, we developed our [Nestlé Guidelines on Respecting the Human Rights to Water and Sanitation](#). These rules have since been implemented in all our markets and key agricultural supply chains. We have worked with local stakeholders and organizations to increase access to WASH. To date, these projects have benefited more than 1.4 million people in the areas surrounding our facilities. As different communities have unique needs, in 2019 we developed a [Community Relations Process tool](#) for our medium- and high-risk markets. This mapping tool helps us identify key stakeholders with whom we then engage on tailored WASH interventions.



Indigenous peoples and local communities' land rights

Defining the issue

Land rights impact aspects of the right of 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 that pursue economic, social and cultural development and use natural wealth and resources.

Why it matters

Indigenous peoples, local communities and Afro-descendant peoples number approximately 2.5 billion people globally and customarily claim almost half of the world's lands and forests. Despite this, they have legal rights to less than 20% of this land, much of which forms a significant portion of the terrestrial carbon sink. Securing land rights of local peoples is critical to eliminating supply chain-driven deforestation, the success of nature-based solutions and achieving more ambitious corporate environmental and social commitments.

What we've done so far

Requirements for land rights and FPIC are included in our *Responsible Sourcing Standard*. We also released a [Commitment on Land & Land Rights in Agricultural Supply Chains](#) in 2014. Since then, we have piloted different tools to better assess and address land rights risks in our supply chain, such as Landesa's LandAssess Tool in our sugar supply chain in Nigeria and a forest footprint pilot tool in our palm oil supply chain in Aceh, Indonesia.

Through [our new Forest Positive strategy](#), Nestlé is focusing on how to increase direct engagement with local communities and leverage our influence to secure land rights for indigenous peoples and local communities.



CASE STUDY

EMPOWERING INDIGENOUS PEOPLES TO BE STEWARDS OF FORESTS AND NATURAL ECOSYSTEMS

In British Columbia, Canada, Nestlé is participating in a program to address risks to forest degradation and infringements of the rights of indigenous peoples. We are supporting the Tsay Keh Dene Nation to gain protection for key areas of land against harvesting for pulp and paper. The Tsay Keh Dene will

be leading high conservation value assessments across their territory to identify and protect its most unique and critical areas. The aim is that these assessments will form the foundation of agreements with local industry players on which areas can be responsibly harvested and which must be preserved.



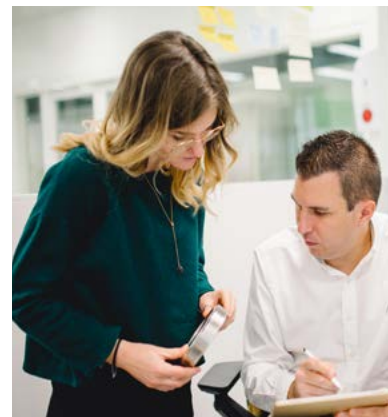
Data protection and privacy

Defining the issue

People's right to a private life is enshrined in the UDHR. Data protection is about securing data against unauthorized access, whereas data privacy is concerned with the collection, storage and use of personal data and the rights of the individual.

Why it matters

Data has enormous value, especially in our digital reality. It can help better engage with consumers, conduct innovative research and development and deliver valued products. But if not handled with care, it can lead to interference with people's private lives.



What we've done so far

Nestlé respects the rights of individuals in relation to their personal data and recognizes privacy as a fundamental human right. All Nestlé Group companies comply with Nestlé's Privacy Program. This is based on internationally recognized privacy principles, and evolves to address regulatory changes. We have over 60 data protection champions worldwide who are responsible for overseeing our Privacy Program. We participate in a range of multi-stakeholder groups to keep up to date with data protection developments and issues, including in artificial intelligence, data ethics and e-commerce, and to advocate for better data privacy and security.

TESTIMONIAL

"The rapid adoption and innovation of digital during the COVID-19 pandemic has raised more questions about digital ethics, privacy and cyber security. We see growing negative sentiment toward corporate and government actors when it comes to their data collection and processing initiatives.

Data ethics and ethical data management is critical in this emerging world of the digital economy. It is about acting responsibly and sustainably with data by doing not only what is legal but also what is right with data. In the digital age, where data and technology collide, it is ethics rather than law that will guide us on how to use data."

David Campos,
Global Business Services,
e-Commerce and Digital
General Counsel,
Nestlé Group Data Privacy Officer



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

Defining the issue

Every individual, regardless of their living circumstances, has the right to have access at all times to adequate food or ways and means to procure it.

Why it matters

Many people still lack access to adequate food. Approximately 840 million people go to bed hungry and an estimated 3 billion cannot afford a healthy nutritious diet. As part of our regenerative journey, we want to play a key role in supporting millions of people so they can access the nutrients they need.

What we've done so far

We have been focusing on expanding our range of affordable staples that are fortified with important micronutrients to help address conditions such as anemia and wasting, especially in vulnerable populations. In 2020 alone, we delivered over 196 billion servings of fortified food in countries where people need it the most.

CASE STUDY

COLLABORATING TO REIMAGINE FAIRER FOOD SYSTEMS

In 2021, we partnered with Tufts University to convene a United Nations (UN) Food Systems Summit stakeholder dialogue aimed at exploring the nexus between a regenerative food system and the right to food.

In total, 57 external participants from academia, NGOs, the private sector and UN organizations participated and discussed the following questions:

- What are the major barriers and corresponding levers to making healthy diets affordable, accessible and adequate for everyone?
- What is the role and the responsibility of the different stakeholders in ensuring access to safe and nutritious food for all and collectively moving toward the 2030 SDGs?

This UN Food Systems Summit Independent Dialogue provided a powerful opportunity for participants to have a seat at the table, have their voices heard and explore options for transforming food systems.



ENABLERS

A man wearing a straw hat and a blue checkered shirt is kneeling in a grassy field, milking a black and white cow. The background shows rolling green hills and mountains under a blue sky with scattered clouds.

DRIVING OUR ACTIONS

Providing the environment needed for due diligence to be effective

Due diligence is at the heart of our Human Rights Framework. But to be effective, it needs to be supported by an enabling environment. That is why we have identified five enablers that we believe are key to helping us further enhance the way we conduct due diligence and advance respect for human rights on the ground.

These enablers are the governance and incentive structures as well as the policies and control systems we implement. They are the collaborations and partnerships we cultivate and the ways we engage and advocate. They are the mechanisms that allow us to transparently track and share our progress and inspire others to contribute and collaborate for change.

These enablers will help us contribute to positive impact on the ground and scale effective action.

ENABLER 1

GOVERNANCE AND INCENTIVES

Integrating human rights at all levels of our governance structure

As part of our strengthened approach, we will continue to integrate human rights at all levels of our governance structure and we are creating incentives that will drive continuous progress.

What we've done so far

In 2020, we began implementing structural changes to further embed human rights at all levels of Nestlé's governance.

We have set out clear roles and responsibilities within Nestlé to ensure respect for human rights is reflected across our business. The structure of our boards and committees reinforces this by leading the strategic implementation of human rights work and continually assessing our progress.



At the Board of Directors level, our Sustainability Committee aims to ensure that we carry out due diligence and report on our most severe risks to human rights, including how we are addressing those risks.

The entire Executive Board is responsible for human rights, and the General Counsel oversees the implementation of the Human Rights Framework and Roadmap.

To continuously embed due diligence and awareness into our operations, we launched a new, internal Human Rights Community in 2020. The Community comprises 25 members who meet bimonthly. As part of their work, they oversee all relevant functions that manage human rights within Nestlé.

In addition, a new ESG & Sustainability Council composed of eight Executive Board members was created in 2021. Its mandate includes the management of salient issues in the upstream supply chain.

What's next

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

HUMAN RIGHTS IN OUR GOVERNANCE STRUCTURE

Our Human Rights Community works to lead the human rights agenda throughout Nestlé by undertaking advocacy, coordinating the implementation of the Human Rights Framework and Roadmap and monitoring our progress.

Board of Directors



Executive Board



Human Rights Community

- Leads the human rights agenda throughout the company, including advocacy
- Coordinates the implementation of Nestlé's Human Rights Framework and Roadmap throughout the value chain
- Monitors the implementation of the Framework and Roadmap and the efficiency of the program

ESG & Sustainability Council

- Manages the implementation of Nestlé's Human Rights Roadmap, including the relevant salient issue action plans in relation to the upstream supply chain



ENABLER 2

POLICIES AND CONTROL SYSTEMS

Further mainstreaming human rights in our policies and control systems

Along with company-wide training for all employees, we are focused on continuing to integrate human rights into policies, standards and procedures across our business to set operational guidelines throughout Nestlé.

What we've done so far

Over the past 11 years we have integrated human rights into 22 corporate policies, standards and guidelines. We have also trained 282 532 employees on human rights globally since 2011.

As part of bringing human rights under our wider control systems, we have integrated relevant risks into our Enterprise Risk Management system.

We have also implemented a range of tools to centralize reporting on training, compliance and audit results. In addition, we have enhanced our grievance reporting mechanism, Speak Up, to help us rapidly respond to serious allegations.

What's next

We will continue building human rights awareness and considerations into all aspects of our business.

We will, for example, 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.

In addition, 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

Engaging and advocating for smart legislation and collective action



As our experience and knowledge of the challenges to human rights has grown, we have seen the power of direct engagement with key stakeholders in building collective solutions.

However, solutions can only create lasting change if they are implemented against a backdrop of effective legislation and oversight. We actively support appropriate legislation that leads companies to greater action, collaboration and transparency. That is why engagement and advocacy have become a key feature of our human rights work.

What we've done so far

We contribute to shaping industry associations' positioning on due diligence legislation and have joined forces with different stakeholder groups, including civil society, to call for mandatory due diligence.

In 2021, we began to train our markets to build capacity around advocacy and engagement on human rights topics, including the need to engage with governments to help tackle the root causes of human rights issues in sourcing countries.

We also continue to promote the rule of law through our support for the United Nations Global Compact on SDG 16: Peace, Justice and Strong Institutions. As part of this initiative, we contributed to the publication of the *SDG 16 Business Framework – Inspiring Transformational Governance*, co-funded the Transparency Enterprise Network in Ecuador and helped launch the Community and Respect for Life initiative in Colombia. We are also a sponsor of the CEELI Institute, a non-profit organization whose mission is advancing the rule of law and is a partner of the UN Global Compact SDG 16 initiative.

In 2020, we joined 26 companies, business associations and initiatives as signatories on a joint statement calling for **EU-wide**, cross-sectoral mandatory human rights and environmental due diligence legislation. This is one example of the kind of advocacy work we are undertaking to support greater due diligence measures worldwide.

What's next

Our focus areas will continue to be:

- 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.
- Building markets' capacity for local engagement at all levels.

In addition, our salient issue action plans will each feature a collective action component. This will detail 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



Partnering with thought-leading and boots-on-the-ground organizations

What we've done so far

Given the scale and complexity of human rights challenges across the world, we know we cannot do it alone. Our partners on the ground help us understand the different contexts and actors across our value chain and work with us to develop and implement interventions. Industry and multi-stakeholder platforms are crucial to sharing learnings, building common approaches and frameworks and, ultimately, creating positive impact at scale.

From ground-level communities to social partners, and from NGOs to international organizations with diverse focus areas, we have significantly invested in strong relationships with actors at all levels to protect and promote human rights.

Our global partners

Corporate

- Fair Labor Association (FLA)
- International Federation of Red Cross and Red Crescent Societies (IFRC)

Supply chain

- Earthworm Foundation
- Fundación Global Nature
- IDH – The Sustainable Trade Initiative
- International Cocoa Initiative
- Proforest
- Rainforest Alliance
- Sustainable Agriculture Network
- Sustainable Food Lab
- Verité

Own operations

- Business for Social Responsibility

Industry associations and multi-stakeholder platforms

- Action Platform for Peace, Justice and Strong Institutions – United Nations Partnerships for SDGs platform
- Business at OECD
- ILO Global Business and Disability Network
- International Organisation of Employers
- Partnering for Racial Justice in Business
- Partnership with Global LGBTI Equality (PGLE)
- The Consumer Goods Forum's Human Rights Coalition – Working to End Forced Labor
- The International Labour Organization's Child Labour Platform
- The Valuable 500
- United Nations Global Compact
- World Business Council for Sustainable Development



What's next

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.

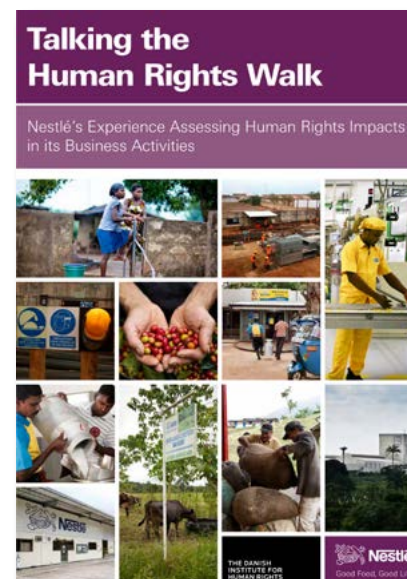
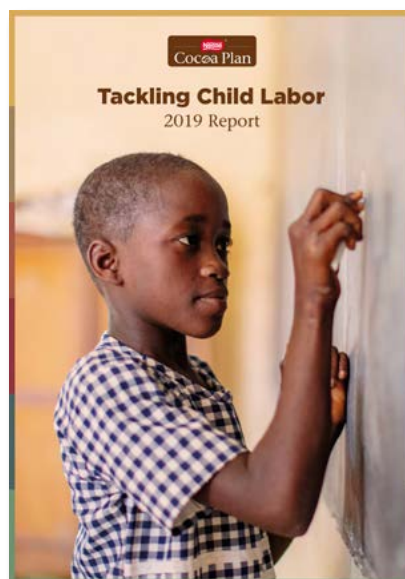
ENABLER 5

TRANSPARENCY AND REPORTING

Providing a high level of transparency about the progress we make and the challenges we face

Since the start of our human rights journey, we have been transparent about the issues we have identified, the actions we have taken and the progress we have made.

We believe that addressing issues transparently is essential – from our successes to the challenges we still face. In this new phase of our program, we will continue to hold ourselves to high standards of transparency by regularly reporting on our progress and performance and sharing our learnings and the challenges we face.



What we've done so far

We have been reporting on our human rights progress as part of our Creating Shared Value reports since 2008. In addition, we have created specific reports for a selection of human rights risk areas, including child labor in cocoa and labor rights in palm oil.

What's next

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

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

BUILDING HUMAN RIGHTS INTO A REGENERATIVE FOOD SYSTEM

The transition toward a regenerative food system requires that we put people at the heart of our work. We must take bold action not only to accelerate climate action that goes further and faster but also that drives equity throughout our value chain.

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, when our rights are respected and promoted. That is the world we are helping to build.





Nestlé

Good food, Good life



Global headquarters

You can contact our headquarters in Switzerland on +41 21 924 1111 (central switchboard) between 07:30 and 18:00 CET Monday to Friday or by post: Nestlé S.A., avenue Nestlé 55, 1800 Vevey, Switzerland.

