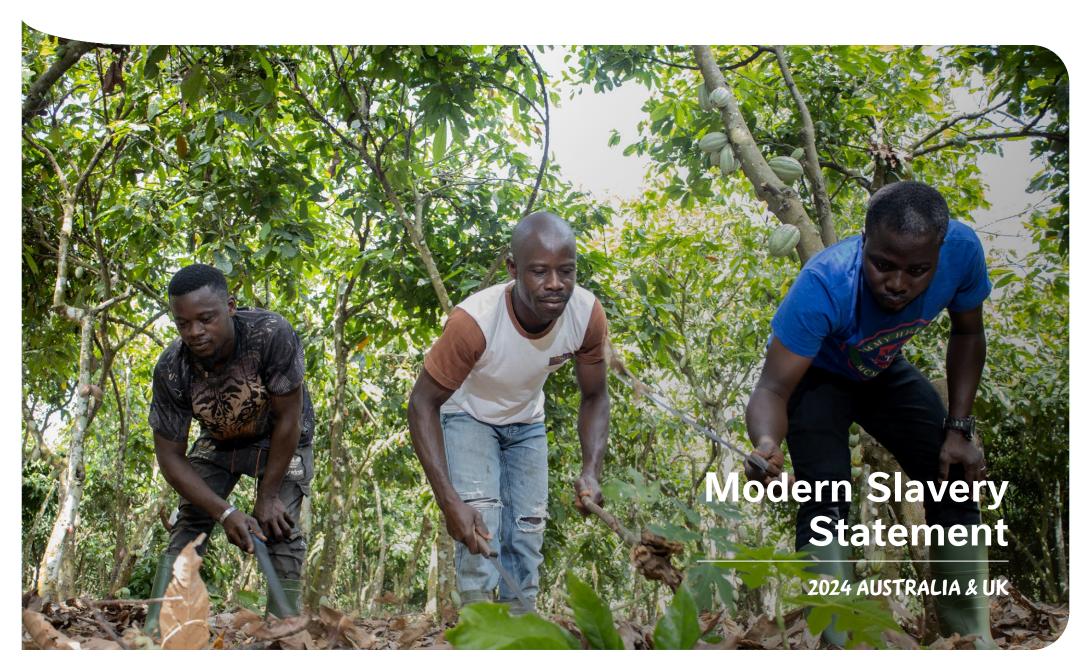


Nestle. Good food, Good life



ABOUT THIS STATEMENT

This statement on modern slavery and human trafficking is pursuant to the Modern Slavery Act 2018 in Australia and the Modern Slavery Act 2015 in the United Kingdom (UK).

It outlines the structure, operations and supply chain of the Nestlé business in Australia and the UK for the financial year ending 31 December 2024.

Nestlé Australia comprises Nestlé Australia Ltd, a wholly owned subsidiary of Nestlé SA (the principal governing entity of the Nestlé group of companies), and the following subsidiaries: The Better Health Company (Australia) Pty Ltd and Vitaflo Australia Pty Ltd. None of these subsidiaries are reporting entities under the Modern Slavery Act.

Nestlé UK comprises Nestlé UK Ltd, a wholly owned subsidiary of Nestlé SA, as well as several sister companies and joint ventures.

In addition to its consolidated operations, Nestlé has a 50% interest in Cereal Partners Worldwide, a joint venture with General Mills that competes in the readyto-eat cereal markets outside North America.

Globally, Nestlé has comprehensive policies and processes relating to modern slavery and human rights across its operations and supply chain. The Group's entities operate on a consultative basis.

Nestlé Australia and Nestlé UK have many common suppliers due to the Group's procurement structure. Therefore, this statement provides a consolidated overview of Nestlé's actions to assess and address modern slavery risk. It has been prepared in consultation with a wide range of international stakeholders across the Group and has been approved by the directors of the relevant reporting entities.



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INTRODUCTION

Respecting and promoting human rights is critical to our business strategy.

Through fair and inclusive work opportunities, we aim to ensure no one is left behind in the transformation to more regenerative food systems.

We aim to enhance transparency, encourage collaborative action and create a level playing field that supports our business in the communities in which we operate.



Our business is founded on respect for everyone who is involved in bringing our products to market.

This includes our employees and on-site contractors, the farmers and workers in our supply chain, the communities surrounding our operations and supply chain, and our consumers.

As the world's largest food and beverage company, we are committed to respecting and advancing human rights in our operations and supply chains, using our size and scale to raise awareness, build capacity among our colleagues and business partners, and empower communities, and individuals.

We pay particular attention to groups or individuals who may be vulnerable or marginalised due to their migration status, age, gender, sexual identity, cultural background, and Indigenous status.

With so many global challenges affecting raw materials and agricultural supply chains, Nestlé cannot address them all alone.

Now more than ever, collaborative action from a diverse range of stakeholders is crucial to tackle the root causes of systemic issues, such as Indigenous rights violations and unfair labour practices.

Ongoing conflict in the Middle East and Eastern Europe, combined with an increase in natural disasters such as floods, hurricanes and droughts, has left more women, children, marginalised communities, and Indigenous people vulnerable to modern slavery.

Amid serious human rights challenges and threats, and with no relief in sight, Nestlé continues to work with a wide range of expert partners, multi-stakeholder organisations and industry stakeholder groups to advance this agenda and support the implementation of our human rights salient action plans. These include but are not limited to Verité, Sustainable Food Lab, Proforest, Landesa, Business for Social Responsibility, Child Labor in Cocoa Coordinating Group (CLCCG), The Fair Labor Association, The International Labour Organization (ILO) Child Labour Platform, The World Business Council for Sustainable Development, AIM-Progress, United Nations Global Compact and The Consumer Goods Forum.

We are using our voice to make an impact in our supply chain through new and improved industry-wide standards and methodologies, globally and locally.

With our partners, we can build a future where everyone's human rights are protected and upheld.

On behalf of Nestle UK Ltd.

Richard Watson Chief Executive Officer Nestlé UK June 2025

This statement was approved by the board of Nestlé Australia Ltd.

Sandra Martinez Chief Executive Officer Nestlé Australia June 2025

KEY PROGRESS

Following are highlights of our progress in 2024.

As a member of the Child Labor in Cocoa Coordinating Group (CLCCG), we contributed to the creation of the 2024–2029 Framework of Action to help prevent and progressively eliminate child labour in the cocoagrowing communities of Côte d'Ivoire and Ghana. The signatories – the World Cocoa Foundation and the governments of Côte d'Ivoire, Ghana, and the United States – pledged to work together to prevent and eliminate child labour in these communities. This builds on the work we have done on our Income Accelerator Program and other work carried out as part of the Nestlé Cocoa Plan. Read more about the progress we have made with our Income Accelerator Program.

We increased our focus on localised governance at Nestlé UK by creating a specialist Modern Slavery Working Group.

To promote human rights in our operations and value chain, we implemented initiatives on the ground that align with the <u>United Nations Guiding Principles on Business and Human Rights (UNGPs)</u> and the <u>Ten Principles of the United Nations Global Compact.</u>

By the end of 2024, our Child Labour Monitoring and Remediation System (CLMRS) in the cocoa supply chain has supported 123,953 households, provided remediation and prevention actions for 96,580 children, and ensured that 26,857 children in the Côte d'Ivoire and Ghana were no longer engaging in potentially hazardous activities.

We implemented dedicated monitoring and remediation programs with specialised agencies, such as the <u>International Labour Organization (ILO)</u> in Vietnam and Indonesia, and Save the Children in Mexico, as part of the CLMRS.



OUR STRUCTURE, OPERATIONS, AND SUPPLY CHAIN

Nestlé is a global food and beverage company with brands in a diverse range of categories, from healthcare nutrition, breakfast cereal, and coffee to catering products, confectionery, and beverages.

We have more than 2,000 brands, and our products are distributed and consumed in 185 countries worldwide.

As the world's largest food and beverage manufacturer, Nestlé employs around 277,000 people and operates 337 factories across 75 countries

In Australia, we employ more than 4,000 people across our factories, offices, distribution centres, and retail boutique network. Key brands include *KitKat, Allen's, Uncle Tobys, Nescafé, Nespresso, Maggi, Purina, NAN, Milo, Sustagen,* and *Starbucks at Home*.

In the UK, we employ 7,144 people across 55 unique sites in the UK, including offices, factories, distribution centres, product technology centres, research and development (R&D) sites, and boutiques. Key brands include Shredded Wheat, Buxton, KitKat, Nescafé, Nespresso, Purina, Carnation, SMA Nutrition, Maggi, and Starbucks at Home.

Nestlé products sold in Australia and the UK may be manufactured in Nestlé factories outside those markets or, in some instances, by third-party manufacturers.

For the areas of our operations that we directly control, we are committed to ensuring decent employment. This includes complying with all relevant laws at a minimum and avoiding practices that may inadvertently contribute to labour abuses. As a result, the risk of modern slavery is low in these areas

Nestlé sources ingredients from over 150,000 suppliers and more than 500,000 farmers globally.

Agricultural supply chains are particularly vulnerable to modern slavery and human rights abuses due to their seasonal nature and reliance on third-party recruiters, and temporary and migrant workers. This statement focuses on these risks, including child labour, forced labour, and human trafficking.

All our sourcing falls under the scope of our <u>Responsible Sourcing Core Requirements</u>, which need to be complied with by all actors forming, directly or indirectly, part of our supply chain.

Fourteen key agricultural raw materials make up 95% of our annual sourcing volumes. These include cereals and grains; cocoa; coconut; green coffee; dairy (derivatives and fresh milk); fish and seafood; hazelnuts; meat, poultry and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables.

MORE THAN 2.000 DISTRIBUTED & **CONSUMED IN** 185 COUNTRIES **EMPLOYS** 277.000 PEOPLE

Our Structure

OPERATES IN **337** FACTORIES

ACROSS 75 COUNTRIES

OUR APPROACH TO HUMAN RIGHTS AND MODERN SLAVERY

Our culture and values are centred around respect for people and their human rights, which serve as a fundamental <u>Corporate</u> <u>Business Principle.</u>



We aim to use our scale, experience, and resources to raise awareness of human rights risks, promote best practices, and empower people across our operations and within our supply chains.

Since 2011, the early adoption of the <u>United Nations</u> <u>Guiding Principles (UNGPs)</u> has guided our fieldwork and corporate programs in this area.

We also observe other international standards such as the <u>Organisation for Economic Co-operation</u> <u>Development (OECD) Guidelines for Multinational Enterprises</u>. Our <u>Human Rights Policy</u> expresses our overall strategy on human rights, from principles to operational approach and governance.

The Board is responsible for Nestlé's strategy and oversight, while the Executive Board is responsible for executing our approach.

It has set out clear roles and responsibilities within
Nestlé to ensure the implementation of our <u>Human</u>
Rights Framework and Roadmap and our <u>Human Rights</u>
Salient Issue Action Plans throughout our business
categories and geographies.

Our Human Rights Steering Committee, chaired by our Executive Vice President (EVP) Group General Counsel, oversees the implementation of our salient issue action plans and monitors our progress. We signed up to the Institute for Human Rights and Business Employer Pays Principle (EPP) and have integrated it into our Responsible Sourcing Core Requirements.

We expect all our suppliers to comply with these requirements and verify their adherence regularly. We apply the same principles in our relationships with suppliers and expect them to act accordingly with their own suppliers, including through adequate human rights due diligence systems and grievance mechanisms.

> Human Rights

Given the vast and intricate human rights challenges worldwide, we aim to address the root causes of these issues by collaborating and building strong relationships with all actors in our value chain, including public authorities, international and local organisations, industry, and multi-stakeholder platforms.

OUR HUMAN RIGHTS FRAMEWORK AND ROADMAP

Nestle's Human Rights Framework and Roadmap places due diligence at the centre of our approach and identifies five key enablers that are crucial for addressing the most serious human rights issues we face.

OUR FRAMEWORK AIMS TO:

- Strengthen our level of due diligence across our value chain.
- 2. Support enabling environments that respect and promote human rights.

We will achieve the first aim by effectively implementing our dedicated <u>Salient Issue Action Plans</u> using our five enablers.

To achieve our second aim, we will broker global and local partnerships to enhance collaboration on the ground. We will leverage our market-based network of experts and support legislation that encourages companies to assess, address, and report on their potential impacts on human rights.



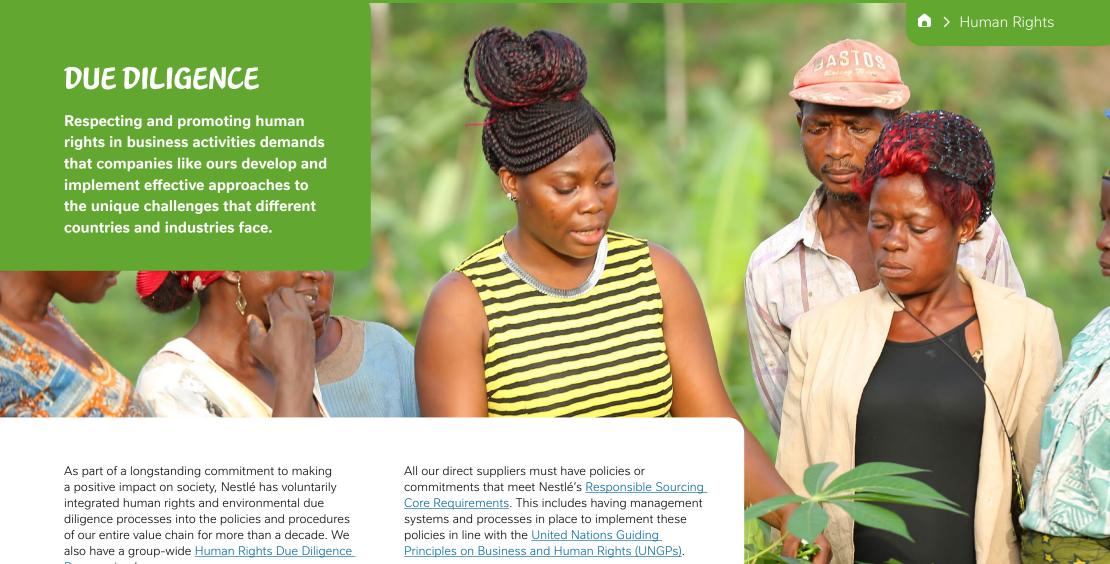
Throughout our journey, we will share our learnings and challenges to inspire collective solutions that we can help scale.

OUR FIVE ENABLERS

Respecting and advancing human rights must be carefully integrated into the way businesses operate. To enhance our due diligence approach, we have identified five key enablers that are crucial in helping us address the most serious human rights issues we face.

♠ > Human Rights

- **1. Governance and incentives** help us integrate human rights at all levels of our governance structure.
- 2. Policies and control systems ensure human rights are embedded throughout the organisation.
- **5.** Engagement and advocacy help us engage with key stakeholders and advocate for due diligence legislation and collective action on the ground.
- **Strategic partnerships** help us collaborate with thought-leading and local organisations.
- **Transparency and reporting** help us maintain a high level of honesty on our progress and the challenges we face.



Program in place.

We are committed to the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises.

For the UK, we have also continued to invite our Tier 1 suppliers to participate in modern slavery training. We are continuously enhancing our due diligence systems to strengthen and protect our business and make it more resilient

Collaboration among various parts of our business, supply chain, markets, and stakeholders is essential.

ASSESSING HUMAN RIGHTS RISKS

We are committed to respecting and promoting human rights in our operations and supply chain, taking action to achieve long-term systemic change.

UNDERSTANDING RISK

We assess risk by considering different criteria, such as the country of operation, the origin of materials and ingredients, the level of spending, and the types of goods or services supplied to Nestlé.

We take preventive measures in our own operations and throughout our direct and upstream supply chains. Because our approach to human rights due diligence is risk-based, the measures we take to address these risks must be prioritised according to the severity of their impact on people.

OUR RISK ASSESSMENT APPROACH FOCUSES ON FOUR AREAS OF RISK:

Global risk: The Nestlé Responsible Sourcing team uses global datasets, such as Verisk Maplecroft, and insights from stakeholders on specific raw materials to select which countries to assess, which suppliers and raw materials to engage, and how to support local teams.

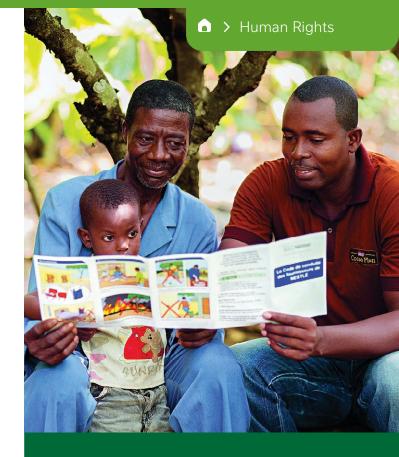
Country or location-specific risk: We use information from datasets, desk-based risk assessments, grievance reports, information from rights holders, and insights from our <u>Responsible Sourcing Program</u> to guide our actions at national, regional, landscape or site levels.

Risks specific to certain raw materials or business activities: We use datasets, desk-based risk assessments, grievance reports, feedback from rights holders, and insights from our <u>Responsible Sourcing Program</u> to prioritise countries and determine the scope of engagements at a sectoral level; that is, whether they should be global, national or regional.

Individual risk: We gather information about the maturity level of suppliers' <u>Human Rights and Environmental Due Diligence (HREDD)</u> management systems, site assessments and grievance report to prioritise suppliers for engagement or support.

This approach considers current and future human rights risks and impacts, with the aim of preventing and mitigating these risks and remediating any existing impacts.

Based on country risk data and the analysis of priority raw materials sourced under our Responsible Sourcing Program, priority countries for Salient Issue Action Plans are identified, with actions focusing on these countries or specific business activities.



AT NESTLÉ, OUR COMMITMENT TO HUMAN RIGHTS ENCOMPASSES SUPPORT FOR:

- Farmers in our supply chain and their families
- Workers in our supply chain, including those at farm level
- The communities surrounding our operations and supply chains, specifically women and children
- Our employees and on-site contractors
- 5 Our consumers.

TRACKING PROGRESS

At the end of 2025, we will share progress on our <u>Human Rights</u>
<u>Salient Issue Action Plans</u>. These dedicated plans represent the 10 most significant issues across our value chain.



WE ALSO CLOSELY MONITOR THE APPLICATION OF MODERN SLAVERY AND RELATED POLICIES THROUGH THE FOLLOWING:

1 The CARE Social Audit Program

This is Nestlé's bespoke global compliance audit process, which is designed to ensure all employees and sites comply with local legislation, our <u>Corporate Business Principles</u>, and our <u>Code of Business Conduct</u>.

CARE audits are intended to continually evaluate and manage workforce risks while ensuring Nestlé's practices align with rigorous standards and performance indicators. They include specific modern slavery criteria and are conducted independently across all global sites, including factories and distribution centres.

They are carried out by an independent party to ensure we meet our human rights commitments.

2. Speak Up

This is our enhanced grievance system, consolidating internal and external reporting platforms into a unified global system. This unified approach ensures a streamlined and effective process for addressing and resolving grievances, reinforcing Nestlé's commitment to accountability and continuous improvement in human rights practices.

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

We are committed to respecting and advancing human rights in our operations and supply chain, and to supporting the <u>United Nations Sustainable Development Goals (SDGs)</u>. We have mapped each of our salient human rights issue action plans to the SDGs.

Our action plans will contribute to the goals shown below.



SALIENT ISSUES

Our <u>Human Rights Salient Issues</u>
<u>Action Plans</u> enable us to effectively implement our <u>Human Rights</u>
<u>Framework and Roadmap</u>. The plans set out how we assess, address, and report on the 10 most significant human rights risks across our value chain.

The plans also address how we consider human rights within our broader environmental and social plans.

They align with the <u>United Nations Guiding Principles</u> (<u>UNGPs</u>) and the <u>OECD Due Diligence for Responsible Business Conduct</u>, helping us comply with and stay ahead of emerging global human rights legislation while positively impacting local communities.

Nestlé's salient issues are based on strong foundations, including our human rights and impact assessments carried out between 2009 and 2017. They also consider the results of our strengthened audit and monitoring processes covering our operations and our upstream supply chain grievances logged on our Speak Up hotline, and a human risk assessment undertaken between 2020 and 2021

We have a designated Human Rights Steering Committee that oversees and guides the strategic direction of our action plans, ensuring alignment with our business goals and effective resource allocation. Multifunctional teams have been set up to successfully implement the action plans across our value chain. We have also appointed local, dedicated human rights coordinators in priority countries to work collaboratively with action plan owners and report to a local operational governance body.

The plans were launched in 2023, and at the end of 2025, we will report on progress against key performance indicators on all our <u>Human Rights Salient Issues Action Plans</u>.

In addition to improving our understanding of human rights risks across our operations and strengthening due diligence, the plans help us integrate existing programs holistically across geographies, product categories and ingredients, human rights, and our value chain.

ACTION PLANS ARE ALSO NOW EMBEDDED IN WIDER PROGRAMS, INCLUDING THE:

- Nestlé Cocoa Plan, which addresses child labour risks by improving the living incomes of cocoafarming families
- Nescafé Plan 2030, which tackles child labour and forced labour risks
- Nespresso AAA Sustainable Quality™ Program, which aims to empower coffee communities while protecting children.

Our salient issues are the human rights areas we have identified as most at risk of severe negative impacts on people due to our activities or business relationships.

They include:



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

SALIENT ISSUE: CHILD LABOUR AND ACCESS TO EDUCATION

Together with our partners, we are committed to helping address the risk of child labour in the supply chain of certain raw materials and improving access to education.





WAYS WE ARE ADDRESSING THE ISSUE

According to the International Labour Organization (ILO) a total of 160 million children are estimated to be in child labour around the world, 70% of which are estimated to be in agriculture and other industries characterised by informality, low levels of regulation, and high levels of manual labour. As a result, child labour can be a systemic risk in non-mechanised farming such as cocoa or coffee.

We outline how we are working to help address child labour risks and impact and improve children's access to education through our <u>Salient Issue Action Plan on</u> Child Labor and Access to Education.

Nestlé is collaborating with its suppliers, producers, and their communities, civil society, and industry peers to address this issue and ensure cases can be swiftly and effectively remediated where they occur.

For example, Nestlé actively participated in the <u>Child Labor Cocoa Coordination Group (CLCCG)</u> negotiation process, which led to the signature of an agreement between the World Cocoa Foundation and the governments of Côte d'Ivoire, Ghana and the United States.

We are continuously monitoring risks and have specific policies and measures to support our approach such as:

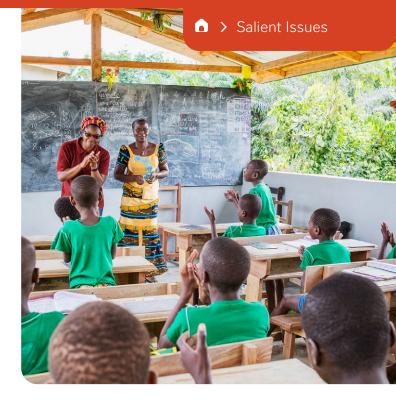
- Our Corporate Business Principles
- Our Responsible Sourcing Core Requirements
- Our <u>Human Rights Policy</u> which is operationalised through our <u>Human Rights Framework</u> and <u>Roadmap</u>
- Our Income Accelerator Program
- Verifying our direct suppliers' compliance with our Responsible Sourcing Core Requirements, including those relating to child labour, via independent audits that follow the Sedex Members Ethical Trade Audit (SMETA) Best Practice Guidance
- Working directly with the suppliers of our raw materials, such as cocoa, sugar, and coffee, to provide safe spaces for migrant workers' children in harvest season
- Providing training on child labour risks and conducting independent monitoring in priority locations
- Establishing child rights advocates to work with local government agencies and local nongovernmental organisations to train and support farmer associations
- Supporting the <u>Earthworm Foundation's</u>
 development of child risk assessment frameworks
 for the palm oil sector and its provision of risk
 assessment training to palm oil companies in
 Malaysia and Indonesia.

TAKING FURTHER ACTION

Some of the key actions outlined in our <u>Child Labor and Access to Education Action Plan</u> include:

- Strengthening direct suppliers' capacity to uphold Nestlé's requirements regarding child labour and access to education as part of our Supplier <u>Human</u> <u>Rights and Environmental Due Diligence (HREDD)</u> Assurance Framework
- Engaging and supporting prioritised direct suppliers in addressing child labour risks and impacts in their own operations and supply chains
- Scaling up our Child Labour Monitoring and Remediation Service (CLMRS) in Central and West Africa and piloting it in Indonesia and Uganda
- Identifying and prioritising sector initiatives in which Nestlé can advocate for or support stronger approaches to prevent child labour and provide access to education (e.g. certification schemes or sector collaboration groups)
- Engaging in collaborative approaches to develop or strengthen community-based or governmentbased grievance mechanisms in our supply chains and on-the-ground projects (e.g. landscapes) and establishing protocols to assist vulnerable children and their families (e.g. by referring them to local services when needed).

Nestlé will report progress on all our key indicators in this plan at the end of 2025.

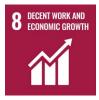


CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The actions laid out in this action plan will contribute — directly and indirectly — to SDGs 4, 5, 8, 16 and 17.











OUR CHILD LABOUR MONITORING AND REMEDIATION SYSTEM

Nestlé was the first company in the industry to introduce a Child Labour Monitoring and Remediation System (CLMRS) and openly report on this.

The CLMRS operates in our cocoa supply chain in Côte d'Ivoire and Ghana, in collaboration with the International Cocoa Initiative. It has now been extended to our coffee supply chain in Côte d'Ivoire.

It is a leading tool to help us tackle child labour risks and provides remediation that directly supports children, their families, and communities. The majority of remediation activities centre around education, including building schools, distributing school kits, and facilitating registration in apprenticeship programs.

Other remediation activities provide assistance with farmrelated work and help households to tackle rural poverty by increasing and diversifying family income.

Income Accelerator Program is complementary to the CLMRS and aims to reduce child labour risks and increase incomes for cocoa-farming families. Since its launch in 2012, the CLMRS has supported more than 200,000 children in Côte d'Ivoire and Ghana.

By the end 2024, the CLMRS supported 123,953 households, provided remediation and prevention actions for 96,580 children, and ensured that 26,857 children were no longer engaging in potentially hazardous activities in Côte d'Ivoire and Ghana.



NESPRESSO AAA SUSTAINABLE QUALITY™ PROGRAM

Nespresso's zero tolerance for child labour has been a critical pre-requisite for its <u>AAA Sustainable Quality^{IM} Program</u> since its creation in 2003. The AAA Program was developed in cooperation with the internationally recognised <u>Rainforest Alliance</u> in compliance with the <u>International Labour Organization (ILO)</u> standards.

Failure to meet or keep the AAA Program's critical criterion prevents farmers from selling their coffee beans to Nespresso. However, Nespresso will support farmers who don't comply, to meet the critical criterion.

Nespresso has been developing a specific integrated approach to protecting children in coffee-producing regions since 2018. Part of its work has been to develop a response guide to protecting children for agronomists and Nespresso employees, a tailored training for dealing with the prevention and potential management of child labour in Central America, and dedicated awareness sessions for cooperatives and farmers. This is in addition to education and training already provided through the AAA Program, globally.

SALIENT ISSUE: FORCED LABOUR AND RESPONSIBLE RECRUITMENT

Addressing the risk of forced labour is a key contributor to a fairer food system and a just transition. Our Forced Labour and Responsible Recruitment Action Plan helps us to assess, monitor, report, and take action in our raw materials and recycled packaging supply chains.





WAYS WE ARE ADDRESSING THE ISSUE

The International Labour Organization (ILO) estimates around 28 million people are trapped in forced labour around the world, mostly in unregulated industries dependent on large numbers of manual labourers, such as agriculture. Nestlé can play an important role in helping address this issue.

Nestlé has a longstanding commitment to addressing forced labour risks and promoting responsible recruitment practices. This commitment is integrated into several of our policies including our:

- Corporate Business Principles
- Nestlé Employee Relations Policy
- Policy on Conditions of Work and Employment
- Responsible Sourcing Core Requirements

We verify compliance with our policies through:

- Our CARE audit program, in all Nestlé sites worldwide
- · Our Sustainable Sourcing Program, which covers our prioritised direct suppliers. as relevant
- Speak Up, our grievance mechanism that provides Nestlé employees and external stakeholders with a dedicated, confidential communication channel for reporting noncompliance concerns anonymously.

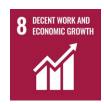
Through our Sustainable Sourcing Tier 1 audits, we verify direct suppliers' compliance with our Responsible Sourcing Core Requirements, including relating to forced labour, through independent audits that follow Sedex Members Ethical Trade Audit (SMETA) Best Practice Guidance.

WE ALSO SUPPORT DIFFERENT PROGRAMS AND A TOOLKIT THAT ASSESS AND ADDRESS FORCED LABOUR RISKS IN OUR SUPPLY CHAIN INCLUDING:

- Implementing a confidential hotline and piloting broker certification in the Thai seafood sector
- Sponsoring the development of an opensource due diligence toolkit for palm oil suppliers globally and seeding a third-party worker hotline in one of our palm oil suppliers' plantations in Malaysia. This enables workers to safely report on working conditions, recruitment, safety, and other rights abuses
- Providing training to coffee farmers and mills on forced labour indicators and independently monitoring coffee farms during harvesting season in Mexico, Brazil, Vietnam and Honduras.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The actions laid out in this action plan will contribute — directly and indirectly — to SDGs 8, 16 and 17.







TAKING FURTHER ACTION

Some of the key actions outlined in our <u>Forced Labour</u> and <u>Responsible Recruitment Action Plan</u> include:

- Completing <u>Human Rights Due Diligence</u> selfassessments and developing action plans for identified functions in our own operations in Brazil and Malaysia
- Strengthening direct suppliers' capacity to uphold Nestlé's requirements on forced labour and responsible recruitment as part of our <u>Supplier</u> <u>Human Rights and Environmental Due Diligence</u> (<u>HREDD</u>) Assurance Framework
- Identifying and prioritising specific interventions to address forced labour risks and promote responsible recruitment
- Supporting collaborative pilots to address forced labour risks in our cocoa supply chain in Côte d'Ivoire
- Ensuring our employees and workers who are potentially affected by our operations can raise grievances through the Speak Up platform
- Engaging in collaborative approaches to develop protocols to assist vulnerable workers, developing grievance mechanisms within our supply chain and on-the-ground projects, and developing common approaches and tools to remediate forced labour issues, including repaying worker recruitment fees and certifying recruitment agencies.

Nestlé will report progress on all our key indicators in this plan at the end of 2025.



RESPONSIBLE SOURCING — COCOA

Cocoa is a key ingredient in our confectionery products, especially chocolate. However, cultivating cocoa presents numerous challenges, such as deforestation, child labour risks and low incomes for cocoa-farming households.

NESTLÉ COCOA PLAN

The Nescafé Cocoa Plan aims to build a more responsible cocoa supply chain. We are working with farmers, communities, and local and international organisations to develop and implement solutions to the challenges cocoa-farming communities face.

Our plan, along with <u>Rainforest Alliance certification</u>, allows us to tackle these social and environmental issues to create a sustainable cocoa supply chain.

With the Cocoa Plan expanding its reach each year, our goal is to source 100% of our cocoa through the plan by the end of 2025

We also work with farming communities to ensure our cocoa suppliers comply with our <u>Responsible Sourcing</u> Core Requirements.

INCOME ACCELERATOR PROGRAM

The Nestlé Cocoa Plan <u>Income Accelerator</u> <u>Program</u> aims to improve the livelihoods of cocoa-farming families.

It rewards practices that increase crop productivity and help secure additional sources of income, which aim to close the living income gap and protect children, through cash incentives and support across four areas:

- Improving the livelihoods of cocoa families
- Incentivising the enrolment of children in school
- Advancing regenerative agriculture practices
- Advancing gender equality.

The program has supported cocoa farmers by training them in agroforestry techniques, promoting income diversification, and equipping and subsidising pruning groups.

Families have participated in Village Savings and Loan Associations (VSLAs), combined with gender and entrepreneurship training. This initiative has positively impacted school enrolment and gender balance, with women playing a bigger role in decision-making.

Since its launch in 2022, the program has reached 10,000 families in the Côte d'Ivoire regions of Abengourou, Gagnoa, and Divo. By 2030, it will be extended to cover an estimated 160,000 cocoa-farming families throughout our cocoa supply chain.

The program's partners include <u>KIT Royal Tropical</u>
<u>Institute</u>, <u>the International Cocoa Initiative</u>, <u>IDH</u>, <u>The</u>
<u>Rainforest Alliance</u>, local cooperatives in Côte d'Ivoire, the government of Côte d'Ivoire, and cocoa farmers.



MAKING AN IMPACT

A 2024 progress report published by KIT highlighted the significant impact of the Income Accelerator Program on cocoa farmers

Covering 10,000 households in Côte d'Ivoire, the report confirmed that between 2022 and 2023 the program has:

- 1. Helped 75% of farmers adopt high-quality cocoa tree pruning techniques, increasing cocoa production by a third
- 2. Seen total household income increase by 38%, leading to more households achieving a living income (+10%)
- Resulted in nearly eight out of 10 women registering in VSLAs, allowing them to invest in small businesses such as agro-processing boutiques, barbershops, and soap-making ventures
- 4. Contributed to 89% of children now being enrolled in school, up 10 percentage points over an 18-month period.

See our cocoa sourcing strategy for more information.



RESPONSIBLE SOURCING — COFFEE

Coffee is one of the world's most popular commodities, with around 2.25 billion cups consumed every day.

We source the majority of our coffee from smallholder farmers, making them a key part of our global supply chain.

With global demand for coffee rising, coffeefarming communities often face a range of complex economic, social, and cultural challenges. This is why Nestlé is working to improve our green coffee supply chain.





RESPECTING HUMAN RIGHTS AND LIVELIHOODS

Nestlé is committed to addressing risks of adverse human rights impacts in our coffee supply chain, particularly regarding forced and child labour, as well as labour rights violations.

We work to promote and embed best practices that respect and empower the farmers and communities behind our beans.

Our coffee supply chain is a complex global network. With suppliers in multiple countries, we must observe and comply with a diverse range of regulations and standards. We continuously work to ensure compliance with labour rights across all our coffee sources, focusing on identified hotspots.

NESCAFÉ PLAN 2030

Defining our sustainability ambition for the next decade, our <u>Nescafé Plan 2030</u> aims to create a more inclusive coffee value chain by promoting regenerative agriculture. This involves helping farmers adopt practices that reduce carbon emissions, improve income, and enhance social conditions.

We conduct independent assessments to measure the impact of these programs and identify best practices. Additionally, we provide various training programs to support farmers' economic resilience and build knowledge around best practices.

ENSURING TRANSPARENCY IN OUR SUPPLY CHAIN

We are committed to sourcing 100% of our coffee responsibly by the end of 2025.

Knowing where our coffee beans come from is essential, which is why we consistently focus on traceability and work with farmers and suppliers to support them in improving their practices.

EMPOWERING COFFEE FARMERS' LIVING INCOME

Nescafé's RegenTa initiative, part of the Nescafé Plan 2030 in Indonesia, helps smallholder coffee farmers adopt regenerative agriculture practices to enhance productivity, resilience, and sustainability.

By offering cash incentives, training programs, and innovative practices like composting, tree rejuvenation, and intercropping, RegenTa aims to improve living income, among other objectives.

Collaborating with partners like <u>The Rainforest Alliance</u>, this initiative combines over 25 years of Nescafé's expertise with local solutions, showing promising results in improving farm efficiency and organic practices.

See our coffee sourcing strategy for more information.



RESPONSIBLE SOURCING — PALM OIL

Palm oil is an ingredient in several
Nestlé products. It is a cost-competitive,
versatile and widely produced
vegetable oil that, when responsibly
sourced, can support millions of
livelihoods and reduce pressure on
forests and sensitive ecosystems.

To address the challenges facing our palm oil supply chains, we must first understand where the palm oil comes from and how it is produced.

We buy from processing companies that source palm oil in Malaysia, Indonesia, Latin America and West Africa, and work with expert organisations and the industry to continually improve environmental and social practices.





ASSESSING THE CHALLENGES

For many years, we have been working to prevent and support the remediation of human rights violations in our palm oil supply chain.

As part of our <u>Labor Rights Action Plan for Palm Oil</u>, we have developed a framework to help prioritise supplier engagement and systematically take action based on suppliers' risk profiles and capacity to address labour rights issues.

Under the framework, we are also working with external partners to develop corrective action plans for suppliers and implement monitoring systems to track against a set of key performance indicators. See the Nestlé Sustainably Produced Palm Oil report for more information.

In addition, we have sponsored the development of an open-source due diligence toolkit for palm oil suppliers globally and worked to set up a third-party hotline at one of our palm oil suppliers in Malaysia. This enables workers to safety, and other rights abuses.

RESPONSIBLE RECRUITMENT

Nestlé has supported several key initiatives to promote responsible recruitment, including funding the development of a human rights-based due diligence tool that helps palm oil producers establish transparency in their recruitment practices and identify risks. A performance matrix allows suppliers to track and measure progress in their recruitment practices.

We have also invested in training assessors to identify forced labour risks associated with migrant worker recruitment, and supported the <u>Earthworm Foundation's</u> research into recruitment practices and costs among small and medium-sized third-party suppliers.

Additionally, we 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.

PROJECTS AND PROGRAMS

Wilmar Child Protection Policy

We continue to support a program developed by our supplier, Wilmar, to protect children living on plantations, in collaboration with <u>Business for Social Responsibility</u>. This program involved holding a series of stakeholder consultation workshops on implementing <u>Wilmar's Child Protection Policy</u>. Participants included Indonesian plantation companies, government representatives, trade unions, and industry associations. Following the workshops, Wilmar published its Child Protection Policy Implementation Manual, which is being further refined for potential use outside of Wilmar's supplier base.

Giving workers a voice

Working with our partner, supplier, Sime Darby Plantation, we have helped to set-up a helpline for palm oil workers in Malaysia to report human and labour rights abuses. This third-party worker support line enables workers to safely report on working conditions, recruitment, safety, and other rights abuses.

Since first being established in 2018, we have extended the helpline to now cover all Sime Darby Plantation operations, reaching a total of about 35,000 workers.

More than 4,500 workers have participated in in-person training, and many more have received informational posters, videos, and other forms of outreach. We also participate in the development of industry-wide grievance mechanisms.

MY VOICE, part of the Social Accountability Initiative, aims to give workers more influence over the implementation of a social compliance system in the palm oil sector in Malaysia.



FOREST POSITIVE STRATEGY

Our <u>Forest Positive Strategy</u> focuses on how to increase direct engagement with local communities and leverage our influence to secure land rights for Indigenous peoples and local communities.

We aim to achieve 100% deforestation-free supply chains for coffee, cocoa, meat, palm oil, pulp and paper, soy, and sugar by the end of 2025, and we are well on the way to achieving our target.

In 2024, we were recognised in Forest 500 for our work combating deforestation and safeguarding human rights and in 2023, we ranked first in the World Benchmarking Alliance's Nature Benchmark.

SUPPORTING CHILDREN LIVING ON PLANTATIONS

The presence of children on palm oil plantations poses a risk in some parts of our supply chains. These children may live on the plantations, often without documentation or access to basic services such as education.

In collaboration with the Earthworm Foundation, we developed a Child Risk Assessment Framework to support palm-grower companies. This framework covers topics such as education, childcare, maternity protection, health care, nutrition, birth registration, and child sexual exploitation prevention.

We also developed and rolled out a training model on how to use the framework.

Roundtable on Sustainable Palm Oil (RSPO): We are working with industry bodies to increase awareness of the importance of sustainable practices and certification among producers to address a market shortage of palm oil produced to this standard.

Consumer Good Forum (CFG): We are board members of the CFG and actively participate in initiatives that address challenges in the palm oil sector. As part of the Palm Oil Working Group, we work with other members to address environmental and labour rights challenges at an industry level.

Palm Oil Transparency Coalition (POTC): As part of the POTC, we collaborate with other members to assess the first importers of palm oil on their approaches to deforestation and exploitation. This promotes transparency and encourages progress beyond certification.

Palm Oil Collaboration Group (POCG): As a member of the POCG, we work with other brands, traders, and producers to accelerate effective implementation of the 'No Deforestation, No Peat, No Exploitation' commitments.

See our palm oil sourcing strategy for more information.



RESPONSIBLE SOURCING — SEAFOOD

At Nestlé, we aim to ensure that the raw materials we use for pet food products are responsibly sourced.

We collaborate on innovative solutions to tackle the seafood industry's most pressing challenges, such as poor labour conditions and environmental practices, and in illegal, unreported, and unregulated fishing.

We understand the importance of sourcing from fisheries and aquaculture farms with healthy fish harvests and responsible labour practices. Thus, we aim to source from fisheries and farms that meet our <u>Responsible Sourcing Core</u> Requirements.

To best identify the origins of fish products, our buyers work closely with their suppliers to collect relevant data. This includes information on the species, country and fishery of origin, and the fishing practices used.

To drive greater industry-wide transparency, <u>we</u> <u>publish the list of our seafood fishing zones in</u> <u>our supply chain and their countries of origin</u>.



ASSESSING THE CHALLENGES

Labour rights violations have been identified as major challenges within the fish and seafood supply chain and pose a particular risk for Nestlé in Thailand.

We have been working with the <u>Issara Institute</u> in Thailand to analyse recruitment practices and channels to implement responsible recruitment pathways.

Partnering on the ground with recruitment agencies, grassroots organisations, and government, Issara works to ensure worker rights and remediation of grievances, from recruitment through to employment.

Through work with Issara and other partners, Nestlé seafood suppliers in Thailand have all improved responsible recruitment practices for workers since 2018.

We continue to work with other partners in Thailand, the Royal Thai Government, industry associations, the <u>Seafood Taskforce</u>, and our suppliers.

In addition, we partnered with <u>Verité</u> to complete a comprehensive human rights risk assessment in 2023 of all the countries in which our seafood is processed, where our farmed fish is sourced, and all vessel flags from which wild fish is sourced.

TAKING ACTION

We have:

- Implemented a confidential hotline and piloted broker certification in the Thai seafood sector
- 2. Developed a business case for safe living and working conditions on vessels
- Deployed the Issara Institute's worker voice and remediation tools throughout our supply chains
- Required responsible recruitment of workers into Thai seafood-processing facilities in our supply chain and supported several initiatives to extend this practice further upstream.

See our fish and seafood strategy for more information.



RESPONSIBLE **SOURCING** — **SUGAR**

Sugar is an essential ingredient in many of the foods and beverages we produce.

We source both sugarcane and sugar beet from more than 160 suppliers in 60 countries. Sugarcane harvesting can be dangerous, and labour conditions are often challenging.

At Nestlé, we are committed to working with our suppliers to help uphold labour rights by addressing child labour risks and seeking fair pay and working conditions for employees.



As part of our Human Rights Framework and Roadmap, we have developed action plans for the most salient issues in our supply chains. Child labour and access to education is one of the major risks in the sugar supply chain.

We have several interventions in place to address the risks of child labour and access to education, as well as other challenges which include sanitation and potable water; overcrowding and a lack of personal space and privacy; children not being in school and potentially being exposed to hazardous conditions; and limited access to safe working practices.

We are also supporting sugarcane mills to implement responsible recruitment initiatives to address child and forced labour risks and improve health and safety, and living conditions in Mexico.

SUPPLIER MAPPING AND ASSESSMENT

We work with Proforest to map our sugar supply chain and assess our suppliers, so we can trace the sugar we source back to the sugar mills across our global supply base.

The assessment process may include exploratory and site visits, as well as analysis of traceability. Findings inform the development of strategies for mills to improve practices, implement changes, and roll out appropriate training across their supply bases.

To hold our suppliers and ourselves accountable and drive industry-wide transparency, we have published the list of our Tier 1 sugar suppliers and the mills in our supply chain, along with their respective countries of origin.



ABOUT PROFOREST

Agricultural and forest commodities such as sov. sugar. palm oil, timber, pulp and paper, beef, rubber, cocoa and coconut are essential in providing the food, feed and fibre needed for a growing global population.

Proforest, a non-profit organisation, believes that agricultural commodity production can and should deliver positive outcomes in the areas where this production occurs.

The non-profit organisation provides private sector consultancy with grant-funded work to support companies throughout supply chains in achieving positive social and environmental outcomes in the places where their commodities are produced, ensuring governments and local communities also transition to responsible sourcing.

See our sugar sourcing strategy for more information.



RESPONSIBLE SOURCING — RECYCLED MATERIALS FOR PACKAGING

Waste pickers play an important role in the circularity of packaging waste, and we support them based on the United Nations Guiding Principles on Business and Human Rights.





An estimated 19-24 million individuals derive their livelihood from collecting and recycling waste, with about 80% in the informal economy. They collect from bins, streets, and unregulated landfills, and are responsible for diverting 60% of the plastic that is recycled worldwide.

We believe this group merits the same human rights protections as anyone else in our value chain and so we apply the 10 Fair Circularity Principles.

We developed the Principles in collaboration with the <u>Fair Circularity Initiative (FCI)</u>, which includes development charity Tearfund, the Coca-Cola Company, PepsiCo, and Unilever.

In line with our 10 Human Rights Salient Issue Action Plans, the focus areas we have identified as the most salient for our waste management projects are <u>living</u> income and living wages, forced labour and responsible recruitment, safety and health at work, and <u>child labour</u>.

In selected priority countries where waste management is a cause of concern, we are conducting assessments to ensure that the rights of workers are respected. We interview key stakeholders to ensure an inclusive and adequate assessment process where concerns are captured.

For any issues encountered, we develop action plans with our partners. We supported this work by conducting and publishing studies including the Resident Attitudes toward Open Burning of Waste (2023), and Methodologies and Assessments for Living Incomes for Informal Sector Waste Workers, in 10 countries, which we developed with the FCI.

The FCI is now developing implementation guidance and a reporting framework to support the wider industry.

The increased adoption of the <u>10 Fair Circularity</u>
<u>Principles</u> will help to reduce the impacts of plastics for communities and the environment, as well as help make life safer and more equitable for the waste workers.

GRIEVANCES

Access to effective grievance mechanisms is crucial for monitoring ongoing human rights risks and assessing our actions. They are also central to fostering a strong compliance culture and ensuring daily adherence to the values in our Corporate Business Principles.

Nestlé's grievance channel, <u>Speak Up</u>, is a wellestablished global hotline that allows employees and external stakeholders to raise concerns and seek remedies. In 2024, Nestlé expanded this program to address grievances associated with any supplier that Nestlé purchases from, whether directly or indirectly.

Every report received through <u>Speak Up</u> is handled professionally and confidentially by an independent third party that can ensure anonymity if desired. Substantiated reports can lead to disciplinary actions, including termination of employment or service contracts.

Since its introduction in 2021, strong awareness of <u>Speak Up</u> and trust in the effectiveness of both the tool and the investigation process have seen a steady increase in the number of reports made and investigated.

In the same year, the total number of reports was 2,475, with 580 of those substantiated.

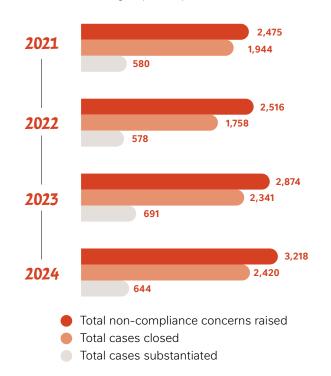
In 2024, the total number of non-compliance reports raised was 3,218, 12% more than in 2023, when 2,874 reports were raised.

A positive indicator is that while total reports were up, the number of substantiated cases in 2024 was 7%, or 644, compared to 691 in 2023.

We expect our direct suppliers to have grievance mechanisms and management systems in place, and we encourage collaborative approaches to developing or strengthening community or government-based grievance mechanisms within our supply chains and onthe-ground projects. We also advocate for establishing protocols to assist vulnerable children and their families, such as referral programs, in countries identified as high risk in our salient action plans.

SPEAK UP CASES

Total cases through Speak Up



2024 Non-compliance concerns raised through Speak Up Category

	Messages Received	Cases Substantiated
Labour practice	292	37
Harassment (excluding sexual harassment)	216	42
Fraud (misappropriation or misconduct on accounting / financial statement)	130	46
Safety and health	155	28
Bribery and corruption (including conflicts of interest)	189	33
Violence and discrimination	146	35
Sexual harassment	72	26
Confidential information, privacy policy (data privacy, trade secrets, intellectual property)	44	5
Human rights (child labour, forced labour, and modern slavery)	3	0

¹ Messages substantiated did not involve government officials.

AUSTRALIA UPDATE

The only way to strengthen our human rights approach is by carrying out effective due diligence to assess, address and report transparently on actual and potential human rights risks.

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.



DRIVING COMPLIANCE

Employees

Through a bespoke, global social audit program, we make sure that that our employees and Nestlé-operated sites including factories and distribution centres have the right work and employment conditions, rooted in our value of respect.

The CARE Audit Program, as it is known, is carried out by independent auditors, to ensure that we meet our human rights commitments.

Globally, in 2024 we carried out 245 audits, as compared to 194 in 2023, with the number of gaps identified down by 71.

Our suppliers

We undertake regular compliance audits of our suppliers, including those based in and out of Australia.

Our audits cover a wide range of criteria, including human rights, business ethics, environment, and safety. Where we find non-compliance in audits, we work with the supplier to address the gap, then follow up to ensure the gap has been closed within agreed timeframes.

Our 2024 audit program in Australia, which includes third-party audits of domestic suppliers and international suppliers to Australia, found some instances of non-compliance with Nestlé's Responsible Sourcing Standard regarding human rights.

Examples of some of these non-compliance issues include lack of confidential grievance mechanisms, lack of a well-communicated and understood modern slavery policy for employees, insufficient attendance records for employees, insufficient records of age verification for employees, working hours more than the recommended 60hrs/week, and underpayment for additional duty allowances.

In such cases, non-compliant suppliers are given a fixed term to rectify the issues and meet our standards. The <u>Human Rights and Environmental Due Diligence</u> (HREDD) clause represents a further step in our longstanding commitment to respecting and promoting human rights and the environment.

In accordance with this clause, suppliers are requested to exercise due diligence to identify, prevent, mitigate and show how they address impacts on human rights and the environment occurring in their own operations or through their business relationships directly linked to supplying Nestlé.

The HREDD clause is a mandatory provision captured in all our above-market contracts with suppliers and is being incorporated into local contracts as relevant when tenders are undertaken and contracts come up for renewal. Requiring suppliers to disclose their HREDD systems will help to give us a better understanding of risks across our Tier 2 suppliers and beyond.

TRAINING

Employees

Nestlé has made human rights e-learning available for employees, to equip our people with the necessary knowledge and understanding of human rights principles.

In 2024, 1,249 Nestlé Australia employees, successfully completed this training.

It is mandatory for every employee to undertake this training to ensure a broad understanding of human rights and their application in our daily operations – including the ability to spot modern slavery risks in our local value chain

Suppliers

We are committed to partnering with our suppliers formally and informally to support them implementing programs and policies that allow them to assess the risks, monitor, and address the issues of human rights in their value chain.

Not only is it a non-negotiable criteria to work with Nestlé under our Responsible Sourcing Core Requirements, but to address this urgent and complex issue requires businesses big and small to play their part. We must use our size, scale, and reach to inspire and educate others, and to help drive collective action.

EMERGING RISKS

We are constantly monitoring and assessing existing risks, while also focusing on identifying emerging risks, such as the use of recycled content in our packaging.

Packaging plays a crucial role in our business by ensuring food quality and safety and preventing food waste. However, we recognise the environmental impact of packaging. As part of Nestlé's Packaging Sustainability Strategy, we are working to reduce our use of virgin plastic and integrate recycled content. The recycled plastic content we use is certified by the International Sustainability and Carbon Certification (ISCC).

In Australia, our recycled packaging content is sourced both locally and internationally. We understand the importance of considering the entire value chain and the potential risks to worked involved in these industries.

We continue to collaborate closely with certifiers to assess and address any potential risks ensuring the protection of human rights throughout the supply chain.



UK UPDATE

Modern slavery continues to be a key focus within Nestlé UK. In 2024, we created the Modern Slavery Working Group, which comprises a small group of passionate individuals dedicated to championing the abolition of modern slavery across Nestlé UK. The working group is actively driving our long-term modern slavery strategy of 'Educate, Investigate and Eliminate'. We made significant progress in 2024.

EDUCATE

Education is a critical area for advancing modern slavery efforts. Following significant political changes in the UK in 2024, it is doubly important we remain informed about any policy changes in this area and closely track emerging modern slavery trends.

While we maintain our close relationship with Unseen. it's also essential for us to continue engaging with thirdparty organisations focusing on modern slavery, such as the United Nations Global Compact Human Rights Working Group and the Modern Slavery and Human Rights Policy and Evidence Centre. Additionally, we remain in regular contact with our key customers and like-minded suppliers to share best practices to combat modern slavery.

One of our main objectives under the 'Educate' pillar of our modern slavery strategy is to educate our colleagues. In 2024, we continued our Nestlé employee Modern Slavery awareness training program, with an additional 57 colleagues completing this training. We have also extended the training to some of our key suppliers, of which eight attended a session in 2024.

Our training program is conducted in partnership with Unseen and includes discussions on the latest statistics regarding modern slavery, recent changes to legislation, and the typical signs to identify modern slavery.

The training has been thought-provoking and has received positive feedback from colleagues across various departments, including Supply Chain, Logistics, Procurement, Co-manufacturing, Legal, and Human Resources. In addition to Modern Slavery training, we also implemented Human Rights training which was completed by 88% of employees in Nestlé UK by the end of 2024.

As well as the dedicated training with Unseen, the working group has committed to presenting modern slavery to specific teams within Nestlé UK, such as the Nestlé UK factory leadership team, HR, and Supply Chain. The working group was also involved in delivering a roundtable discussion from the Who I Am network on modern slavery.

Who I Am is an initiative run by employees who are passionate about diversity, equity, and inclusion. Highlighting modern slavery issues in this forum sparked an authentic dialogue among Nestlé UK colleagues regarding the realities of modern slavery, and the challenges we face within our organisation.



'We are extremely delighted to continue our strong and long-term partnership with Nestlé. Knowing that we can play a pivotal role in guiding and influencing an organisation such as Nestlé to continue to prioritise worker welfare is vital. Raising awareness of worker exploitation is great but supporting Nestlé to work more effectively with suppliers and to take steps when needed really makes a critical difference.

I am grateful once again for Nestlé's sponsorship of Unseen's annual business awards, shining a spotlight on those individuals and businesses committed to seeking positive change. I am certain we can continue to build and grow our fruitful partnership for many years to come.'

Justine Carter,

Director of Business Services. Strategy and Tech, Unseen



INVESTIGATE

We are continuing our partnership with <u>Unseen</u>, and to support this initiative, we have been members of the Unseen Business Portal since 2022. The portal is a secure online platform that draws on situational information reported by the UK public to the Unseen UK Modern Slavery & Exploitation Helpline.

It provides us with the opportunity to see first-hand the cases of modern slavery reported to <u>Unseen</u> and grants us access to real-time reports of cases relevant to our UK supply chain, and the broader UK food and beverage industry.

Receiving this intelligence shortly after it's logged is key for Nestlé UK, as it allows us to act immediately and assess if we have any direct connection. If we do find a direct link, we would collaborate with Unseen to address the situation; however, in 2024, we did not have any direct links to the cases raised through the helpline.

In 2024, we also started using the <u>Verisk Maplecroft</u> tool to explore potential modern slavery risks within the market. This tool helps us understand trends and identify the areas and commodities that are most at risk. Gathering this information is crucial for raising our awareness of modern slavery in our market and serves as an invaluable resource for proactive discussions with our suppliers.

ELIMINATE

As part of our Responsible Sourcing Core Requirements, we ensure our suppliers are independently audited using the Sedex Ethical Trade Audit (SMETA) Best Practice Guidance. Our Nestlé Business Services team have a weekly review to ensure any audit gaps are closed efficiently and effectively.

Some of the common audit gap themes found with our suppliers in 2024 were issues over working hours and wages, as well as access to an appropriate grievance mechanism. When considering a direct audit gap relating to modern slavery, two suppliers were found to be non-compliant with modern slavery policy and procedures. Both these instances were resolved effectively, with corrective measures implemented.

As reported previously, we have a long-term goal to collaborate with Unseen to create a survivor support program for modern slavery survivors. We hope to use Nestlé employee volunteering days to support survivors' job search efforts, such as helping them create CVs and gain interview skills.

We are also considering providing mentoring. These initiatives would be guided by <u>Unseen</u> to leverage their expertise to ensure survivor safety and wellbeing throughout the program.



LOOKING AHEAD

For more than 150 years, Nestlé has been dedicated to supporting individuals and communities where we operate. We are committed to advancing a regenerative food system at scale, while supporting a just transition, and addressing the social and economic challenges of the transition.

Our aim is to provide resilient and fair livelihoods and dignified work that enables farming communities across the world to support themselves and their families. The path to regenerative agriculture is long, which is why we are helping farmers by providing financial support, remunerating good practices and offering technical and scientific guidance, through programs like the Nescafé Plan and our cocoa Income Accelerator Program.

By advancing regenerative food systems and working with farmers to help them transition to regenerative agricultural practices, we can help create a more resilient future for our planet and its people.



REPORTING ON OUR PROGRESS

Assessing, addressing and reporting transparently on actual and potential human rights risks is at the heart of our <u>Human Rights Framework</u>.

In early 2023, we unveiled our Nestlé Human Rights Salient Issue Action Plans for the 10 salient issues within our supply chain. These plans articulate our strategy for embedding, 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 report our progress by the end of 2025.

Currently, we report through our <u>Creating Shared Value</u> report and our <u>Non-Financial Statement</u>.

FUTURE FOCUS

For well over a decade, we have been committed to respecting human rights across our business activities: carrying out due diligence on the ground, raising awareness, promoting best practice, and empowering people across our value chain.

Our values are centred around respect for people and their human rights, and we aim to enable meaningful change in lives, and farming practices. To achieve this, we will continue to focus on:

- Vigilant monitoring of existing and emerging risks
- Assessing and addressing human rights risks, particularly in high-risk geographies and sectors such as agriculture, transport, services, and waste
- Continue to improve our due diligence systems to strengthen and protect our business and make it more resilient
- Use our size, scale and reach to inspire others and help drive collective action
- Work directly with our suppliers to build their capacity and ensure compliance with our human rights policies
- Continue to broker global and local partnerships to enhance collaboration on the ground for programs of change related to our most salient issues.



LEARN MORE ABOUT OUR HUMAN RIGHTS POLICIES AND ACTIONS





