



Nestlé Good food, Good life

Nestlé's Salient Issue Action Plan:

# FORCED LABOR AND RESPONSIBLE RECRUITMENT

February 14, 2023

[nestle.com/sustainability/humanrights](https://www.nestle.com/sustainability/humanrights)

This action plan is one of a series that forms part of our [Human Rights Framework and Roadmap](#). You can find all our action plans, which address Nestlé's salient issues, on our [dedicated human rights webpage](#).

These plans guide our due diligence approach and enable us to act as a force for good. They 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 harnessed the strengths and capacities of each Nestlé department to define the action areas we will focus on in the years to come, in consultation with external partners and stakeholders. With collaboration built into each action plan, we hope to spark new engagement and inspire collective action with peers, business partners, civil society, non-governmental organizations (NGOs) and governments. This way, we can work together to tackle the root causes of our salient issues and create positive impact at scale.

We want these action plans to be dynamic and reflect the evolution of stakeholders' expectations and of the contexts in which we operate. Input and feedback are welcome and can be sent to us by email: [humanrights@nestle.com](mailto:humanrights@nestle.com).

We will report on progress against the indicators identified in each action plan by the end of 2025.



<sup>1</sup> Nestlé throughout this document refers to the Nestlé Group.

# EXECUTIVE SUMMARY

## Definition of 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.

## Why it matters

More than 27 million people are estimated to be trapped in forced labor around the world, mostly in unregulated industries dependent on large numbers of manual laborers, such as agriculture. Forced labor is illegal and a grave human rights violation wherever it occurs. Nestlé can play an important role in helping address this issue. For example, we can use our influence to promote fair and equitable recruitment practices.

## Geographical priority

Argentina, Brazil, Colombia, Côte d'Ivoire, Ecuador, Egypt, Guatemala, Honduras, India, Indonesia, Malaysia, Mexico, Nigeria, Pakistan, Peru, Philippines, Thailand, Türkiye and Vietnam



## Key actions

- Strengthen Nestlé's commitments on forced labor and responsible recruitment in line with existing and emerging best practice
- Train relevant employees and staff on forced labor risks
- Strengthen direct suppliers' capacity to uphold Nestlé's requirements on forced labor and responsible recruitment as part of our Supplier Human Rights and Environmental Due Diligence (HREDD) Assurance Framework
- Engage and support prioritized direct suppliers in taking actions to address forced labor risks and impacts in their own operations and supply chain
- Identify and prioritize specific interventions addressing forced labor risks at national and subnational levels
- Engage in collaborative approaches to develop community-based or government-based grievance mechanisms

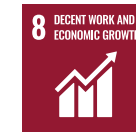
## Value chain priority



We recognize the importance of listening to and consulting workers, local communities and farmers on issues that affect them. As we implement this action plan, we will identify and engage with them to strengthen our understanding of risk and the impact and sustainability of our actions.

## 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.



# BACKGROUND

## What we are talking about

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, inhumane working and living conditions, and excessive overtime.<sup>i</sup>

## Why it matters

According to the International Labour Organization (ILO), more than 27 million people globally are estimated to be trapped in forced labor in the private sector. Forced labor mostly occurs in unregulated industries dependent on large numbers of manual laborers, such as agriculture and other industries characterized by informality – for example, street vending and trash picking. Women are particularly vulnerable, as they are more likely to be coerced through wage non-payment and abuse of vulnerability. They are also more likely to be subjected to physical and sexual violence and threats against family members.<sup>ii</sup>

Forced labor does not typically conform to popular conceptions. While observable physical confinement is sometimes seen – from fishers kept on boats for months or years to harvesters restricted from leaving remote plantations – these situations are rare compared to the hidden norm of workers becoming locked into a spiral of debt or dependence that confines them and their families to situations of exploitation.<sup>iii</sup>

## Why this issue is relevant and important for us

Forced labor is illegal and a grave human rights violation wherever it occurs. The issue is complex, and an endemic risk in non-mechanized farming.

Preventing and mitigating the risk of forced labor in our operations and supply chains is a key element of a [just transition to a regenerative food system](#). To be successful, the transition to regenerative agriculture needs to take into account the potential risks and impacts on workers and drive equity throughout the value chain.

We recognize our responsibility to seek to address forced labor risks by collaborating with workers and their organizations, governments, civil society, industry peers, suppliers and producers. This will involve using our influence and acting to protect workers in our operations or in our supply chains and enabling them to work freely and fairly, without deception or menace of penalty.

## The challenges in addressing this issue

The root causes of forced labor are varied and often deeply engrained in historic ways of doing business. Poverty and the need for work are the main drivers of vulnerability for jobseekers. This may lead them to accept practices such as informal employment arrangements, end-of-season payments, piece-rate and in-kind payment schemes, and sharecropping, or to be exploited by recruiters with unethical practices. In some cases, workers are tricked into working for little or no money to repay a debt, a practice called bondage labor.

Indicators of forced labor, such as debt bondage, deceptive recruitment, forced overtime, low and withheld wages, degrading living conditions, limits on freedom to

terminate contracts, threats and violence, restrictions on freedom of movement, and retention of identity documents, are often hard to detect. This requires trust-building and in-depth conversations with workers, who are often the only people who can provide information about these issues. Confidential reporting mechanisms that reach the workers who are most at risk are rare. Adding to these challenges, in many agricultural sectors, workers often live and work on-site in relatively remote, isolated settings where they have multiple dependencies on their employers. This can make it hard for them to complain or convey information about unfree working conditions to monitors, due to fear of reprisals.

In addition, in countries that lack regulation or where government enforcement is weak, the use of forced labor may be perceived by employers or recruiters as a low-risk practice.<sup>iv</sup> There are also a variety of legal gaps and employer practices that may obstruct workers' ability to organize and advocate for their rights. At the same time, budgets for effective preventative programming and social services for case management and remediation for victims are often lacking in countries where problems are most endemic.

# NESTLÉ'S VISION AND APPROACH

## Our vision and approach

Forced labor is an abhorrent, unacceptable practice. Across our own operations and business relationships, we aim to address forced labor risks and promote responsible recruitment practices. In high-risk landscapes, we will work to help address forced labor indicators and strengthen responsible recruitment practices. If we identify actual or potential risks of forced labor in our own operations, agricultural supply chains and other relevant parts of our value chain, we will take action to address those risks.

We believe that addressing the risk of forced labor in a holistic way is key to contributing to a fairer food system and a just transition.

To realize this vision, we will work on two complementary levels by:

1. Taking action in our raw materials and recycled packaging supply chains<sup>2</sup> to assess forced labor risks, address those risks and any adverse impacts, and monitor and report on activities and their outcomes.
2. Using leverage and collaboration, actively support collective engagement to address widespread, systemic forced labor issues and their root causes; in particular, unethical recruitment practices.

This approach builds on the work that has been done to date to assess and prioritize forced labor risks, develop, pilot and implement solutions to address those risks in our value chain, as well as help address root causes and systemic issues.

## How we are currently addressing this issue

Forced labor and responsible recruitment are governed through the Human Resources Leadership Team and the ESG and Sustainability Council (see also the *Governance* section for this issue).

Nestlé has a long-standing commitment to address forced labor risks and promote responsible recruitment practices. This commitment is integrated in several of our policies:

- Our *Corporate Business Principles* state that we take action against any violations of human rights in our operations and value chain, with zero tolerance to child labor, forced labor and modern slavery.
- The *Nestlé Employee Relations Policy* provides a frame of reference for the collective relationships with trade unions and other employee representatives.
- Our Policy on Conditions of Work and Employment sets aspirational goals and minimum requirements regarding work arrangements and working conditions.
- Our *Responsible Sourcing Standard* includes requirements related to forced labor and responsible recruitment, such as not charging fees or costs to workers for a job.

We verify compliance with our policies through:

- Our *CARE audit program*, which covers all the Nestlé sites we operate in the world.
- Our *Sustainable Sourcing Program*, which covers our prioritized direct suppliers, as relevant.
- *Speak Up*, our grievance mechanism that provides Nestlé employees and external stakeholders with a dedicated, confidential communication channel for reporting non-compliance concerns, anonymously if they wish.

Through our Sustainable Sourcing Tier 1 program, we verify compliance with our Responsible Sourcing Standard by our direct suppliers through independent audits that follow the *Sedex Members Ethical Trade Audit (SMETA) Best Practice Guidance*. These audits include requirements related to forced labor.

In addition to verifying compliance with our direct suppliers, we have identified \_ that present higher human rights and environmental risks, as well as recycled materials for packaging purposes. For the raw materials, we also work closely with our direct suppliers and partners to conduct a

mapping of our upstream agricultural supply chains and carry out site assessments with partner organizations.

We also support different tools and programs that assess and address forced labor risks in our supply chain, including:

- The implementation of a confidential hotline and the piloting of broker certification in the Thai seafood sector.
- Sponsoring the development of an open-source due diligence toolkit for palm oil suppliers globally and seeding a third-party worker hotline in one of our palm oil supplier's plantations in Malaysia that enables workers to safely report on working conditions, recruitment, safety and other rights abuses.
- Providing training to coffee farmers and mills on forced labor indicators, and conduct independent monitoring of coffee farms during harvesting season in Mexico, Brazil, Vietnam and Honduras.
- Supporting sugarcane mills to implement responsible recruitment initiatives to address child and forced labor risks and improve health and safety conditions as well as living conditions in Mexico.

<sup>2</sup> These are the 14 raw materials under the scope of our *Sustainable Sourcing Program*: cereals and grains; cocoa; coconut; coffee; dairy; fish and seafood; hazelnuts; meat, poultry and eggs; palm oil; pulp and paper; soya; spices; sugar; and vegetables. In addition, recycled materials for packaging purpose were added to the scope of this action plan.

# NESTLÉ'S ACTION PLAN (2023–2025)<sup>3</sup>

## Embed: Policies and processes

### Objectives

- Mainstream the topic of forced labor and responsible recruitment in our governance structure, policies and control systems.
- Clarify and strengthen Nestlé's commitments regarding forced labor and responsible recruitment in line with existing and emerging best practices, and in consultation with rights holders and stakeholders.

### Action

### Scope

#### Governance, capacity building and incentives

Leverage Nestlé Human Rights Community and Human Resources Leadership Team to foster cross-departmental exchange, coordination of efforts and alignment on approaches and objectives.	Global
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Identify and train all relevant Nestlé employees and staff on forced labor risks and responsible recruitment practices to increase their participation in risk-prevention and mitigation decisions and activities.	Global
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Develop specific training for Nestlé agronomists to raise their awareness on forced labor indicators.	Coffee, cocoa and dairy
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Reflect the actions laid out in the action plan in relevant employees' objectives.	Global
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#### Policies and control systems

Review and update our public policies, commitments and standards on forced labor and responsible recruitment, including the <i>Nestlé Responsible Sourcing Standard</i> , as needed.	Global
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Review and, if needed, strengthen contractual clauses on responsible recruitment in the contracts with our temporary labor suppliers.	Global
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Review and actively support the adoption of robust sector-level commitments on forced labor and responsible recruitment practices, as relevant.	Global
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<sup>3</sup> Our action plan will be reviewed and updated as necessary as we increase our understanding of impacts and risks, and monitor the effectiveness of actions taken in delivering on our vision and approach.

## NESTLÉ'S ACTION PLAN (2023–2025) CONTINUED

### Assess: Our risk exposure

Prevention and mitigation of actual or potential forced labor risks and adverse impacts in our value chain starts with understanding the nature and scale of risks and impacts we may cause or contribute to through our own activities, or which may be directly linked to our operations or products by our business relationships.

Because our approach to forced labor due diligence is risk-based, the measures we take to prevent and mitigate forced labor risks and impacts need to be prioritized and commensurate with the severity and the likelihood that our activities or those of our suppliers and business partners will result in an adverse impact on people.

#### The lenses through which we assess forced labor risk

Our risk assessment approach comprises four interrelated lenses, each currently at varying levels of maturity. Through this approach, we seek to assess both *potential* and *actual* adverse human rights impacts. Our assessment approach therefore seeks to understand both future risks (in order to prevent and mitigate such risks) and present risks (that may need to be stopped and remediated).

**We understand the value of using multiple tools to assess our exposure to forced labor issues and the importance of a dynamic system that periodically updates our understanding of risks and issues.**

**Informed by** global datasets such as Verisk Maplecroft, assessments carried out by the Nestlé Sustainable Sourcing team for specific raw materials and information from stakeholders.

**We generate a global-level overview of priority countries**

**We use this data to** prioritize:

- 1 Countries for more granular assessments.
- 2 Business activities, direct suppliers and raw materials, for engagement.
- 3 Support to our relevant staff and suppliers.

**Informed by** subnational datasets, desk-based risk assessments, information from rights holders or their credible representatives, grievance information and data from our *Sustainable Sourcing Program* (e.g. landscape initiatives or site assessments).

**We generate country- or location-specific risk information**

**We use this data to** make decisions about where and what action to take at national, subnational, landscape or site levels within priority countries.

**Informed by** desk-based risk assessments, information from and consultations with rights holders or credible representatives, grievance information and data from our *Sustainable Sourcing Program* (e.g. landscape initiatives or site assessments).

**We generate raw material- or business activity-specific risk information**

**We use this data to** refine our list of priority countries for specific raw materials or business activities and to inform decisions about how and why to engage with sectoral actions, whether at global, country or regional levels.

**Informed by** our Supplier HREDD Assurance Framework, grievance information and site assessments.

**We generate supplier-specific risk information**

**We use this data to** prioritize suppliers for engagement or support based on the maturity of suppliers' systems for carrying out HREDD.

## NESTLÉ'S ACTION PLAN (2023–2025) CONTINUED

### Results of our initial global assessment for forced labor risks and issues

Based on global datasets, such as those provided by Verisk Maplecroft and the US Department of Labor (US DoL), information from stakeholders and raw material-specific risk assessments on forced labor and responsible recruitment, we have identified 19 priority countries for the 2023–2025 phase of this action plan (see list of priority countries). The following steps informed our prioritization of countries:

1. Identification of countries categorized as 'priority' for the combined results of the Verisk Maplecroft's Forced Labor, Migrant Workers, Modern Slavery and Trafficking in Person indices as well as US DoL's list of goods produced by child labor or forced labor.
2. Analysis of the number of relevant raw materials under our Sustainable Sourcing Program and recycled materials that were at high or very high risk for forced labor<sup>4</sup> and for which we source medium or high volumes from these countries. This provides us with the scale of the footprint Nestlé has in the countries categorized as 'priority'.
3. Addition of countries considered 'priority' in relation to one or more of the raw or recycled materials we source, for which we had information available.

<sup>4</sup> Note that Verisk Maplecroft and the US DoL's list of goods produced by child labor or forced labor include risk data specific to raw materials.

Our list of priority countries does not imply that action will be limited to these countries. Although some of the actions we have listed in this plan (see *Address: Our priority actions* on page 9) will focus on priority countries, many of the actions are business-wide (e.g. deployment of forced labor-focused HREDD systems throughout our own operations) or raw material-wide (e.g. our Supplier HREDD Assurance Framework).

### Priority countries

- Argentina
- Brazil
- Colombia
- Côte d'Ivoire
- Ecuador
- Egypt
- Guatemala
- Honduras
- India
- Indonesia
- Malaysia
- Mexico
- Nigeria
- Pakistan
- Peru
- Philippines
- Thailand
- Türkiye
- Vietnam



## NESTLÉ'S ACTION PLAN (2023–2025) CONTINUED

### Risk assessment going forward

As we are still improving our understanding of forced labor risks, there may be actual and potential adverse impacts on forced labor and responsible recruitment in countries not included in our priority list.

To this end, we will gradually improve the information we have through the following different risk lenses.

Lens	Actions
<b>Global-level overview of priority countries</b>	<ul style="list-style-type: none"><li>• Refine the existing global risk assessment methodology with additional external and internal sources of data and information.</li></ul>
<b>Country- or location-specific risk information</b>	<ul style="list-style-type: none"><li>• Further improve our understanding of risks on the ground, including through rapid appraisal research and regional stakeholder consultations in priority countries, including rights holders and their representatives.</li><li>• Use grievance and landscape information to inform our understanding of country- and location-specific risk.</li><li>• Explore how to support community-based monitoring, reporting and verification of social and environmental impacts in high-risk landscapes.</li></ul>
<b>Raw material- or business activity-specific risk information</b>	<ul style="list-style-type: none"><li>• Further improve the level of traceability of raw materials in scope for this action plan.</li><li>• Map where there is a high prevalence of migrant and seasonal workers in our supply chains.</li><li>• Expand our assessment of risk to include our temporary labor suppliers and our waste management activities.</li></ul>
<b>Supplier-specific risk information</b>	<ul style="list-style-type: none"><li>• Assess the temporary labor suppliers used for our own operations in priority countries against the <a href="#">IRIS Standard</a> or equivalent assessment.</li><li>• Use information gathered through our Supplier HREDD Assurance Framework to better understand direct suppliers' risks related to forced labor and responsible recruitment and prioritize those we need to engage and support.</li><li>• Use direct suppliers' links to forced labor grievances to better understand supplier-specific risk.</li></ul>



## NESTLÉ'S ACTION PLAN (2023–2025) CONTINUED

### Address: Our priority actions

#### Nestlé: Taking action within our value chain

Our actions will focus on different levels of our value chain:

- **Our own operations**, where we will address forced labor risks and potential unethical recruitment practices of the labor recruitment suppliers we work with for our temporary workforce.
- **Our agricultural and recycled materials supply chains**, which have been identified as the area of highest forced labor risk and impact. We will work with our direct suppliers to ensure they are also committed to addressing forced labor risks in their own operations and supply chains, and that they have the adequate Human Rights Due Diligence (HRDD) systems in place.

#### Own operations

##### Objective

Establish and deploy forced labor-focused HRDD systems in our own operations using the tools developed by the [Consumer Goods Forum's Human Rights – Working to End Forced Labour Coalition](#).

##### Action

Complete HRDD self-assessments and develop action plans for identified functions in own operations in two pilot countries.

##### Scope

Brazil and Malaysia

Scale up learnings from pilot countries to establish and deploy forced labor-focused HRDD systems throughout our own operations.

Global



## NESTLÉ'S ACTION PLAN (2023–2025) CONTINUED

### Supply chains

#### Objectives

- Engage direct suppliers on Nestlé's requirements on forced labor and responsible recruitment as part of our Supplier HREDD Assurance Framework.
- Engage and support prioritized direct suppliers in taking actions to address forced labor risks and impacts in their operations and supply chains.
- Effectively use and help strengthen voluntary certification as a tool for suppliers to demonstrate the assessment, mitigation, remediation and monitoring of forced labor and responsible recruitment issues.

Action	Scope
<b>Strengthen supplier engagement and capacity building</b>	
Engage and support temporary labor suppliers prioritized through the IRIS Standard assessment or equivalent assessment on improving practices and addressing risks, impacts and grievances on forced labor and responsible recruitment (e.g. action plan development or capacity building).	Priority suppliers
Engage and support direct suppliers prioritized through our Supplier HREDD Assurance Framework process on improving practices and addressing risks, impacts and grievances on forced labor and responsible recruitment (e.g. action plan development, capacity building, project co-funding).	Priority suppliers
Through our direct suppliers, engage and support indirect/upstream suppliers on respecting forced labor human rights and responsible recruitment at production level. Examples include: <ul style="list-style-type: none"> <li>• Expand trainings on forced labor indicators to coffee farmers and mills supplying Nescafé and conduct independent monitoring of farms in Colombia and Indonesia.</li> <li>• Develop more targeted support for our direct palm oil suppliers to strengthen their own management systems to tackle forced labor risks at refinery level, starting in Indonesia and Malaysia.</li> <li>• Assess our seafood suppliers' HRDD systems.</li> </ul>	Priority suppliers
<b>Review and help strengthen relevant certification and verification schemes</b>	
Review to what level different certification and verification schemes can provide assurance that forced labor risks have been prevented or mitigated and responsible recruitment practices have been respected.	Relevant raw materials
Contribute to strengthening certification schemes already used by certain raw materials as part of our sustainable sourcing strategy for these raw materials.	Relevant raw materials
Review findings to inform raw materials' sourcing strategies (e.g. increasing certified volumes if it is determined to have a positive impact on mitigating or preventing forced labor risks).	Relevant raw materials

## NESTLÉ'S ACTION PLAN (2023–2025) CONTINUED

### Collective action: Helping tackle root causes with relevant stakeholders

Many of the issues and challenges around forced labor and responsible recruitment are complex and linked to a wide range of factors (as outlined in *The challenges in addressing this issue* section on page 3) that cannot be addressed by Nestlé on our own.

Tackling these issues and their root causes requires collaboration between many different stakeholders, including workers and their representatives, companies, governments, and multilateral, non-governmental and civil society organizations. We are, therefore, committed to collaborating with rights holders and stakeholders both in specific landscapes in production countries as well as at global and sectoral levels to promote and help strengthen workers' rights to decent work.

### Production country and on-the-ground initiatives

#### Objective

Strengthen the way we address forced labor risks and promote responsible recruitment in production areas.

#### Action

Identify and prioritize specific interventions to address forced labor risks and promote responsible recruitment at national and subnational levels where the raw materials we source are produced by:

- Leveraging, where relevant, our existing landscape initiatives to address forced labor risks and promote responsible recruitment practices.
- Supporting sectoral-, landscape- or jurisdictional-level initiatives that aim to address the systemic causes of forced labor risks for migrant or seasonal workers.
- Engaging in policy dialogue at national or regional levels.

#### Scope

Priority countries

Support collaborative pilots to address forced labor risks in our cocoa supply chain.

Côte d'Ivoire

Assess the effectiveness of existing projects and initiatives addressing forced labor risks and promoting responsible recruitment to identify and scale up best practices.

Priority countries

### Global and sectoral collaboration and advocacy

#### Objectives

- Raise awareness of, and advocate for, responsible recruitment practices within the sectors Nestlé is involved in.
- Collaborate with peers and stakeholders at global and sector levels to address systemic issues of forced labor and develop common approaches to the development of responsible recruitment markets.

#### Action

Participate in collaborative initiatives that are developing common approaches and tools to remediate forced labor issues, including repayment of worker recruitment fees and certification of recruitment agencies (see *Key partners* section on page 15).

#### Scope

Global

Engage with the global recruitment sector to promote uptake of responsible recruitment practices through collaborative initiatives (see *Key partners* section on page 15).

Global

## NESTLÉ'S ACTION PLAN (2023–2025) CONTINUED

### Grievance mechanisms

#### Objectives

- Support access to remedy via safe and effective grievance mechanisms for our employees and workers affected by forced labor.
- Address forced labor grievances and help remediate such grievances when relevant.

Action	Scope
Ensure our employees and workers potentially affected by our operations can raise grievances and have access to remedy, including through Speak Up (Nestlé's grievance mechanism).	Global
Ask direct suppliers to have grievance mechanisms and management systems in place.	Global
Ensure workers can raise grievances and have access to remedy in the landscape/jurisdictional initiatives and on-the-ground projects of which we are a part.	Global
Engage in collaborative approaches to manage and address grievances at sector-wide level, including supporting the development of common tools and approaches for identifying and engaging suppliers on grievances.	Priority countries
Engage in collaborative approaches to develop community-based or government-based grievance mechanisms for use within our supply chains and on-the-ground projects (e.g. landscapes)	Priority countries
Engage in collaborative approaches to develop protocols to assist vulnerable workers (e.g. referrals to local services when needed).	Priority countries
Assess effectiveness of existing external grievance mechanisms we are supporting to identify and scale up best practices.	Priority countries

### Monitor and report on indicators, overall performance and challenges

We are committed to transparently communicating our progress on implementing this action plan, as well as sharing our learnings and the challenges we face.

We will publicly report on the following indicators in relation to this action plan by the end of 2025.

#### Cross-cutting indicators:

##### 1. Audit performance

- Number of material non-conformities related to forced labor identified through third-party audits of our own operations and addressed.
- Number of material non-conformities related to forced labor identified through third-party audits of our direct suppliers and addressed.

##### 2. Grievance mechanism performance

- Number of material grievances received through Speak Up related to forced labor, of which number of material grievances substantiated and addressed.
- Number of material grievances received through other channels related to forced labor, of which number of material grievances under investigation and number addressed.

##### 3. Sustainable sourcing

- Number of direct suppliers with mature Human Rights and Environmental Due Diligence (HREDD) systems.
- Percentage of volumes of key ingredients produced sustainably.

##### 4. Impact on people

- Number of cases employees, on-site contractors and workers in our supply chains benefited from our interventions on forced labor and responsible recruitment.

#### Issue-specific indicator:

- To be defined, approved and released in 2023.

As we progress toward implementation of this plan, we will develop more impact-focused indicators.

# CONNECTION WITH OTHER SALIENT ISSUE ACTION PLANS

Forced labor indicators, including debt bondage, deceptive recruitment, forced overtime, low and withheld wages, degrading living conditions, threats and violence, or restrictions on freedom of movement, are closely interconnected to other human rights risks. As such, forced labor is intrinsically linked to several of our salient issue action plans, in particular:

<b>Child labor and access to education</b>	Forced labor and child labor are closely linked. They often occur in the same geographical areas and the same industries, and are mainly caused by poverty. Of all those in forced labor, 12% are children.
<b>Freedom of association and collective bargaining</b>	Freedom of association and collective bargaining are enabling rights, allowing workers and their representatives to negotiate for better working conditions. Often, however, vulnerable workers, like migrants or casual workers, are refused the right to form unions.
<b>Living income and living wage</b>	Workers living in poverty are more likely to experience forced labor. Without a living wage, workers may be compelled to work excessive overtime hours or multiple jobs, or fall into bonded labor.
<b>Safety and health at work</b>	Migrant and casual workers, including piece-rate workers and seasonal workers, are more likely to be employed through informal arrangements and lack access to national social security and public health services. The lack of formal work contracts may also lead to illegal deductions from workers' salaries for Personal Protective Equipment (PPE).
<b>Gender equity, non-discrimination and non-harassment</b>	Paying particular attention to women is essential, as women are more likely to be coerced through wage non-payment and abuse of vulnerability. They are also more likely to be subjected to physical and sexual violence and threats against family members.

# CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The actions laid out in this action plan will contribute – directly or indirectly – to SDGs 8, 16 and 17 as follows:

## Goal



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

**Target 8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

**Target 8.7:** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

**Target 8.8:** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



**Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**

**Target 16.3:** Promote the rule of law at the national and international levels and ensure equal access to justice for all.



**Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development**

**Target 17.17:** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

# GOVERNANCE FOR THIS ISSUE

## Nestlé Executive Board

Approves this action plan.

## Nestlé Human Resources Leadership Team

Provides strategic leadership and execution support on the topic of forced labor and responsible recruitment in relation to our own operations.

## Nestlé ESG and Sustainability Council

Provides strategic leadership and execution support on this topic in relation to our supply chain.

## Nestlé Global Advocacy Coordinating Committee

Provides strategic leadership and execution on the engagement and advocacy strategy related to this action plan.

## The Nestlé Employee Relations Team

Is responsible for the implementation of the action plan in our own operations.

## Nestlé ESG Climate and Sustainable Sourcing Workstream, the Nestlé ESG Packaging Workstream, the Nescafé Plan Council and the Nestlé Cocoa Plan Council

Are responsible for the implementation of the action plan in our supply chains.

## Nestlé Human Rights Community

Leads the human rights agenda throughout the company. It coordinates the implementation of *Nestlé's Human Rights Framework and Roadmap* throughout the value chain. Finally, it monitors the implementation of the framework and roadmap, and the efficiency of the program.

## Nestlé Markets

Support the implementation of this action plan in relation to our country operations, in alignment with the global team.

# KEY PARTNERS

## Main global implementing partners

Partner	Activities
<b>Earthworm Foundation</b>	<ul style="list-style-type: none"><li>• Implementation of landscape initiatives we support as well as interventions within our supply chains that help address forced labor risks and promote responsible recruitment.</li><li>• Development of industry-wide due diligence tools we support.</li></ul>
<b>Fair Labor Association (FLA)</b>	<ul style="list-style-type: none"><li>• Assessment of our programs to address forced labor indicators and other human rights risks in cocoa, coffee and hazelnuts.</li></ul>
<b>International Labour Organization (ILO)</b>	<ul style="list-style-type: none"><li>• Provides technical support for our capacity-building programs aimed at helping improve living and working conditions for coffee growers and workers in our supply chain in Vietnam and contribute to the elimination of unacceptable forms of work.</li></ul>
<b>Proforest</b>	<ul style="list-style-type: none"><li>• Implementation of landscape initiatives we support and collaborative initiatives that help address forced labor risks and promote responsible recruitment.</li><li>• Implementation of our commitment within our agricultural supply chains, including through risk assessment, supplier engagement and capacity building.</li></ul>
<b>Verité</b>	<ul style="list-style-type: none"><li>• Provision of research and technical assistance to help address forced labor risks and promote responsible recruitment in our seafood, palm oil, coffee, and cocoa supply chains.</li></ul>

## KEY PARTNERS CONTINUED

### Main industry and multi-stakeholder collaborations

Platform	Workstreams	Nestlé's involvement
<b>Consumer Goods Forum's Human Rights – Working to End Forced Labour Coalition</b>	Own operations	We actively participate in this working group, which aims to align action on the development and expansion of HRDD coverage among Coalition members' own operations through the creation of a set of common guidelines and approaches, as well as through sharing key challenges and good practices.
	People Positive Palm Project	We support this project that aims to foster collective action and advocacy on forced labor risks in the palm oil industry in Malaysia, including understanding, addressing and preventing recruitment fees, with the support of the Fair Labour Association (FLA), the International Organization for Migration (IOM) and The Remedy Project.
<b>International Cocoa Initiative (ICI)</b>		We participate in their collaborative pilots to address forced labor risks in the cocoa sector in Côte d'Ivoire.
<b>FLA's Harvesting the Future</b>		We participate in this multi-sector, multi-stakeholder and multi-geography initiative in Türkiye, which aims to collaborate on labor migration, child protection and responsible recruitment.
<b>Global Coffee Platform</b>	Collective Action Initiative on Social Well-Being	We participate in this initiative that aims, among other objectives, to improve living and working conditions for coffee growers and workers and contribute to the elimination of unacceptable social practices at farm level.
<b>IHRB Leadership Group for Responsible Recruitment</b>	Action Group – The Global Recruitment Industry	We actively participate in this multi-stakeholder group that aims to promote a responsible recruitment market.
<b>InPacto</b>	Pacto Setorial para Sustentabilidade do Café	We are members of this initiative that seeks to address forced labor risks and promote decent working conditions in Brazil.
<b>Palm Oil Collaboration Group (POCG)</b>	Social Issues Working Group	We actively participate in this working group that fosters collaboration to address human rights issues on the ground.
<b>Seafood Task Force</b>		We actively participate in the Seafood Task Force to assess and address recruitment practices by sending labor brokers in neighboring nations and receiving labor brokers in Thailand.
<b>Verité's COFFEE project</b>		<ul style="list-style-type: none"> <li>We participate in this multi-stakeholder initiative that aims to improve labor conditions in the coffee sector by developing tools and training modules and implementing pilot projects in Brazil, Colombia and Mexico.</li> <li>We have contributed to a pilot project in Mexico, focused on building key stakeholders' capacity to identify and address labor issues, including forced labor.</li> </ul>



# REFERENCES

- i [What is forced labour, modern slavery and human trafficking \(Forced labour, modern slavery and human trafficking\) \(ilo.org\)](#)
- ii [The exploitation of adolescent girls and young women in modern slavery: Evidence for action \(Plan International\)](#)
- iii [Forced labour, modern slavery and human trafficking \(Forced labour, modern slavery and human trafficking\) \(ilo.org\)](#)
- iv [ICCR: Best Practice Guidance on Ethical Recruitment of Migrant Workers \(business-humanrights.org\)](#)

## **Disclaimer**

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