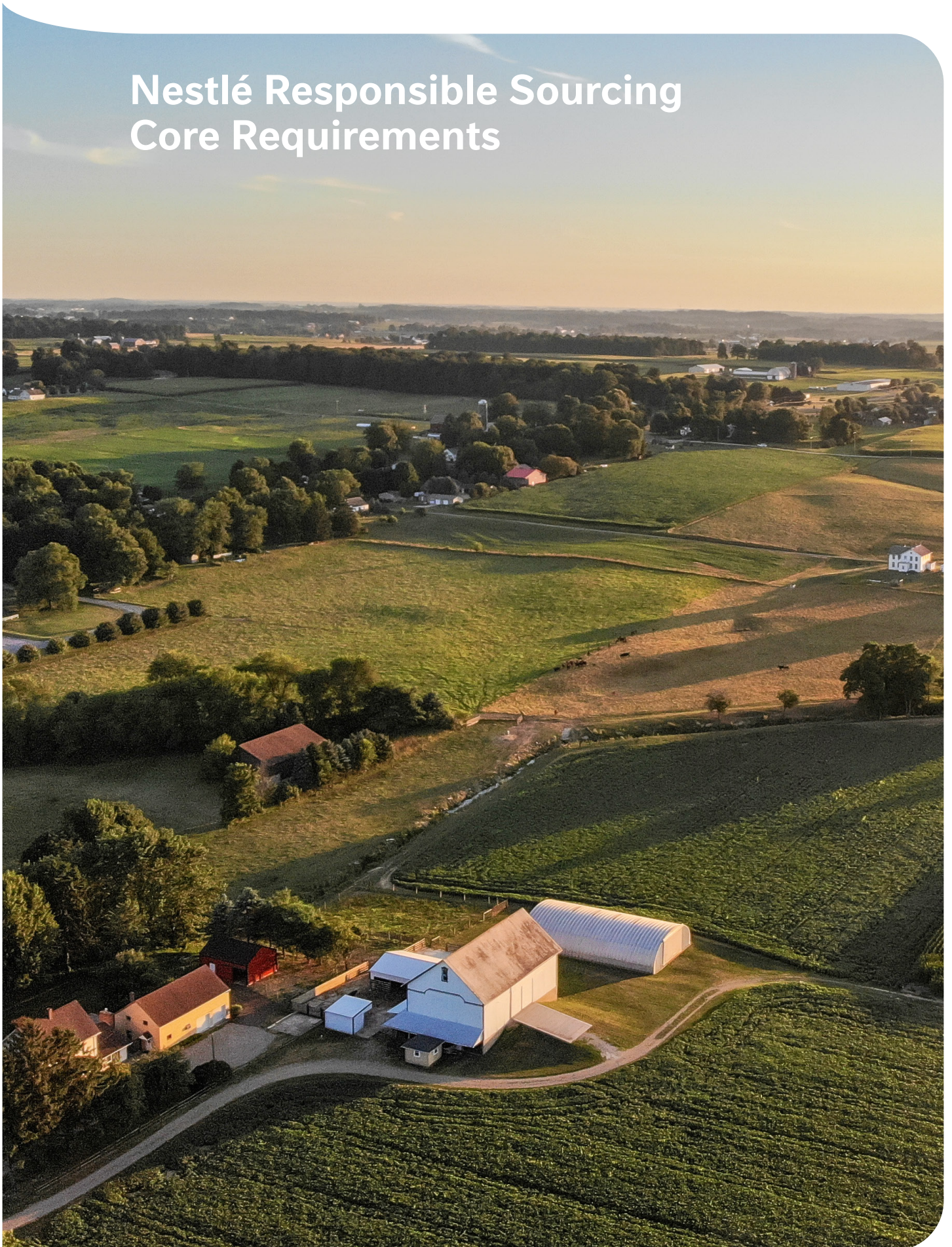




**Nestlé** Good food, Good life

# Nestlé Responsible Sourcing Core Requirements



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# I. Introduction

## Preamble

Sourcing with care is a fundamental pillar of Nestlé’s purpose, which is to unlock the power of food to enhance quality of life for everyone, today and for generations to come. Our aim is to ensure that our responsible sourcing core requirements are systematically put into effect throughout our supply chain, thereby helping to transform production practices in a way that will impact positively on people, nature and climate. This approach is helping us build the foundations necessary to advance regenerative food systems at scale.

Our Nestlé Responsible Sourcing Core Requirements (the “Requirements”) contribute to the implementation in our supply chain of our commitment towards the UN Guiding Principles on Business and Human Rights (UNGPs), the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Respon-

sible Business Conduct, the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

These Requirements complement other Nestlé commitments, strategies and frameworks, such as our Human Rights Framework and Roadmap and associated salient issue action plans, our Net Zero Roadmap, our Agriculture Framework, and our Forest Positive Strategy (see Appendix 1).

This 2024 version replaces and supersedes the Nestlé Responsible Sourcing Standard adopted in 2018.

Underlined terms are defined in Appendix 2.

## Purpose

These Requirements need to be complied with by all actors forming, directly or indirectly, part of our supply chain as further described in Chapter 2. They constitute an integral part of our contracts with our Direct Suppliers.

Nestlé recognizes that some social and environmental issues require long-term, tailored interventions to tackle their root causes. To help address the complex factors that contribute to those issues, we implement complementary frameworks and strategies, as referred to in Appendix 1 (e.g. Human

Rights Salient Issue Action Plans, Agriculture Framework), and work on two different levels:

- 1) Taking action in our supply chain to assess the risks, address them, and monitor and report on activities and their outcomes.
- 2) Using leverage and collaboration to actively support collective engagement to help address widespread, systemic environmental and social issues.

# II. Applicability

The Requirements, set out under Chapter IV, apply to **Direct Suppliers** and **Origins**, as relevant.

Direct Supplier(s) are entities or individuals having a direct business relationship with Nestlé (e.g. through a contract or because they invoice Nestlé), including their employees, agents, and subcontractors. Co-manufacturers are considered Direct Suppliers.

Origins are entities or individuals responsible for the harvest or primary production of the materials and ingredients we source for the manufacturing of our products (e.g. farms, plantations, fishing vessels), including packaging materials.

Where Direct Suppliers are also entities or individuals in Origins, the requirements for **Origins** apply.

Where Direct Suppliers are not entities or individuals in Origins, it is the responsibility of Direct Suppliers to cascade down the Requirements to the next tiers of the supply chain, all the way to the **Origin(s)**.

The Requirements applicable to Origins take account of the farm context, such as its size (e.g. hectares and number of workers) and its structure (i.e., formal or informal).

Academic institutions and research centers that we collaborate with fall outside the scope of these Requirements.

# III. Verification mechanisms and reporting

## Verification mechanisms

We verify alignment to and compliance with these Requirements using different methods at different tiers of the supply chain. These include self-declaration, desk-based assessments and second or third-party site audits or assessments. The tools used to assess compliance depend, at Nestlé's discretion, on the supply chain tier and the level of risk. Risk is assessed taking into consideration different criteria, such as the country(ies) of operation and of origin (for materials and ingredients), the level of spending, and the type of goods or service supplied to Nestlé.

We have also identified priority materials and ingredients that present a higher risk of environmental and/or social issues. In those cases, we work closely with our Direct Suppliers and other partners to conduct a supply chain mapping and carry out assessments in the upstream supply chain.

## Addressing non-compliances

Non-compliances identified through the verification mechanisms outlined above, or in any other manner, must be addressed by the relevant entity through a time-bound action plan agreed with Nestlé, which will include prevention, mitigation and remediation actions, as appropriate. Nestlé may decide, as its own discretion and without any responsibility, to suspend the relationship with the Direct Supplier or require suspension of the Direct Supplier's non-compliant site(s), sub-contractor(s) or sub-tier supplier(s) until an action plan is agreed, or during the execution of the action plan, should the timelines or actions be delayed or not executed as agreed. In case of suspension, the Direct Supplier, site(s), sub-contractor(s) or sub-tier supplier(s) may be allowed to re-enter Nestlé's supply chain if there is clear evidence, as required by Nestlé, that practices have improved to the required level.

Nestlé reserves the right to terminate the commercial relationship with the Direct Supplier in accordance to the

## Reporting non-compliances

Direct Suppliers must notify Nestlé of any actual or potential severe adverse impact on human rights or the environment, keeping Nestlé informed of the progress of any investigation and shall, if requested, consult Nestlé regarding all material steps in the process until remediation. Severe adverse impacts must be notified to the following e-mail address: [hreddnotifications@nestle.com](mailto:hreddnotifications@nestle.com).

Direct Suppliers must retain all supporting documents and evidence in order to maintain an adequate record of all due diligence processes, grievances submitted by affected stakeholders, including records related to investigations under-

### Direct Suppliers

- Human Rights and Environmental Due Diligence (HREDD) assessments
- Site audits carried out by independent audit firms using Sedex best-practice principles and the SMETA methodology
- Responsible Business Alliance (RBA) audits
- EcoVadis self-assessment questionnaire
- Any other means, as may be required by Nestlé

### Origins (for our priority materials and ingredients)<sup>1</sup>

- Validated certification schemes
- Validated industry schemes or programs
- Validated landscape or jurisdictional initiatives

relevant contract, or to exercise any other remedy as set out in the relevant contract or under the applicable law, in case (i) the action plan appears unsuitable for the purposes of improving practices to the required level, (ii) the Direct Supplier does not agree to develop and implement an action plan, (iii) the agreed action plan was not executed or executed in a satisfactory manner or (iv) the Direct Supplier does not provide evidence of improved practices within a reasonable period of time.

The process of setting up action plans to address non-compliances shall not represent or be understood as a waiver of Nestlé's other rights and remedies, as set out in the relevant contract with the Direct Supplier or under the applicable law. For the sake of clarity, if there is any conflict between the referred process and the contract between Nestlé and the supplier, the contract shall prevail.

taken, and grant access to Nestlé to review such records upon demand. Upon Nestlé's first demand, the supplier must send a report to Nestlé with detailed information on what has been achieved, a detailed progress plan and, if requested, undergo a verification process of compliance.

We also encourage the reporting of any suspicion of non-compliance with our Requirements by Direct Suppliers or any other part of our supply chain through our [Speak Up](#) system, an independently operated reporting system. Reports can be submitted confidentially via a webform or call a toll-free number.

<sup>1</sup> Countries of origin categorized as low-risk for environmental, social and governance issues using data from Verisk Maplecroft are not subject to verification.

# IV. Requirements

## Requirements structure

The Requirements fall into the following categories:

**Substantive Requirements**, which are requirements on specific practices or topics.

**Management Systems Requirements**, which are:

- The processes related to ensuring the effective implementation of the Substantive Requirements, and
- Human Rights and Environmental Due Diligence (HREDD) systems.

The Requirements may be amended from time to time, as international standards, national or supranational regulations or industry standards evolve.

Current Requirements are based on, among others, the guiding principles, standards and conventions referred to in Appendix 3.

## Requirements for Direct Suppliers

### 1. Human rights and environmental due diligence (HREDD) Management System Requirements

These apply to our Direct Suppliers, and may be evidenced by HREDD systems established by the parent company, where applicable.

#### 1.1 Embedding HREDD into policy and management systems

- 1.1.1 Direct Suppliers have policies or commitments covering all requirements laid out in these Requirements.
- 1.1.2 Direct Suppliers have management systems and processes, in line with the UNGPs, to implement those policies and commitments.

#### 1.2 Traceability systems

- 1.2.1 Direct Suppliers have in place traceability systems for materials and ingredients that enable assessment of human rights and environmental risks, and make it possible to ascertain that the production and processing units of Origins comply with the supplier's commitments and policies, or enable the extent and nature of the issues that must be resolved to be determined.

#### 1.3 Identify and assess adverse impacts in own operations, supply chains and business relationships

- 1.3.1 Direct Suppliers assess actual and potential adverse impacts on people and the environment and use this information to prioritize issues, high-risk operations, geographies, and supply chains.

#### 1.4 Address adverse impacts

- 1.4.1 Based on the results of their risk assessment (as per point 1.3 above), Direct Suppliers have action plans in place to prevent, mitigate and remedy potential and actual adverse human rights and environmental impacts that they may cause or contribute to through their own activities, or which may be directly linked to their operations, products or services by their business

relationships. Those actions should take into consideration the Direct Supplier's heightened risks when operating in or sourcing from a conflict-affected area, in line with the UNGPs.

- 1.4.2 Direct Suppliers cascade down human rights and environmental requirements to their respective suppliers and subcontractors.

#### 1.5 Grievance management and remediation

- 1.5.1 Direct Suppliers implement or ensure the existence of an effective grievance mechanism accessible to all affected stakeholders.
- 1.5.2 Direct Suppliers have processes in place to address grievances in an effective and timely manner.

#### 1.6 Monitoring and verification

- 1.6.1 Direct Suppliers effectively track the progress and effectiveness of their action plans (as per point 1.4 above) through monitoring and impact measurement.
- 1.6.2 Direct Suppliers conduct an annual review of their HREDD management systems and use learnings to drive continuous improvement.
- 1.6.3 Direct Suppliers engage a second party to validate the effectiveness of their HREDD management systems.
- 1.6.4 Direct Suppliers have an on-going engagement process with their own suppliers, which includes cascading HREDD requirements, assessing their own suppliers' performance, agreeing on their supplier action plans, monitoring progress, and taking action.

#### 1.7 Reporting

- 1.7.1 Direct Suppliers publicly report on the actual and potential risks in their own operations, suppliers, and sourcing regions, as well as on the actions being taken to address those risks.

## 2. Business ethics, compliance, and transparency

### Substantive Requirements

- 2.1 All international, national, federal, state or local laws and regulations in the countries of operation and any other applicable laws, including those relating to international trade (such as those relating to sanctions, export controls and reporting obligations), anti-bribery, human rights, environment, no deforestation, data protection, confidentiality and privacy, intellectual property as well as anti-trust and competition laws, must be complied with.
- 2.2 Improper payments for or from governments officials are not offered, made, solicited, or accepted, directly or indirectly, and contractual relations with Nestlé or with sub-tiers are not knowingly used as a vehicle for improper payments to government officials.
- 2.3 Gifts exchanged with Nestlé must be reasonable, modest and appropriate under the circumstances and must not create the appearance of improper influence or illegitimate advantages. Gifts should normally be offered only on customary business and cultural occasions and must never include cash or cash equivalents.
- 2.4 Meals, hospitality, and entertainment must be reasonable and appropriate, and must be conducive and proportionate to the legitimate underlying purpose. Reasonable and appropriate entertainment may be offered solely in connection with legitimate business meetings and conferences. They may never be provided on a stand-alone basis.
- 2.5 Any conflict of interest, involving a Nestlé employee or not, must be duly reported.
- 2.6 All information must be provided to Nestlé regarding the origin of the materials and ingredients used to

produce the products (if any) and on the movement of the products, as well as complete and accurate records relating to the manufacture, packaging, testing, storage, shipment and destruction of the products and their ingredients, including production code accountability records. Suppliers give their consent, and must obtain any other necessary consent from relevant third parties, for the public disclosure by Nestlé of supply chain information (including, without limitation, to the authorities, the media, and other organizations) through its annual supply chain disclosure exercise in order to increase transparency towards all relevant stakeholders. Nestlé and its affiliates will have no responsibility towards the supplier, provider or any third parties in relation to the use of such information.

- 2.7 All information related to the products and services supplied to Nestlé, including but not limited to, greenhouse gas emissions, packaging recyclability, regenerative agriculture practices and sustainability commitments is disclosed to Nestlé.

### Management Systems Requirements

- 2.8 An effective conflict of interest policy and organizational processes to prevent and mitigate conflicts of interest are maintained.
- 2.9 Adequate internal systems are in place to maintain awareness of and ensure compliance with all applicable laws.
- 2.10 Adequate internal systems to record gifts exceeding established thresholds are in place.

## 3. Human rights

### 3.1 Workers are treated equally, with respect and dignity Substantive Requirements

- 3.1.1 No worker is subject to any form of psychological, physical, sexual or verbal abuse, intimidation, or harassment.
- 3.1.2 All workers have equal opportunities for employment and promotion and are not discriminated against in the course of their employment, including in the context of hiring, compensation, advancement, disciplinary action, termination or retirement, or on the basis of gender, pregnancy, race, religion, age, disability, sexual orientation, nationality, HIV/AIDS status, political opinion, social group or ethnic origin.
- 3.1.3 The use of pregnancy testing, or other forms of health screening that might result in discrimination, are prohibited, except where required by law. In such cases, the results of such tests must be used solely for official purposes in accordance with the law.
- 3.1.4 Workers' personal data is processed lawfully and fairly, is kept secure against unauthorized processing, unlawful or accidental destruction, loss or misuse.

### Management System Requirements

- 3.1.5 Policies and processes are in place to prevent any form of psychological, physical, sexual or verbal abuse, intimidation, harassment, as well as any form of discrimination.
- 3.1.6 Workers are notified appropriately and regularly of the policies against discrimination, violence and harassment, as well as regarding the available reporting channels and procedures.
- 3.1.7 Workers, in particular line managers, supervisors and security personnel, are provided with information and training in accessible formats on the risks of discrimination, violence and harassment at work and the associated prevention and protection measures.

### 3.2 Work is conducted on a voluntary basis Substantive Requirements

- 3.2.1 Under no circumstance is forced labor used. This includes trafficked labor, prison labor, bonded labor or other forms of forced labor.

- 3.2.2 The use of violence, threats of violence, punishment, confinement, or any methods of intimidation, to coerce workers is strictly prohibited.
- 3.2.3 Workers have freedom of movement and are not confined to the workplace premises, including provided housing.
- 3.2.4 No worker pays recruitment fees or related costs. If workers have paid any fees, these must be reimbursed by the employer.
- 3.2.5 Retention of workers' personal documents (e.g. passport, identity card, birth certificate, work or residence permit or other travel documents) is prohibited. Where presentation of these documents is required by law, they are returned as soon as possible to the worker.

### Management Systems Requirements

- 3.2.6 Policies and processes are in place to ensure that workers are entering into employment freely, that they are not prevented from leaving their job if they so wish and that they have freedom of movement.
- 3.2.7 Policies and processes are in place to identify, prevent and remediate any potential cases of recruitment fees paid by workers, such as through the screening and monitoring of recruitment agencies and labor brokers, pre-departure and post-arrival trainings of migrant workers, etc.
- 3.2.8 Relevant functions and employees (e.g. human resources) are trained on forced labor risks and responsible recruitment practices to increase their participation in risk prevention and mitigation decisions and activities.

### 3.3 Terms of employment are fair and transparent Substantive Requirements

- 3.3.1 All workers are provided with employment contracts in a language they understand. If required, the terms of employment are explained verbally or pictorially to the worker.
- 3.3.2 Employment contracts include details of the working conditions, including nature of work, hours, overtime, pay, benefits, leave, and duration of the contract in a format and language that the workers understand.

### Management Systems Requirements

- 3.3.3 Policies and processes are in place to ensure that all workers are provided with an employment contract that they understand and have freely agreed to.
- 3.3.4 Relevant functions and employees (e.g. human resources) are trained to ensure they understand and can implement the relevant policies and processes.
- 3.3.5 Up-to-date records are kept for permanent workers, containing the following information in respect of each worker: full name, sex, date of birth, and wages paid.

### 3.4 The minimum age of employment is respected, and young workers are protected

#### Substantive Requirements

- 3.4.1 No child aged 15 or below is employed.<sup>2</sup>

- 3.4.2 Children aged 13 or over (or aged 12 or over in countries that have set the minimum age of employment at 14) can perform only light work where this is permitted by local law.
- 3.4.3 No child (defined as all persons under the age of 18) carries out hazardous work or other worst forms of child labor.

### Management Systems Requirements

- 3.4.4 A policy is in place, which, at the minimum, stipulates the minimum age for all workers, the conditions under which young workers can be employed and the remediation process to follow in the event that a child labor case is identified.
- 3.4.5 A process to verify the actual age of workers is in place and implemented (e.g. inclusion of minimum working age in the job advertisement, verifying the applicant's proof-of-age documents in their original form).
- 3.4.6 A process to remedy identified child labor cases is in place and implemented.
- 3.4.7 Relevant functions and employees are trained on child labor to increase their participation in risk prevention and mitigation decisions and activities.

### 3.5 Workers are free to form and/or join a trade union and to bargain collectively

#### Substantive Requirements

- 3.5.1 Workers can freely exercise their right to form or join a union of their choice, to seek representation and collectively bargain and can do so without fear of intimidation, discrimination, harassment or the need to obtain prior approvals, unless legally required.
- 3.5.2 Worker representatives are not discriminated against because of their role as worker representatives. They have reasonable access to workplaces to carry out their representative functions.
- 3.5.3 Where the right to freedom of association and collective bargaining is restricted under local law, alternative forms of worker representation, association and bargaining are allowed.
- 3.5.4 Collective bargaining negotiations are entered into in good faith when this is requested by any legally recognized representative group of workers.

### Management Systems Requirements

- 3.5.5 Policies and processes are in place to uphold workers' freedom of association and the effective recognition of the right to collectively bargain. These should ensure that workers' representatives can carry out their representative functions in the workplace.
- 3.5.6 Relevant functions and employees (e.g. human resources) are trained on freedom of association and collective bargaining.

### 3.6 Workers are provided with a healthy and safe workplace environment

#### Substantive Requirements

- 3.6.1 Workers are provided with a safe and healthy workplace environment to prevent work-related accidents,

<sup>2</sup> Some countries have chosen to set the minimum age of employment at 16. Other countries have set it at 14 as a transitional measure while they strengthen their education systems and economies. In these cases, the legal minimum age prevails.



injuries and illnesses. The same applies to housing, when provided.

- 3.6.2 Workers are provided with personal protective equipment (PPE) as required, at no cost.
- 3.6.3 All workers and visitors who enter the site are informed about its inherent dangers and about the appropriate actions to take should a health and safety incident occur. There is clear and appropriate signage or information provided on how to evacuate in the case of an emergency.
- 3.6.4 Workers are provided with adequate access to free and safe water, sanitation and hygiene (WASH) at the workplace and any provided housing.

### **Management Systems Requirements**

- 3.6.5 Occupational health and safety (OHS) policies and processes are in place to adequately identify, assess and effectively prevent work-related accidents, injuries and illnesses, and to minimize or eliminate, insofar as is reasonably practicable, the causes of all hazards in the workplace environment.
- 3.6.6 Where hazards remain, emergency and contingency plans for addressing residual risks are established and regularly tested through drills or other means.
- 3.6.7 A health and safety committee, comprised of a well-balanced group of management representatives and workers, is established and meets regularly to continuously improve OHS.
- 3.6.8 Workers are appropriately trained on OHS, including awareness of the risks and procedures related to their work, and the appropriate use of work-related tools and machinery, as well as PPE.
- 3.6.9 Employees, contractors and other third parties entering the work site are made aware of and trained on OHS to ensure they are empowered to avoid unsafe situations and respond rapidly to unexpected events.
- 3.6.10 Work-related accidents, injuries and illnesses are analyzed, and corrective and preventive actions are implemented to prevent recurrence.
- 3.6.11 Processes are in place to assess, address and ensure access to free WASH in the workplace environment and any provided housing.

### **3.7 Working hours are legal and decent**

#### **Substantive Requirements**

- 3.7.1 Total weekly working hours, including overtime, may exceed local legal requirements or 60 hours, whichever is stricter, only in the following circumstances:
  - it is allowed by local legislation;
  - it is allowed by a collective bargaining agreement where applicable;
  - appropriate safeguards are taken to protect workers' health and safety;
  - the employer can demonstrate that exceptional circumstances apply, such as unexpected production peaks, accidents or emergencies.
- 3.7.2 All overtime is voluntary and is compensated, at the minimum, in accordance with local laws.

- 3.7.3 Workers are entitled to at least 24 consecutive hours of rest in every seven-day period, and to take legally required annual leave. If workers are required to work on a rest day due to a genuine need for continuity of production or service, workers must receive an equivalent period of compensatory rest immediately following so as to ensure a minimum of two days' rest in every 14 days.

### **Management Systems Requirements**

- 3.7.4 A written policy on working hours is in place and communicated to workers. It stipulates that overtime is voluntary.
- 3.7.5 Processes are in place to ensure that working hours comply with applicable laws, collective bargaining agreements (where applicable) and industry standards.
- 3.7.6 Relevant functions and employees (e.g. human resources) are trained to ensure they understand and can implement the relevant policies and processes.
- 3.7.7 A process to record and monitor working hours and overtime for all workers is in place and implemented. This includes recording and documenting workers' consent to perform overtime.

### **3.8 Workers' compensation is fair**

#### **Substantive Requirements**

- 3.8.1 Wages and benefits (including in-kind) paid for a standard working week meet at least the legal or industry minimum standards, or the requirements set out in collective bargaining agreements (where applicable), whichever is higher. In any event, wages should always be sufficient to meet basic needs and to provide some discretionary income.
- 3.8.2 Payments in kind (e.g. payment of wages in goods or services instead of cash) as part of wages cannot exceed legal limits.
- 3.8.3 Other than legally mandated deductions, deductions from wages are made only with the written consent of the workers in a language they understand.
- 3.8.4 Wages are paid, on time, regularly and in full.
- 3.8.5 Where a worker is paid based on volume output, piece-rate, quotas or similar, the pay rate allows the worker to earn at least the legal or industry minimum standards, or the amount specified in collective bargaining agreements (where applicable), whichever is higher.

### **Management Systems Requirements**

- 3.8.6 A written policy on compensation is in place and communicated to workers in a language and format they understand.
- 3.8.7 Processes are in place to ensure that compensation packages comply with applicable laws, collective bargaining agreements (where applicable) and industry standards, whichever is stricter.
- 3.8.8 A process to document workers compensation is in place and records are kept in order to demonstrate that workers are paid accurately; these include details of regular and overtime hours worked, benefits, incentives/bonuses and any agreed deduction.

3.8.9 When wages are paid, workers are provided with wage slips documenting their regular and overtime hours worked, wages paid, and deductions; or documenting how their pay was calculated if not based on time.

3.8.10 Relevant functions and employees (e.g. human resources) are trained to ensure they understand and can implement the relevant policies and processes.

### **3.9 The land and resources of Indigenous peoples and local communities are respected**

#### **Substantive Requirements**

3.9.1 The right to use the land is substantiated by applicable documents demonstrating ownership, lease, or use, or accepted customary rights.

3.9.2 The acquisition, leasing or disposal of land, as well as land use changes, are managed in compliance with applicable laws and respects human rights, particularly the rights (statutory and/or customary) to land and natural resources of Indigenous peoples and local communities (IPLCs) that are impacted or potentially impacted.

3.9.3 Any activity that may affect IPLCs' rights, lands, resources, territories, livelihoods, food security, such as agricultural and forestry developments are subject to their Free, Prior and Informed Consent (FPIC). When FPIC has not been applied or respected, any harm caused must be resolved and remediated.

3.9.4 Where production or conservation uses impinge on their rights, lands, resources, territories, livelihoods, or food security, IPLCs are compensated or accommodated through appropriate measures reflecting the negotiated outcomes of an FPIC process.

#### **Management Systems Requirements**

3.9.5 A written policy is in place on respecting the land and resource rights of IPLCs, including zero tolerance for land grabbing and measures for the protection of environmental and human rights defenders (HRDs).

3.9.6 Processes are in place to effectively identify, assess and remedy violations of land rights. These should include processes for:

- conducting assessments prior to acquiring an interest in land or resources (e.g. new purchases, licenses, or concessions, or renewals or modifications of existing interests);
- conducting a process to obtain FPIC prior to any activity, including acquisitions, that may affect IPLCs' rights,

land, resources, territories, livelihoods, and food security in a culturally appropriate manner, in accordance with the traditions, norms, and values of such peoples and communities, and through the representatives and institutions they choose;

- having an effective grievance mechanism that covers land rights;
- protecting the security of IPLCs and their members acting as HRDs.

3.9.7 Relevant functions and employees (e.g. sustainability, community relations) are trained to ensure they understand and can implement the relevant policies and processes.

### **3.10 Workers and affected rightsholders have access to effective grievance mechanisms and processes for remedy**

#### **Substantive Requirements**

3.10.1 A transparent and fair grievance mechanism is in place. It is open to all stakeholders that could be affected by the company's operations or business relationships, including workers and IPLCs.

3.10.2 The confidentiality of any complainant is guaranteed unless the complainant gives express permission to disclose his/her identity.

3.10.3 The grievance mechanism is communicated to direct suppliers, e.g. through inclusion in suppliers' contracts.

3.10.4 There is no abuse, threats, intimidation or reprisals against anyone who, in good faith, raises a concern, lodges a complaint or participates in an investigation, or whistle blows on activities in the company's operations or supply chain. This may include workers and their representatives, IPLCs or HRDs.

3.10.5 Grievances are addressed in an effective, timely, transparent and equitable manner.

#### **Management Systems Requirements**

3.10.6 A written policy that states that workers or whistle-blowers who report grievances will be protected from retaliation is in place.

3.10.7 Processes are in place to record, monitor and track the progress and effectiveness of remediation actions.

3.10.8 Relevant functions and employees (e.g. human resources, grievance management) are provided with training so as to ensure that they understand and can implement the relevant policies and processes.

and no-conversion requirements, as well as compliance with relevant laws.

### **4.2 Water and natural resources conservation**

#### **Substantive Requirements**

4.2.1 License(s) or permit(s) locally required to withdraw and use water are obtained, maintained and/or renewed.

4.2.2 Water withdrawals are monitored, and volumes allowed by license(s) or permit(s) are not exceeded.

4.2.3 Local water resources are used efficiently and negative

## **4. Environment**

### **4.1 Forest, ecosystems and biodiversity**

#### **Substantive Requirements**

4.1.1 All materials and ingredients supplied to Nestlé comply with the deforestation- and conversion-free requirements in the Origins section, and with all relevant applicable laws.

#### **Management Systems Requirements**

4.1.2 Documented procedures or processes are in place to ensure effective implementation of no-deforestation

effects on other water users, including communities, wildlife, and ecosystems within the same watershed, are mitigated.

- 4.2.4 Effluents and wastewater quality are monitored and treated according to local laws, regulations and relevant ISO standards before being released into the environment.

#### **Management Systems Requirements**

- 4.2.5 Policies and processes are in place to define and ensure implementation of measures for the sustainable management of water resources and to effectively mitigate negative impacts, including on other water users.

#### **4.3 Packaging**

##### **Substantive Requirements**

- 4.3.1 The plastic and fiber packaging footprint is disclosed in the format required by Nestlé.
- 4.3.2 Initiatives are taken to reduce virgin plastic and fiber use, through:
- exploring reduction options;
  - use of recycled material in the packaging;
  - redesigning packaging formats;
  - enabling reuse and refill solutions.
- 4.3.3 Nestlé's [Rules of Sustainable Packaging](#), as published and updated from time to time on Nestlé's website, are complied with.
- 4.3.4 Active steps are taken to promote the development of local waste management infrastructure (collection, sorting and recycling). These could be achieved through:
- sponsoring neutrality, collection and recycling projects;
  - investing in waste management infrastructure;
  - setting up communication campaigns or raising awareness regarding a circular economy;
  - ensuring that factory waste is collected and managed, where applicable;
  - ensuring adequate sorting labelling on their products, where applicable.

#### **Management Systems Requirements**

- 4.3.5 Policies and processes are in place in relation to the packaging footprint.

## **5. Animal-based production**

These requirements apply to the sourcing of milk and dairy products, meat, poultry and eggs.

#### **Substantive Requirements**

- 5.1 All materials derived from animals used in the manufacturing of products sold to Nestlé are fully compliant with all applicable local laws and regulations on farm animal welfare.

- 4.3.6 Management plans are in place to reduce virgin plastic and fiber use.
- 4.3.7 Management plans are in place, demonstrating compliance with Nestlé's Rules of Sustainable Packaging.
- 4.3.8 Management plans are in place, demonstrating the active steps taken to develop local waste management infrastructure (collection, sorting and recycling).

#### **4.4 Climate**

##### **Substantive Requirements**

- 4.4.1 A time-bound plan is in place, setting out actions encompassing Scope 1, 2 and 3 greenhouse gas emissions (GHG), in order to mitigate and decrease the GHG footprint in accordance with science-based targets that are in line with the Paris Agreement or an equivalent standard.
- 4.4.2 Upon request, GHG reduction or mitigation data for goods or services delivered to Nestlé is shared. The company acknowledges this data will be used by Nestlé in its own GHG reduction targets reporting and accounting.

#### **Management Systems Requirements**

- 4.4.3 There is a written policy stating that combatting climate change is addressed through actions.
- 4.4.4 Processes are in place to record, track and periodically report on the progress and effectiveness of climate change actions, as measured against concrete targets.

#### **4.5 Biomass**

##### **Substantive Requirements**

- 4.5.1 Local food supply and security is taken into account in the sourcing and cultivation of biomass for energy purposes. This enables a balance between promoting renewable and low-carbon alternatives, on the one hand, while safeguarding food security and the livelihood of populations depending on agriculture on the other hand.

#### **Management Systems Requirements**

- 4.5.2 Policies and processes are in place to demonstrate that biomass production is not threatening local food security.

#### **Management Systems Requirements**

- 5.2 Policies and processes are in place to ensure that all materials derived from animals are fully compliant with all applicable local laws and regulations on farm animal welfare.
- 5.3 Effective and fast traceability of animal products along the supply chain is in place.

## 6. Aquaculture and fisheries

These requirements apply to the sourcing of fish and seafood.

### Substantive Requirements

- 6.1 No endangered, threatened, or protected species are sourced, as per the IUCN Red List, or listed under CITES Appendix I. Products traded under CITES Appendix II hold the following: i) proper permits and certificates; ii) a transparent non-detriment finding (NDF) according to an adequate standard.
- 6.2 Illegal, unregulated or unreported (IUU) fishing is pro-

hibited. There is no sourcing of materials and ingredients from vessels engaged in IUU fishing activities or appearing on IUU vessel watchlists.

- 6.3 No aquaculture operations take place in protected and/or sensitive habitats.

### Management Systems Requirements

- 6.4 Policies and processes that take into consideration the ecosystem effects of source fisheries and aquaculture activities are in place.

## Requirements for Origins

### 1. Business ethics, compliance, and transparency

#### Substantive Requirements

- 1.1 All international, national, federal, state or local laws and regulations in the countries of operation and any other applicable laws, including those relating to international trade (such as those relating to sanctions, export controls and reporting obligations), anti-bribery, human rights, environment, no deforestation, data protection, confidentiality and privacy, intellectual property

as well as anti-trust and competition laws, must be complied with.

- 1.2 Improper payments for or from government officials are not offered, made, solicited, or accepted, directly or indirectly, and contractual relations with Nestlé or with sub-tiers are not knowingly used as a vehicle for improper payments to government officials.

### 2. Human rights

#### 2.1 Workers are treated equally, with respect and dignity

##### Substantive Requirements

- 2.1.1 No worker is subject to any form of psychological, physical, sexual or verbal abuse, intimidation, or harassment.
- 2.1.2 All workers have equal opportunities for employment and promotion and are not discriminated against in the course of their employment, including in the context of hiring, compensation, advancement, disciplinary action, termination or retirement, or on the basis of gender, pregnancy, race, religion, age, disability, sexual orientation, nationality, HIV/AIDS status, political opinion, social group or ethnic origin.
- 2.1.3 Workers' personal data is processed lawfully and fairly, is kept secure against unauthorized processing, unlawful or accidental destruction, loss or misuse. (\*)

training in accessible formats on the risks of discrimination, violence and harassment at work and the associated prevention and protection measures. (\*)

#### 2.2 Work is conducted on a voluntary basis

##### Substantive Requirements

- 2.2.1 Under no circumstance, is forced labor used. This includes trafficked labor, prison labor, bonded labor or other forms of forced labor.
- 2.2.2 The use of violence, threats of violence, punishment, confinement, or any methods of intimidation, to coerce workers is strictly prohibited.
- 2.2.3 Workers have freedom of movement and are not confined to the workplace premises, including provided housing.
- 2.2.4 No worker pays recruitment fees or related costs. If workers have paid any fees, these must be reimbursed by the employer.
- 2.2.5 Retention of workers' personal documents (e.g. passport, identity card, birth certificate, work or residence permit or other travel documents) is prohibited. Where presentation of such documents is required by law, they are returned as soon as possible to the worker.

##### Management Systems Requirements

- 2.2.6 Policies and processes are in place to ensure that workers are entering into employment freely, are not prevented from leaving their job if they so wish and have freedom of movement. (\*)

##### Management System Requirements

- 2.1.4 Policies and processes are in place to prevent any form of psychological, physical, sexual or verbal abuse, intimidation, harassment, or any form of discrimination. (\*)
- 2.1.5 Workers are notified appropriately and regularly of the policies against discrimination, violence and harassment, as well as regarding the available reporting channels and procedures. (\*)
- 2.1.6 Workers, particularly line managers, supervisors and security personnel, are provided with information and

Requirements marked by an asterisk (\*) do not apply to small farms or smallholder farmers.

2.2.7 Policies and processes are in place to identify, prevent and remediate any potential cases of recruitment fees paid by workers, such as through the screening and monitoring of recruitment agencies and labor brokers, pre-departure and post-arrival training of migrant workers, etc. (\*)

2.2.8 Relevant functions and employees (e.g. human resources) are trained on forced labor risks and responsible recruitment practices to increase their participation in risk prevention and mitigation decisions and activities. (\*)

### 2.3 Terms of employment are fair and transparent

#### Substantive Requirements

2.3.1 All workers are provided with employment contracts in a language they understand. If required, the terms of employment are explained verbally or pictorially to the worker. (\*)

2.3.2 Employment contracts include details of the working conditions, including nature of work, hours, overtime, pay, benefits, leave, and duration of the contract in a format and language that the workers understand. (\*)

#### Management Systems Requirements

2.3.3 Policies and processes are in place to ensure that all workers are provided with an employment contract that they understand and have freely agreed to. (\*)

2.3.4 Relevant functions and employees (e.g. human resources) are trained to ensure they understand and can implement the relevant policies and processes. (\*)

2.3.5 Up-to-date records are kept for permanent workers, containing the following information in respect of each worker: full name, sex, date of birth, and wages paid. Smallholder farmers can give the above information orally.

### 2.4 The minimum age of employment is respected, and young workers are protected

#### Substantive Requirements

2.4.1 No child aged 15 or below is employed.<sup>3</sup>

2.4.2 Children aged 13 or over (or aged 12 or over in countries that have set the minimum age of employment at 14) can perform only light work where this is permitted by local law.

2.4.3 No child (defined as all persons under the age of 18) carries out hazardous work or other worst forms of child labor.

#### Management Systems Requirements

2.4.4 A policy is in place, which, at the minimum, stipulates the minimum age for all workers, the conditions under which young workers can be employed and the remediation process to follow in the event that a child labor case is identified. (\*)

2.4.5 A process to verify the effective age of workers is in place and implemented (e.g. inclusion of minimum working age in the job advertisement, verifying the applicant's proof-of-age documents in their original form).

2.4.6 A process is in place to remedy any identified cases of child labor.

2.4.7 Relevant functions and employees are trained on child labor to increase their participation in risk prevention and mitigation decisions and activities. (\*)

### 2.5 Workers are free to form and/or join a trade union and to bargain collectively

#### Substantive Requirements

2.5.1 Workers can freely exercise their right to form or join a union of their choice, to seek representation and collectively bargain, and can do so without fear of intimidation, discrimination, harassment or the need to obtain prior approvals, unless legally required.

2.5.2 Worker representatives are not discriminated against because of their role as worker representatives. They have reasonable access to workplaces to carry out their representative functions. (\*)

2.5.3 Where the right to freedom of association and collective bargaining is restricted under local law, alternative forms of worker representation, association and bargaining are allowed. (\*)

2.5.4 Collective bargaining negotiations are entered into in good faith when requested by any legally recognized representative group of workers. (\*)

#### Management Systems Requirements

2.5.5 Policies and processes are in place to uphold workers' freedom of association and the effective recognition of the right to collectively bargain. These should ensure that workers' representatives can carry out their representative functions in the workplace. (\*)

2.5.6 Relevant functions and employees (e.g. human resources) are trained on freedom of association and collective bargaining. (\*)

### 2.6 Workers are provided with a healthy and safe workplace environment

#### Substantive Requirements

2.6.1 Workers are provided with a safe and healthy workplace environment to prevent work-related accidents, injuries and illnesses. The same applies to housing where this is provided.

2.6.2 Workers are provided with personal protective equipment (PPE) as required, at no cost.

2.6.3 Workers are provided with adequate access to free and safe water, sanitation and hygiene (WASH) at the workplace and any provided housing.

#### Management Systems Requirements

2.6.4 Occupational health and safety (OHS) policies and processes are in place to adequately identify, assess and effectively prevent work-related accidents, injuries and illnesses, and to minimize or eliminate, insofar as is reasonably practicable, the causes of all hazards in the workplace environment. (\*)

Requirements marked by an asterisk (\*) do not apply to small farms or smallholder farmers.

<sup>3</sup> Some countries have chosen to set the minimum age at 16. Other countries have set the minimum age of employment at 14 as a transitional measure while they strengthen their education systems and economies. In these cases, the legal minimum age prevails.

- 2.6.5 Where hazards remain, emergency and contingency plans for addressing residual risks are established and regularly tested through drills or other means. (\*)
- 2.6.6 Workers are appropriately trained on OHS, including awareness of the risks and procedures related to their work, and the appropriate use of work-related tools and machinery, as well as PPE. (\*)
- 2.6.7 Work-related accidents, injuries and illnesses are analyzed, and corrective and preventive actions are implemented to prevent recurrence. (\*)

## 2.7 Working hours are legal and decent

### Substantive Requirements

- 2.7.1 Total weekly working hours may exceed 60 hours only in exceptional circumstances (e.g. it is allowed by local legislation, peak seasonal work or specific activities that must be completed within a short timeframe to prevent loss of harvest).
- 2.7.2 All overtime is voluntary and is compensated, at the minimum, in accordance with local laws.
- 2.7.3 Workers are entitled to at least 24 consecutive hours of rest in every seven-day period, and to take legally required annual leave. Exceptions to this rule may apply only if:
- Workers are required to work on a rest day due to a genuine need (e.g. peak seasonal work or specific activities that must be completed within a short timeframe to prevent loss of harvest). In such case, they must receive an equivalent period of compensatory rest after a maximum of 21 consecutive days of work, or the number of days specified under local regulations, whatever is stricter.
  - Workers request to take leave in a more flexible way to suit their genuine needs (e.g. farm location too remote from their family's home for a 24-hour rest). In such case, the employee's request must be documented. In all cases, the maximum of 21 consecutive days of work, or the number of days specified under local regulations, shall apply.

### Management Systems Requirements

- 2.7.4 A written policy on working hours is in place and communicated to workers. It stipulates that overtime is voluntary. (\*)
- 2.7.5 Processes are in place to ensure that working hours comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays. (\*)
- 2.7.6 Relevant functions and employees (e.g. human resources) are trained to ensure they understand and can implement the relevant policies and processes. (\*)
- 2.7.7 A process to record and monitor working hours and overtime for all workers is in place and implemented. This includes recording and documenting workers' written consent to perform overtime. (\*)

## 2.8 Workers' compensation is fair

### Substantive Requirements

- 2.8.1 Wages and benefits (including in-kind) paid for a standard working week meet at least the legal or industry minimum standards, or the requirements set out in collective bargaining agreements (where applicable), whichever is higher.

- 2.8.2 Wages are paid, on time, regularly and in full.
- 2.8.3 Where a worker is paid based on volume output, piece-rate, quotas or similar, the pay rate allows the worker to earn at least the legal or industry minimum standards, or the amount specified in collective bargaining agreements (where applicable), whichever is higher.

### Management Systems Requirements

- 2.8.4 A written policy on compensation is in place and communicated to workers in a language and format they understand. (\*)
- 2.8.5 Processes are in place to ensure that compensation packages comply with applicable laws, collective bargaining agreements (where applicable) and industry standards, whichever is stricter. (\*)
- 2.8.6 Relevant functions and employees (e.g. human resources) are trained to ensure they understand and can implement the relevant policies and processes. (\*)
- 2.8.7 A process to document workers compensation is in place and records are kept in order to demonstrate that workers are paid accurately; these include details of regular and overtime hours worked, benefits, incentives/bonuses and any agreed deduction. (\*)
- 2.8.8 When wages are paid, workers are provided with wage slips documenting their regular and overtime hours worked, wages paid, and deductions; or documenting how their pay was calculated if not based on time. (\*)

## 2.9 The land and resources of Indigenous peoples and local communities are respected

### Substantive Requirements

- 2.9.1 The right to use the land is substantiated by applicable documents demonstrating ownership, lease, or use, or accepted customary rights. In the case of smallholder farmers, documentation may not be required if such documentation is not widely available, provided the right to use the land can be demonstrated through alternative options (such as verbal confirmation from neighbors, community leaders, landlord, etc.).
- 2.9.2 The acquisition, leasing or disposal of land, as well as land use changes, are managed in compliance with applicable laws and respects human rights, particularly the rights (statutory and/or customary) to land and natural resources of Indigenous peoples and local communities that are impacted or potentially impacted.
- 2.9.3 Any activity that may affect IPLCs' rights, lands, resources, territories, livelihoods, food security, such as agricultural and forestry developments are subject to their Free, Prior and Informed Consent (FPIC). When FPIC has not been applied or respected, any harm caused must be resolved and remediated.
- 2.9.4 Where production or conservation uses impinge on their rights, lands, resources, territories, livelihoods, or food security, IPLCs are compensated or accommodated through appropriate measures reflecting the negotiated outcomes of an FPIC process.

### Management Systems Requirements

- 2.9.5 A written policy is in place on respecting the land and

Requirements marked by an asterisk (\*) do not apply to small farms or smallholder farmers.

resource rights of IPLCs, including zero tolerance for land grabbing and protection of environmental and human rights defenders (HRDs). (\*)

- 2.9.6 Processes are in place to effectively identify, assess and remedy violations of land rights. (\*) These should include processes for:
- conducting assessments prior to acquiring an interest in land or resources (e.g. new purchases, licenses, or concessions, or renewals or modifications of existing interests);
  - conducting a process to obtain FPIC prior to any activity, including acquisitions, that may affect IPLCs' rights, land, resources, territories, livelihoods, and food security in a culturally appropriate manner, in accordance with the traditions, norms, and values of such peoples and communities, and through the representatives and institutions they choose;
  - having an effective grievance mechanism that covers land rights;
  - protecting the security of IPLCs and their members acting as HRDs.
- 2.9.7 Relevant functions and employees (e.g. sustainability, community relations) are trained to ensure they understand and can implement the relevant policies and processes. (\*)

## 2.10 Workers and affected rightsholders have access to effective grievance mechanisms and processes for remedy

### Substantive Requirements

- 2.10.1 A transparent and fair grievance mechanism is in place. It is open to all stakeholders that could be affected by their business or business relationships, including workers and IPLCs. (\*)
- 2.10.2 The confidentiality of any complainant is guaranteed unless the complainant gives express permission to disclose his/her identity. (\*)
- 2.10.3 There is no abuse, threats, intimidation or reprisals against anyone who, in good faith, raises a concern, lodges a complaint or participates in an investigation, or whistle blows on activities in the company's operations or supply chain. This may include workers and their representatives, IPLCs or HRDs.
- 2.10.4 Grievances are addressed in an effective, timely, transparent and equitable manner. (\*)

### Management Systems Requirements

- 2.10.5 A written policy that states that workers or whistle-blowers who report grievances will be protected from retaliation is in place. (\*)
- 2.10.6 Processes are in place to record, monitor and track the progress and effectiveness of remediation actions. (\*)
- 2.10.7 Relevant functions and employees (e.g. human resources, grievance management) are trained to ensure that they understand and can implement the relevant policies and processes. (\*)

## 3. Environment

### 3.1 Forests, natural ecosystems and biodiversity

#### Substantive Requirements

- 3.1.1 Raw material production adheres to the relevant legislation of the country of production, including legislation relating to land use rights and environmental protection, as well as forest-related regulations, including forest management and biodiversity conservation where directly related to wood harvesting.
- 3.1.2 There is no expansion or production on areas converted from natural forests and other natural ecosystems after commodity sectoral cut-off dates where they exist, but in no case later than 31 December 2020. This includes primary forests, protected areas (e.g. IUCN protected areas categories I-IV, UNESCO World Heritage Sites, wetlands on the Ramsar List), High Conservation Values (HCV) lands in and around the producer territory, high carbon stock (HCS) forests, wetlands, savannas, and peatlands regardless of depth (except where farming practices protect peat), and riparian buffers adjacent to aquatic ecosystems (except where it complies with applicable law).
- 3.1.3 Degradation of the ecological integrity or functioning of forests, natural ecosystems or agroforestry systems is prevented and mitigated.
- 3.1.4 Negative impacts of agriculture and aquaculture on the ecological integrity of adjacent natural ecosystems is prevented and mitigated.

- 3.1.5 Negative impacts on rare, threatened and endangered (RTE) species are prevented and mitigated.
- 3.1.6 Land burning is prohibited. In cases where it is absolutely necessary and permitted by the authorities, the following apply:
- allow the field to reach more effective burn conditions (e.g. dew and humidity conditions to control the land burning in sugar) and reduced smoldering;
  - "back burning" is practiced by setting boundaries, especially to the end of the fields and keeping the fire away from fence rows to prevent uncontrollable burning;
  - wait for favorable weather conditions and safe wind speeds.

### Management Systems Requirements

- 3.1.7 Documented procedures or processes are in place to ensure effective implementation of no-deforestation and no-conversion, as well as compliance with relevant laws. (\*)
- 3.1.8 In the case of timber production, a forest management plan is in place. (\*)
- 3.1.9 A smoke and surveillance management plan is used that mitigates any potential effects on nature and people, and demonstrates an effective means of controlling and managing fires within the limit of their territory. (\*)

Requirements marked by an asterisk (\*) do not apply to small farms or smallholder farmers.

- 3.1.10 In the event of any deforestation or conversion being identified, effective remediation is implemented through an adequate, publicly available remediation plan. (\*)

## 3.2 Water and natural resources conservation

### Substantive Requirements

- 3.2.1 License(s) or permit(s) locally required to withdraw and use water are obtained, maintained and/or renewed; and water volumes allowed by license(s) or permit(s) are not exceeded.
- 3.2.2 Local water resources are used efficiently and negative effects on other water users, including communities, wildlife, and ecosystems within the same watershed, are mitigated.
- 3.2.3 Water resources and water bodies are protected from contamination. Examples of responsible practices include:
- preventing run-off, maximizing water retention and minimizing soil erosion;
  - ensuring adequate buffer zones around water bodies.
- 3.2.4 Wastewater is treated before being discharged into the environment. Examples of responsible practices include:
- adequately treating farm effluents before discharging them into the environment;
  - flushing sanitary/washing water (e.g. toilets, water used for cleaning milking parlors, livestock yard washing-water) away from surface water bodies;
  - recycling water where feasible or treating it before discharge (e.g. milk fat trap).
- 3.2.5 Residual water used for cleaning pesticide application devices is released in the field or in a dedicated collecting area.
- 3.2.6 Irrigation systems are optimized in order to minimize water use and avoid the transport of chemicals, nutrients, or sediment from the soil surface or root zone towards surface or groundwater bodies.

## 4. Animal-based production

These requirements apply to the sourcing of milk and dairy products, meat, poultry and eggs.

### Substantive Requirements

- 4.1 All materials derived from animals used in the manufacturing of products sold to Nestlé are fully compliant with all applicable local laws and regulations on farm animal welfare.
- 4.2 Animals have access to veterinary care. (\*)
- 4.3 The use of antimicrobials for non-therapeutic purposes is minimized and follows applicable laws.

### Management Systems Requirements

- 3.2.7 Documented procedures or processes are in place to ensure implementation of measures for the sustainable management of water resources and to effectively mitigate negative impacts, including on other water users. (\*)

## 3.3 Use of Agrochemicals

### Substantive Requirements

- 3.3.1 Only pesticides that are legally approved for use within the relevant country are utilized.
- 3.3.2 The use of pesticides specified in Appendix 4 is avoided in field applications. These pesticides are part of the Stockholm POPs, Rotterdam PIC or Montreal Protocol on Substances that Deplete the Ozone Layer lists, or categorized as WHO Ia and WHO Ib, or classified as Known Carcinogen (GHS Carcinogenic 1A as per ECHA, Carcinogenic to human (Group 1) as per IARC).
- 3.3.3 Legally registered pesticides are applied for the sole purpose of controlling weeds, diseases or invasive species and pests. The decision to use synthetic pesticides is based on prior monitoring, evaluation and forecasting of the pest pressure, rather than on a systematic approach.
- 3.3.4 Hazardous materials, chemicals and dangerous substances are safely stored, handled, recycled, reused and disposed of in accordance with the manufacturer's recommendations. Only legally approved chemical substances are used.

### Management System Requirements

- 3.3.5 A year-round nutrient management plan is in place to monitor and optimize the application of fertilizers in response to crop needs (when and where). (\*)
- 3.3.6 Documented procedures or processes are in place to ensure implementation of measures to control and optimize the use of Agrochemicals. (\*)

### Management Systems Requirements

- 4.4 An overall farm management tool (veterinary records, animal care policies, etc.) is maintained in order to minimize risks for animals and workers. (\*)
- 4.5 An effective traceability system of animal products along the supply chain is in place. (\*)
- 4.6 An animal welfare program, aligned with the Five Freedoms of the World Health Organization for Animal Health, which addresses the nutritional, environmental, health and behavioral needs of farm animals is in place. (\*)
- 4.7 Workers in contact with animals are trained in humane handling, animal behavior and welfare. (\*)

Requirements marked by an asterisk (\*) do not apply to small farms or smallholder farmers.



## 5. Aquaculture and fisheries

These requirements apply to the sourcing of fish and seafood.

### Substantive Requirements

- 5.1 No endangered, threatened, or protected species are sourced, as per the IUCN Red List, or listed under CITES Appendix I. Products traded under CITES Appendix II hold the following: i) proper permits and certificates; ii) a transparent non-detriment finding (NDF) according to an adequate standard.
- 5.2 Illegal, unregulated or unreported (IUU) fishing is prohibited. There is no sourcing of materials or ingredients from vessels engaged in IUU fishing activities or appearing on IUU vessel watchlists.
- 5.3 There is no fishing in no-take zones or marine protected areas.
- 5.4 Highly destructive fishing gear or fishing methods, including dredging fishing methods, dynamite, cyanide, muro-ami or high seas drift nets, are not used.

- 5.5 By-catch is minimized and efforts to promote the efficient utilization of the catch are implemented.
- 5.6 Transshipment at sea is prohibited unless for emergency procedures or under the direct supervision of government or enforcement personnel.
- 5.7 Vessels at sea for periods greater than 24 hours are equipped with radios and vessel monitoring systems such as GPS.
- 5.8 No aquaculture operations take place in protected and/or sensitive habitats.

### Management Systems Requirements

- 5.9 Documented procedures or processes that take into consideration the ecosystem effects of source fisheries and aquaculture activities are in place. (\*)

Requirements marked by an asterisk (\*) do not apply to small farms or smallholder farmers.

# Appendices

## Appendix 1 – Related Nestlé frameworks and strategies

[Corporate Business Principles](#)

[Nestlé Human Rights Policy](#)

[Human Rights Framework and Roadmap](#)

[Human Rights salient issue action plans](#)

[Nestlé Net Zero Roadmap](#)

[Forest Positive Strategy](#)

[The Nestlé Agriculture Framework](#)

[The Nestlé Policy on Environmental Sustainability](#)

[The Rules of Sustainable Packaging](#)

## Appendix 2 – Definitions applicable to the Requirements

In case definitions under the applicable laws are less stringent than those provided below, the latter shall prevail for the purposes of compliance with the Requirements.

**Agrochemical:** an agrochemical is a chemical product used in agriculture. In most cases, agrochemical refers to pesticides including insecticides, herbicides, fungicides and nematocides, synthetic fertilizers, hormones and other chemical growth agents.

**Biodiversity:** biological diversity, the variability among living organisms at ecosystem, species and genetic levels. It comprises aquatic and terrestrial ecosystems including forests and soils and provides a large number of services.

**Child labor:** work that deprives children of their childhood, potential, and dignity, and that is harmful to their physical and mental development, including by interfering with their education.

**Conversion:** change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function.

**Deforestation:** loss of natural forest as a result of i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation. Severe degradation (scenario iii) in the definition) constitutes deforestation, even if the land is not subsequently used for a non-forest land use. Loss of natural forest that meets this definition is considered to be deforestation, regardless of whether or not it is compliant with the local laws.

**Discrimination:** any unjust distinction, exclusion, or preference made based on race, color, sex, religion, political opinion, national extraction or social origin, union affiliation, disability, or any other non-job-related characteristic, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.

**Environmental and human rights defenders (HRDs):** individuals or groups who act to promote, protect or strive for the protection and realization of human rights and fundamental freedoms, or protect the environment, including water, air, land, flora, and fauna, through peaceful means.

**Forced labor:** any labor that is involuntary, and that the worker is coerced to perform. This includes all forms of debt bondage, human trafficking, and modern slavery.

**Forest:** land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or other land use. This definition should not be interpreted as weakening or qualifying any protection under or provision of national forestry laws, including when these laws apply to legally classed forests that are tree plantations or presently have little or no tree cover.

**Free, prior, informed consent (FPIC):** a collective human right of Indigenous peoples and local communities to give and withhold their consent prior to the commencement of any activity that may affect their rights, land, resources, territories, livelihoods, and food security. It is a right exercised through representatives of their own choosing and in a manner consistent with their own customs, values, and norms.

**Grievance mechanism:** any routinized process through which grievances related to business-related negative impacts on human rights or the environment can be raised, and remedy can be sought. These are directly accessible to individuals and communities who may be adversely impacted by a business enterprise. They are typically administered by enterprises, alone or in collaboration with others, including relevant stakeholders.

**Hazardous work:** work that is inherently dangerous for children (defined as any person below 18 years of age), such as clearing fields, using machetes, applying pesticides, lifting that is disproportionate to the child's size, or working for excessively long hours, at night, or in high temperatures. Hazardous work is one of the worst forms of child labor.

**Human Rights and Environment Due Diligence (HREDD):** a risk management process for organizations to identify, prevent, mitigate, and account for how they address actual and potential adverse impacts on human rights and the environment in own operations, supply chain and other business relationships.

**Indigenous peoples:** while there is no formal definition of “indigenous peoples” under international law, in part because of the variance across local contexts and because a critical right of Indigenous peoples is to self-identification and determination, we understand shared common traits of Indigenous peoples to include self-identification as Indigenous peoples; distinct social, economic or political systems; distinct language, culture and beliefs; strong link to territories and surrounding natural resources; forming non-dominant groups of society; historical continuity with pre-colonial or pre-settler societies; and a resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.

**Light work:** work that does not threaten children’s health and safety or hinder their education or vocational training. It should also not be performed for more than 14 hours per week.

**Local communities:** refers to communities – traditional or otherwise – living around, or potentially affected by, operations and business relationships.

**Natural ecosystem:** an ecosystem that substantially resembles – in terms of species composition, structure, and ecological function – one that is or would be found in a given area in the absence of major human impacts.

- a) Largely “pristine” natural ecosystems that have not been subject to major human impacts in recent history.
- b) Natural ecosystems that have been partially degraded by anthropogenic or natural causes (e.g. harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where much of the ecosystem’s composition, structure, and ecological function remain present or are expected to regenerate naturally or by management aimed at ecological restoration.

**Personal Protective Equipment (PPE):** items such as safety helmets, gloves, eye protection, protective and/or high-visibility clothing, safety footwear, safety harnesses, and respiratory protective equipment (RPE).

**Raw materials:** refers to the ingredients and materials entering into the manufacturing process for our company’s food products or paper-based packaging.

**Recruitment fee and related costs:** any fee incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of its imposition or collection. Recruitment fees include payments for recruitment services offered by labor recruiters; payments made in the case of recruitment of

workers with a view to employing them to perform work for a third party; payments made in the case of direct recruitment by the employer; or payments required to recover recruitment fees from workers. Related costs include medical costs; insurance costs; costs for skills and qualification tests; training and orientation costs; equipment costs; travel and lodging costs; or administrative costs.

**Safe and healthy workplace:** a workplace in which effective steps have been taken to prevent potential health and safety incidents and occupational injury or illness arising out of, in connection with, or occurring in the course of work.

**Second party verification:** verification conducted by a related entity with an interest in the company or operation being assessed, such as the business customer of a production/processing operation or a contractor that also provides services other than verification.

**Severe Adverse Impact:** a severe adverse impact by virtue of any of the following criteria: (i) if it is especially significant by its nature or by its impact on the human right(s) or the environment; (ii) if it affects a large number of persons or a large area of the environment; (iii) if it is irreversible or is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact.

**Smallholder farmer or small farm:** a person or family who owns and operates a small-scale agricultural plot of land that is distinct from larger-scale producers found in a similar context and geographic area. There is no universally agreed-upon definition for the exact size of a small farm, as it can vary significantly from one country or region to another as well as from a supply chain to another. The following characteristics may be used to define what a smallholder farmer is in a given context: dependence on family labor, whether the farm is a primary source of income, land footprint, economic (e.g. lack of access to capital, machinery or technology) or information constraint (e.g. lack of technical knowledge).

**Worker:** refers to hired workers, whether they are directly employed by the company or hired through recruitment agencies, labor brokers or intermediaries, and service providers.

**Worst forms of child labor:** this includes all forms of slavery, trafficking, debt bondage, and other types of forced labor; the use of a child for prostitution, or for the production of pornography or pornographic performances; and the use of a child for illicit activities such as begging or selling narcotics.

## Appendix 3 – References

The Requirements and related definitions are based, inter alia, on the following guiding principles, standards and conventions.

### General

- Accountability Framework Initiative
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- The Ten Principles of the UN Global Compact
- United Nations (UN) Guiding Principles on Business and Human Rights

### Compliance and business ethics

- OECD Principles of Corporate Governance
- United Nations Convention against Corruption

### Human rights

- FAO Voluntary Guidelines on Governance of Land and Land Tenure
- International Labour Organization (ILO)'s Fundamental Conventions
  - ILO Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
  - ILO Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
  - ILO Equal Remuneration Convention, 1951 (No. 100)
  - ILO Abolition of Forced Labour Convention, 1957 (No.105)
  - ILO Discrimination (Employment and Occupation) Convention, 1958 (No.111)
  - ILO Minimum Age Convention, 1973 (No.138)
  - ILO Occupational Safety and Health Convention, 1981 (No. 155)
  - ILO Worst Forms of Child Labour Convention, 1999 (No.182)
  - ILO Forced Labour Convention, 1930 (No.29) and its 2014 protocol
  - ILO Declaration on Fundamental Principles and Rights at Work (1998), as amended in 2022

- Other relevant ILO Conventions, principles, and guidelines
  - ILO, Hours of Work (Industry) Convention, 1919 (No. 1)
  - ILO, Hours of Work (Commerce and Offices) Convention, 1930 (No. 30)
  - ILO Protection of Wages Convention, 1949 (No. 95)
  - ILO Maternity Protection Convention, 1952 (No. 183)
  - ILO Code of Practice on Safety and Health in Agriculture, 2010
  - ILO Violence and Harassment Convention, 2019 (No.190)
  - ILO General principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs, 2019
- Universal Declaration on Human Rights
- United Nations Declaration on the Rights of Indigenous peoples

### Environment

- Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
- International Code of Conduct on Pesticide Management – Guidelines on Highly Hazardous Pesticide
- Montreal Protocol on Substances that Deplete the Ozone Layer
- Paris Agreement under the United Nations Framework Convention on Climate Change
- Stockholm Convention on Persistent Organic Pollutants
- The Alliance for Water Stewardship International Water Stewardship Standard
- The Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora
- The High Carbon Stock Approach Toolkit
- The International Union for Conservation of Nature (IUCN) Red List of Threatened Species
- The Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade
- WHO recommended classification of pesticides by hazard and guidelines to classification, 2019 edition

## Appendix 4 – List of pesticides referred to under “Use of Agrochemicals”

Active ingredient	Main use		
2,4,5-T	herbicide	Fenamiphos	insecticide
Acrolein	herbicide	Flucythrinate	insecticide
Alachlor	herbicide	Formaldehyde	bactericide
Aldicarb	insecticide	Formetanate	insecticide
Aldrin	insecticide	Furathiocarb	insecticide
Allyl alcohol	herbicide	HCH	insecticide
Arsenic compounds	multiple uses	Heptachlor	insecticide
Azinphos-ethyl	insecticide	Heptenophos	insecticide
Azinphos-methyl	insecticide	Hexachlorobenzene	fungicide
Binapacryl	fungicide, acaricide	Hexachlorobutadiene	fungicide
Blasticidin-S	fungicide	Isoxathion	insecticide
Bromophos-ethyl	insecticide	Mecarbam	insecticide
Busulfan	insecticide	Mercury compounds	fungicide
Butocarboxim	insecticide	Methamidophos	insecticide
Butoxycarboxim	insecticide	Methidathion	insecticide
Cadusafos	insecticide	Methiocarb	insecticide
Camphechlor	insecticide	Methoxychlor	insecticide
Captafol	fungicide	Mevinphos	insecticide
Carbofuran	insecticide	Mirex	insecticide
Chlordane	insecticide	Monocrotophos	insecticide
Chlordecone	insecticide	Nicotine	insecticide
Chlordimeform	insecticide	Omethoate	insecticide
Chlorethoxyfos	insecticide	Oxydemeton-methyl	insecticide
Chlorfenvinphos	insecticide	Parathion	insecticide
Chlormephos	insecticide	Parathion-methyl	insecticide
Chlorobenzilate	acaricide	Pentachlorobenzene	fungicide
Coumaphos	insecticide	Pentachlorophenol	multiple uses
DDT	insecticide	Phorate	insecticide
Demeton-methyl	insecticide	Phosphamidon	insecticide
Dicofol	acaricide	Propetamphos	insecticide
Dicrotophos	insecticide	Sulfluramid	insecticide
Dieldrin	insecticide	Sulfotep	insecticide
Dinoseb	herbicide	Tebupirimfos	insecticide
Dinoterb	herbicide	Thiofanox	insecticide
Disulfoton	insecticide	Thiometon	insecticide
DNOC	multiple uses	Thiotepa	insecticide
Edifenphos	fungicide	Triazophos	insecticide
Endosulfan	insecticide	Tributyltin compounds	fungicide
Endrin	insecticide	Trichlorfon	insecticide
EPN	insecticide	Vamidothion	insecticide
Ethiofencarb	insecticide		
Ethoprophos	insecticide		
Famphur	insecticide		

Note: this list of active ingredients tacitly covers their different salts, esters, sub-compounds and isomers that can be associated with their uses.