


Corporate Human Rights Benchmark 2018 Company Scoresheet



Company Name Nestle
Industry Agricultural Products (Supply Chain only)
Overall Score (*)  46.5 out of 100

Theme Score	Out of	For Theme
5.5	10	A. Governance and Policies
12.7	25	B. Embedding Respect and Human Rights Due Diligence
6.7	15	C. Remedies and Grievance Mechanisms
7.3	20	D. Performance: Company Human Rights Practices
10.4	20	E. Performance: Responses to Serious Allegations
 4.0	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2018 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: General HRs commitment: The Company has indicated in its business principles that it 'fully supports the United Nations Global Compact's (UNGC) guiding principles on human rights and labour' and that it 'adheres to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO) of March 2006 and the OECD Guidelines for Multinational Enterprises of June 2000'. In its supplier code, it also stated it 'supports the United Nations Framework and Guiding Principles on Business and Human Rights'. [Nestle Corporate Business Principles, 40359 & Nestle Supplier Code, 41639] • Met: UNGC principles 1 & 2 • Met: UDHR • Met: International Bill of Rights Score 2 • Met: UNGPs • Met: OECD
A.1.2	Commitment to respect the human rights of workers	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: ILO Core: The Company's business principles cover all four core ILO standards. Additionally, it states that 'we are committed to preventing accidents, injuries and illness related to work, and to protect employees, contractors and others involved along the value chain'. The Company's supplier code also expects its suppliers to commit to respecting all four core ILO standards as well as the

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>health and safety of their workers and to convey the same expectations to their suppliers. [Nestle Corporate Business Principles, 40359 & Nestle Supplier Code, 41639]</p> <ul style="list-style-type: none"> • Met: All four ILO for AG suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Met: All four ILO Core • Met: Respect H&S of workers • Met: H&S applies to AG suppliers
A.1.3.a.AG	Commitment to respect human rights particularly relevant to the industry - land and natural resources (AG)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Respect land ownership and resources: The Company is committed to comply with 'the customary rights to land and natural resources of Indigenous Peoples, traditional peoples, and communities that are impacted or potentially impacted by the company's business activities' and added it 'will follow all applicable national laws and respect international human rights standards relating to the rights to land and natural resources. [Nestle in Society Report, 43100 & Nestle Corporate Business Principles, 40359] • Met: Respecting the right to water: Its business principles state it is 'committed to the sustainable use of water and continuous improvement in water management' and, in Nestlé in Society 2015, it states that 'Nestlé supports the human right to water and is committed to assisting with the provision of clean water and improved sanitation to priority communities where we source agricultural commodities'. It added 'as a member of the (...) UNGC's CEO Water Mandate, we have committed to respect the human right to water and sanitation. [Nestle in Society Report, 43100] • Met: Expecting suppliers to respect these rights: Regarding suppliers, it expects suppliers to demonstrate legal entitlement to land ownership and adds: 'Land rights, including legal title and customary land, of local communities are respected' and 'Agricultural and forestry developments and activities on local peoples' land are subject to the free, prior and informed consent of the affected local communities, including indigenous peoples'. [Nestle in Society Report, 43100] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Voluntary Guidelines on Tenure: It adopted the FAO's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, and other relevant and accepted instruments that codify the rights of communities in relation to their land and natural resources'. [Nestle in Society Report, 43100] • Not met: IFC Performance Standards • Not met: FPIC for all • Met: Zero tolerance for land grabs • Met: Respecting the right to water: In addition to its own public commitments, in 2013, Nestlé signed the World Business Council for Sustainable Development (WBCSD) WASH Pledge, which commits companies to providing access to safe water, sanitation and hygiene at all workplace premises in our direct control within three years'. [Nestle in Society Report, 43100] • Not met: Expecting suppliers to respect these rights [Nestle Corporate Business Principles, 40359]
A.1.3.b.AG	Commitment to respect human rights particularly relevant to the industry - people's rights (AG)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Women's rights: The Company endorsed the UN's Women's Empowerment Principles. [Code of Business Conduct, 39416] • Met: Children's rights: In its 'Labour Rights in Agricultural Supply Chains: A Roadmap' document, the Company commits to address labour rights issues, including children's labour and migrant workers. [Nestle Supplier Code, 41639] • Met: Migrant worker's rights: As above • Met: Expects suppliers to respect these rights: The Nestle Supplier Code expects companies it does business with to comply with the same labour rules for all employees, including migrant workers. [Nestle Supplier Code, 41639] <p>Score 2</p> <ul style="list-style-type: none"> • Met: CEDAW/Women's Empowerment Principles: As above [Nestle Supplier Code, 41639] • Not met: Child Rights Convention/Business Principles: As above [Nestle Supplier Code, 41639] • Met: Convention on migrant workers: As above [Nestle Supplier Code, 41639] • Met: Expecting suppliers to respect these rights: The Company endorsed the UN's Women's Empowerment Principles. In its 'Labour Rights in Agricultural Supply Chains: A Roadmap' document, the Company commits to address labour rights issues, including children's labour and migrant workers. The Nestle Supplier Code

Indicator Code	Indicator name	Score (out of 2)	Explanation
			expects companies it does business with to comply with the same labour rules for all employees, including migrant workers. [Code of Business Conduct, 39416 & Nestle Supplier Code, 41639]
A.1.4	Commitment to engage with stakeholders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Commits to stakeholder engagement: The Company states in the "Stakeholder engagement" section of its website that 'engaging stakeholders on important issues and tackling them together lies at the heart of how we do business. We also conduct a Nestlé Stakeholder Community survey. This is an annual survey with global Key Opinion Leaders (KOLs) that aims to understand evolving views on the company's issues and reputation management.' However, the company does not have a public commitment to engage with potentially and actually affected stakeholder such as workers, suppliers and communities. [Nestle - Stakeholder Engagement, April 2018: nestle.com] Not met: Regular stakeholder engagement Score 2 <ul style="list-style-type: none"> Not met: Commits to engage stakeholders in design [Nestle Company website, 43234: nestle.com] Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Commits to remedy: The Company provides examples of actions taken to remedy issued, but does not provide a public statement of commitment to remedy impacts caused or to which the Company has contributed. Score 2 <ul style="list-style-type: none"> Not met: Not obstructing access to other remedies Not met: Collaborating with other remedy initiatives Not met: Work with AG suppliers to remedy impacts
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 <ul style="list-style-type: none"> Not met: Expects AG suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: CEO or Board approves policy: The Company has indicated its Business Principles are reviewed by our Executive Board. It has also explained that 'Within Nestlé's corporate governance structure, the Board of Directors, the Chairman, CEO and Executive Board are responsible for the supervision and management of our role in society, and for the Creating Shared Value strategy. They are supported by internal management bodies, including the Nestlé in Society Board, Operations Sustainability Council, Issues Round Table, R&D Council for Sustainability and Nutrition, and the Group Compliance Committee. We also take advice from external advisory groups, including the Creating Shared Value Council and the Nestlé Nutrition Council'. Paul Bulcke, the Managing Director of Nestle, made a speech at the UN Forum on Business and Human Rights in 2014. [Nestle in Society Report, 43100 & Nestle Company website, 43234: nestle.com] Met: Board level responsibility for HRs Score 2 <ul style="list-style-type: none"> Met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Board/Committee review of salient HRs: The Nestlé in Society Board is the highest level where an update on human rights is provided to Executive Board members on a regular basis. The Nestle in Society Board is chaired by the CEO. The Nestle in Society Board is assisted in this task by the HRWG. The CEO is also on the board of directors. Other groups that are chaired by an Executive Board Member, and have human rights as part of their scope of work include: Group Compliance Committee Issues Round Table Child Labour and Women's Empowerment Steering Group Operations Water Task Force Nestle Water Task Force and

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Seafood Task force. [Nestle in Society Report, 43100 & Nestle Company website, 43234: nestle.com] <ul style="list-style-type: none"> • Not met: Examples or trends re HR discussion Score 2 <ul style="list-style-type: none"> • Not met: Both examples and process
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Incentives for at least one board member • Not met: At least one key AG HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> • Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Senior responsibility fo HR (inc ILO): The Company has explained that 'Within Nestlé's corporate governance structure, the Board of Directors, the Chairman, CEO and Executive Board are responsible for the supervision and management of our role in society, and for the Creating Shared Value strategy. They are supported by internal management bodies, including the Nestlé in Society Board, Operations Sustainability Council, Issues Round Table, R&D Council for Sustainability and Nutrition, and the Group Compliance Committee. We also take advice from external advisory groups, including the Creating Shared Value Council (including a human rights working group) and the Nestlé Nutrition Council'. [Nestle in Society Report, 43100] Score 2 <ul style="list-style-type: none"> • Not met: Day-to-day responsibility • Not met: Day-to-day responsibility in supply chain
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Senior manager incentives for human rights • Not met: At least one key AG HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: HR part of enterprise risk system Score 2 <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Communicates its policy to all workers in own operations: The business principles are available in more than 50 languages. It added that the latest version, updated in June 2010, has been handed over to all employees around the world and accompanied by basic learning and training tools. [Code of Business Conduct, 39416 & Nestle Supplier Code, 41639] Score 2 <ul style="list-style-type: none"> • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Steps to communicate policy commitments to BRs: The Company states that 100% of its suppliers have contracts that include clauses incorporating human rights concerns. Indeed, in its supplier code Nestle states that 'Acknowledgement of the Code is a pre requisite in every Nestlé contract for supply '. In its supplier code it has added that 'It is the Supplier's responsibility to disseminate, educate and exercise diligence in verifying compliance of this Code to its employees, agents and sub tier suppliers, including farmers when relevant.' [Nestle Supplier Code, 41639] Score 2 <ul style="list-style-type: none"> • Met: Including to AG suppliers • Not met: How HR commitments made binding/contractual • Not met: Including on AG suppliers

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B.1.5	Training on Human Rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Trains all workers on HR policy commitments: The Company has stated that their training is delivered at two different levels. At the global level there are online human rights training for Nestle Employees. At the functional level, the company has developed specific training modules for targeted departments with the company, which go beyond online training. However, the Company hasn't clarified that relevant managers and workers include procurement and monitoring/audit teams. The Company reports on this issue, including that all employees are trained on human rights with numbers of new and refreshment training carried out each year in the annual report. [Nestle in Society Report, 43100] • Met: Trains relevant managers including procurement: The Company has clarified to the CHRB That training covers procurement and 'procurement specific training to follow all-employee roll-out.' [E-Learning Module, 27/10/2017: chrbenchmark.sharepoint.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met: As above.
B.1.6	Monitoring and corrective actions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Monitoring implementation of HR policy commitments: The Company has goals relating to the monitoring of implementation against their objectives to upholding and promoting the 'highest standards across our business'. The Company has the CARE audit programme which uses independent assessments to measure compliance with key principles (including human rights and labour practices). The Company also states that Since 2005, Bureau Veritas has audited all of our head offices, factories, distribution centres and sales outlets (such as Nespresso boutiques) once every three years. The audits are based on five criteria: human rights, business integrity, environment, safety and health, and security. [CSR Report, 2017: nestle.com & Nestle in Society Report, 43100] • Met: Monitoring AG suppliers: The Company audits its direct suppliers on its supplier code, including through third party audits (mostly Sexed or through the EcoVadis methodology). In addition, it also assesses some farms on the implementation of its responsible sourcing guidelines (Assessments are carried out by partner organisations, such as Proforest and The Forest Trust (TFT) - it reported that: 'Through Farmer Connect we engage with 760000 farmers – mostly rural smallholders in developing countries. More than 1200 Nestlé sourcing staff in the field regularly visit farms, carry out assessments using our Responsible Sourcing Guideline'. It reported it had audited 10,950 Tier 1 suppliers as at end 2015. It reported this represented 95% of its overall spend. Its is aiming 'for Tier 1 suppliers, to cover 50% of the total volume sourced from Responsible Sourcing Guideline audited Tier 1 suppliers, with 70% compliance'. It describes that 'each supplier receives a report detailing areas for improvement and the requirements to achieve compliance. In all cases of non-compliance, a corrective action plan is approved, containing detailed measures and timelines to ensure that practices are improved'. It also reported: 'Of the 22704 non-compliances identified, around 8174 have been addressed through a range of improvements, such as fitting fire extinguishers, clearing access to emergency exits, improving toilet and hand-washing facilities, and providing clean drinking water. An estimated 1.4 million employees are now benefiting from better working conditions as a result. Of the non-compliances being addressed: 54.5% are health and safety issues (...); 15.5% are working hours issues, such as working more than 60 hours a week; and 41% are accommodation-related issues'. The Company has published an Action Plan to Tackle Seafood Supply Chain Abuses in their seafood supply chain in Thailand. It contained a series of actions designed to protect workers from labour and human rights abuses, to improve working conditions and to tackle unacceptable practices including juveniles and teenagers working on fishing vessels. The Company has published a plan and an update on their activities. The traceability system implemented by Thai Union Manufacturing, one of our principle suppliers to date, has assessed traceability and employment conditions on every one of the 270 boats in their supply chain. In addition, traceability and employment conditions on 23% of those vessels have also been verified independently by a third party. [Nestle Company website, 43234: nestle.com & Nestle in Society Report, 43100] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes corrective action process: The Company identifies how they carried out 146 CARE audits which identified 135 gaps requiring action. The Company reports that 15 of these have been remedied and the remainder are being addressed. The Company has published a table illustrating the type of gap found, their degree of severity and whether they have been closed. The Company

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			<p>details that they found 41 minor, 21 major, 0 critical and 8 closed cases relating to human rights and labour practices. See above details of corrective action plans. [CSR Report, 2017: nestle.com]</p> <ul style="list-style-type: none"> • Met: Example of corrective action: As above. • Met: Discloses % of supply chain monitored: The Company reports 2 objectives, and then reports against progress on these objectives. These objectives include: <ul style="list-style-type: none"> -By 2020: For Tier 1 suppliers, cover 80% of the total spend and volume sourced from audited and compliant suppliers*. -By 2020: For upstream, 80% of the spend and volume of our priority categories to be traceable and 70% to be Responsibly Sourced*. <p>The Company discloses against these objectives:</p> <ul style="list-style-type: none"> - 57% of our total spend and volume sourced from audited and compliant suppliers - 63% of our 12 priority categories of raw materials are traceable and 57% are Responsibly Sourced [Implement responsible sourcing and promote animal welfare, 14/08/2018: nestle.com]
B.1.7	Engaging business relationships	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: HR affects selection of suppliers • Met: HR affects on-going supplier relationships: The Company states 'Nestlé does not have a formal incentivisation programme for suppliers. However, we work closely with our suppliers to help them improve their performance and implement corrective actions where needed. If suppliers refuse to comply with our audit process or fail to implement corrective action plans, we reduce our purchases from them or, in some cases, terminate our relationship'. [Nestle Company website, 43234: nestle.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Working with suppliers to improve performance
B.1.8	Approach to engagement with potentially affected stakeholders	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Stakeholder process or systems: The Company states that engagement with stakeholders, including local communities is one of the value added aspects of the Human Rights Risk Assessment (HRIA). The Company clarifies that during a Nestle HRIA various people, groups and organizations are interviewed and consulted, with a particular focus on impacted rights-holders. [Nestle Company website, 43234: nestle.com] • Not met: Frequency and triggers for engagement • Met: Workers in SC engaged • Met: Communities in the SC engaged <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifying risks in own operations: The Company has explained that its list of salient human rights issues, conversely to its risks matrix based on risks to the Company, are also based on risks to rights holders. It has also explained how it came up with this list of 11 salient human rights issues with input from independent external human rights experts. The Company states that engagement with stakeholders, including local communities is one of the value added aspects of the HRIA. The Company clarifies that during a Nestle HRIA various people, groups and organizations are interviewed and consulted, with a particular focus on impacted rights-holders. The Company carried out their first HRIA in 2010 and have since carried out 7 HRIAs (at the time the HRIA white paper was published in 2014). [Nestle Company website, 43234: nestle.com] • Met: Identifying risks in AG suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Met: Ongoing global risk identification • Met: In consultation with stakeholders • Met: In consultation with HR experts • Met: Triggered by new circumstances • Met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Salient risk assessment (and context): The Company has disclosed its list of 11 salient human rights risks. The Company states that the salient human rights risk

Indicator Code	Indicator name	Score (out of 2)	Explanation
	impacts identified (salient risks and key industry risks)		<p>reflect the scope of the companies business activities and the potential impacts on people the company has throughout their entire value chain. With each risk the company identifies which rights-holders are affected by the salient human rights issue (for example, employees, on-site contractors, suppliers, farmers, consumers). As we look at human rights impacts beyond our operations, 7 of our 11 salient issues relate to labour rights, and are associated with our agricultural supply chains. [Nestle in Society Report, 43100 & Nestle Company website, 43234: nestle.com]</p> <ul style="list-style-type: none"> • Met: Public disclosure of salient risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Action Plans to mitigate risks: The Company reports it has undertaken seven stand-alone HRIAs in the form of facilitated assessments coordinated by a DIHR and Nestlé HQ team (HRIA team). Each HRIA has gone through a 4-step process for which specific tools have been developed. The third step was 'integrating and acting upon the findings: Based on the findings, DIHR prepares a draft HRIA report. The report is divided by functional area and describes the baseline situation of all the Nestlé sites included in the scope of the assessment, the findings of the HRIA team and input from external stakeholders on the specific human rights topics relevant to the functional area. For areas where remediation actions are needed to address adverse impacts identified, DIHR provides a number of recommendations. The draft report is then shared with the country team for input and clarifications. Once the country team, Nestlé HQ and DIHR agree on the content of the report, the report is considered final'. It has also reported that 'the HRIAs have helped Nestlé to mainstream human rights into its existing corporate policies and procedures. The findings of the HRIAs have been fed into a number of Nestlé's policies (Employee Relations, Policy on Conditions of Work and Employment, Nestlé Supplier Code, etc.) and procedures (Human Rights Risk Assessments as part of the corporate Enterprise Risk Management system, CARE external audit program, Responsible Sourcing and Traceability Program, etc.). The outcomes of the HRIAs have also contributed to the development corporate commitments on Child Labour in Agricultural Supply Chains and Rural Development'. The Company has published an Action Plan to Tackle Seafood Supply Chain Abuses in their seafood supply chain in Thailand. It contained a series of actions designed to protect workers from labour and human rights abuses, to improve working conditions and to tackle unacceptable practices including juveniles and teenagers working on fishing vessels. The Company has published a plan and an update on their activities. [Nestle Company website, 43234: nestle.com] • Met: Example of Actions decided: The Company has published an Action Plan to Tackle Seafood Supply Chain Abuses in their seafood supply chain in Thailand. It contained a series of actions designed to protect workers from labour and human rights abuses, to improve working conditions and to tackle unacceptable practices including juveniles and teenagers working on fishing vessels. The Company has published a plan and an update on their activities. [Nestle Company website, 43234: nestle.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Including in AG supply chain <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Comms plan re identifying risks: The Company has communicated on its website its system to identify human rights risks and impacts including own operations and supply chain (see B.2.1) [Nestle Company website, 43234: nestle.com] • Not met: Comms plan re assessing risks • Met: Comms plan re action plans for risks: The Company has communicated on its website that it has a system to take action to prevent, mitigate or remediate its

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			<p>salient human rights issues and has provided an example (see B.2.3). [Nestle Company website, 43234: nestle.com]</p> <ul style="list-style-type: none"> • Not met: Comms plan re reviewing action plans • Not met: Including AG suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The Company states in its Nestle in Society report that 'Tell us' is our communication channel for internal and external stakeholders to report possible compliance and non-compliance issues against our Corporate Business Principles, applicable laws and all issues relating to our business operations, such as community and environmental impacts. [Nestle in Society Report, 43100] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Number grievances filed, addressed or resolved: The Company discloses 'During the year, we received 613 messages via 'Tell us', these being mainly compliance-related complaints and non-compliance-related issues, such as consumer-related matters or general complaints. All comments received have been, or are being, addressed, and are detailed as follows. In total, 32 issues were confirmed: 6 labour practices, 5 fraud cases, 5 leadership issues, 2 conflicts of interest, 1 environmental suggestion, 1 harassment case, 1 private-to-private bribery, 1 safety and quality issue, 1 supplier concern and 9 other general concerns. As a result, 14 warning letters were issued, there was 1 dismissal, a total of 15 people left the company and 2 suppliers services were terminated, while various internal control measures were reinforced.' [Nestle in Society Report, 43100] • Met: Channel is available in all appropriate languages: The Company states 'in 2017, we completed the process of deploying 'Tell us' across our markets, with the final 24 markets making the system available on their corporate websites.' <p>The Company notes in the SpeakUp feedback EU Tell us grievance mechanism 'Please choose how you want to leave your message. Note that when you make a call you will not be answered by an operator. The free form message you leave will be put in writing, translated and made available to the responsible department.' Furthermore, when you select a certain country to make a complaint, there is often the option to select the native language. [Nestle in Society Report, 43100]</p> <ul style="list-style-type: none"> • Met: Expect AG supplier to have equivalent grievance systems • Met: Opens own system to AG supplier workers: The Company states in its Nestle in Society report that "'Tell us' is our communication channel for external stakeholders to report possible compliance and non-compliance issues against our Corporate Business Principles, applicable laws and all issues relating to our business operations, such as community and environmental impacts. 'Tell us' was made available to an additional 2900 suppliers in 2017, and we included an explanation of 'Tell us' in the WHO Code of Compliance training provided annually to Nestlé Nutrition distributors in higher-risk countries. In 2017, we completed the process of deploying 'Tell us' across our markets, with the final 24 markets making the system available on their corporate websites. We also developed guidelines, dos and don'ts, and a flowchart and guidance for conducting compliance investigations. These have been shared globally within the Legal function and with other key internal stakeholders. [Nestle in Society Report, 43100]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Grievance mechanism for community: The Company has a 'Compliance Reporting System' called Tell us for 'external stakeholders with a dedicated communication channel for reporting potential instances of non-compliance with its Corporate Business Principles'. It has indicated it is 'designed to give all external stakeholders the opportunity to report any possible noncompliance incidents against the Nestlé Corporate Business Principles or laws, both internal and external'. [Nestle in Society Report, 43100] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes accessibility and local languages: The Company notes in the speakup feedback EU Tell us grievance mechanism 'Please choose how you want to leave your message.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Note that when you make a call you will not be answered by an operator. The free form message you leave will be put in writing, translated and made available to the responsible department.' Furthermore, when you select a certain country to make a complaint, there is often the option to select the native language. [Speakup Feedback, 03/07/2018: speakupfeedback.eu] <ul style="list-style-type: none"> • Met: AG supplier communities use global system
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Engages users to create or assess system: No information on whether or how the Company engages with potential and/or actual users on the design, implementation or performance of the channel was not found (though it has indicated that 'The system has been given good feedback by external stakeholders. We have applied the experience gained from the first year of the system's operation to continue to refine the processes and platform, and to build on our expertise in managing it.'). However, the Company has disclosed Bureau Veritas' independent Assurance Statement which states 'with Nestlé's 'Tell Us' grievance mechanism Nestlé should consider its communication channels and the accessibility of the 'Tell Us' system, particularly for stakeholders in its upstream supply chain'. [Nestle Company website, 43234: nestle.com] • Not met: Description of how they do this Score 2 <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AG suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Response timescales • Not met: How complainants will be informed Score 2 <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Public statement prohibiting retaliation • Not met: Practical measures to prevent retaliation Score 2 <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AG suppliers to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights Score 2 <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Describes how remedy has been provided: The Company publishes a report regarding the findings of the Cocoa supply chain in the Ivory Coast. Since 2014 the FLA annually conducts monitoring visits in Nestles traced cocoa supply chain in the Ivory Coast. The report summarises the progress and remaining gaps in remediation off issues found during previous assessments in 2014 and 2014. These issues include child labour remediation and lack of access to and use of personal protective equipment. This independent report has been produced as part of the companies Nestle Cocoa Plan which represents 30 percent of its total cocoa supply chain as of mid-2016. The Company presents a table of findings of FLA IEM and then a summary of Nestlé's Commitments following their findings. Child Labour was highlighted as one of the Companies 11 salient risks. [Nestle Company website, 43234: nestle.com] • Met: Says how it would remedy key sector risks Score 2 <ul style="list-style-type: none"> • Met: Changes introduced to stop repetition • Met: Approach to learning from incident to prevent future impacts • Met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts: The Company includes living wage guidelines, including paying workers a living wage being regularly reviewed and negotiated through collective bargaining with relevant trade unions where they are operating. It stated in its Responsible Sourcing Guidelines that 'workers' pay and benefits comply with minimum legal requirements or mandatory industry standards, including any applicable binding collective agreements'. It has not however explained how these practices are taken into consideration in the selection of suppliers nor how it works with suppliers to improve their living wage practices. [Nestle Company website, 43234: nestle.com] • Not met: Improving living wage practices of suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in progress made
D.1.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Avoids business model pressure on HRs (purchasing practices): The Company states: 'Nestlé does not have a formal incentivisation programme for suppliers. However, we work closely with our suppliers to help them improve their performance and implement corrective actions where needed. If suppliers refuse to comply with our audit process or fail to implement corrective action plans, we reduce our purchases from them or, in some cases, terminate our relationship'. [Nestle Company website, 43234: nestle.com] • Not met: Positive incentives to respect human rights (purchasing practices) <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
D.1.3	Mapping and disclosing the supply chain	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifies suppliers back to manufacturing sites (factories or fields): The Company states in its Nestle in Society report 'within our responsible sourcing activities, Farmer Connect is our unique sourcing programme working directly with farmers. Farmer Connect helps ensure the supply of high-quality agricultural raw materials, and provides physical traceability back to farm level. Through the programme, we engage with farmers directly to develop supply chains that meet our social, environmental and ethical requirements. Farmer Connect goes beyond responsible sourcing compliance and places an emphasis on outcomes such as increasing crop yields in a sustainable way through its SAIN programme (Sustainable Agriculture Initiative at Nestlé).' [Nestle in Society Report, 43100] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Discloses significant parts of SP and why: The Company has begun publicly disclosing suppliers in their palm oil supply chain. The Company discloses Tier 1 supplier's names, and a list of supplying mills. The Company states 'Palm oil is the most cost-competitive and versatile vegetable oil, and makes up the largest portion of global vegetable oil production. When produced responsibly, it can support millions of livelihoods globally and reduce pressure on forests and sensitive ecosystems. When not responsibly sourced, major environmental and social impacts occur. Nestlé is committed to using 100% responsibly sourced palm oil by 2020.' The Company states that mapping and disclosing the supply chain is an ongoing live activity. However, it is not clear if this represents the most significant (large) part of the Company's supply chain. [Palm Oil, August 2018: nestle.com]
D.1.4.b	Child labour: Age verification and corrective actions (in the supply chain)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Child Labour rules in codes or contracts: The Company does not describe a global plan but it describes an action plan to focus on commodities and countries where there is a higher risk of child labour issues. It reported: 'for our cocoa supply chain, working with the ICI, we created a CLMRS to operate in the Nestlé Cocoa Plan supply chain in Côte d'Ivoire, where we currently work with 79 cooperatives. The CLMRS covers awareness raising in local communities, data gathering about the circumstances of children in our supply chain, and providing cocoa farmers with the practical support and means to get their children back into school. It complements other aspects of the Nestlé Cocoa plan, which are designed to increase farmer productivity and income and so help them out of poverty. A further 26 cocoa co-operatives were

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>covered by our Child Labour Monitoring and Remediation System (CLMRS) in 2017, bringing the total to 95. It reports on the progress made: 'We work closely with the International Cocoa Initiative (ICI) to identify the challenges of, and solutions for, child labour.</p> <p>Our Child Labour Monitoring and Remediation System (CLMRS) grew further in Côte d'Ivoire and Ghana in 2017, and now includes 65486 farmers in 95 co-operatives. The scheme's effectiveness was highlighted in an evaluation survey showing more than half the children engaged in child labour in 2013–15 were no longer involved. In 2017, the remediation was extended in partnership with the Jacobs Foundation TRECC programme to include literacy education, bridge schools and schooling in villages with no education infrastructure. 2017 saw the publication of our first Tackling Child Labour report. It details the work we are doing with the ICI to identify the causes of child labour and implement solutions, and marks a major step forward in our efforts to deal with the challenge.' [Nestle in Society Report, 43100 & Nestle Company website, 43234: nestle.com]</p> <ul style="list-style-type: none"> • Met: How working with suppliers on child labour: See above. <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met • Met: Analysis of trends in progress made
D.1.5.b	Forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Debt and fees rules in codes or contracts • Not met: How working with suppliers on debt & fees <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.5.d	Forced labour: Restrictions on workers (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Free movement rules in codes or contracts: Its forced labour policy, in the supplier code, includes the prohibition to retain 'employees' identification, passports, work permits or deposits as a condition of employment'. It has also indicated 'workers shall be free to leave work or terminate their employment upon reasonable notice'. However, this is not sufficient to be awarded this indicator. [Nestle Supplier Code, 41639 & Nestle Company website, 43234: nestle.com] <ul style="list-style-type: none"> • Met: How working with suppliers on free movement: The Company has also indicated that: 'Forced labour, safety and other social issues also occur in palm oil production, and there are further labour concerns in the fish and seafood supply chain. We are fully committed to ensuring that our products are not associated with forced labour through our mandatory Nestlé Supplier Code and RSG, which requires all of our suppliers to respect human rights and to comply with all applicable labour laws. In the case of fish and seafood, we are, for example, engaging with our suppliers in Thailand to identify any potential unlawful labour practices and pursue appropriate actions to eliminate such practices from our supply chain, as well as working alongside the Thai Government and the ILO'. The Company states in the supplier code - 'Acknowledgement of the Code is a pre requisite in every Nestlé contract for supply. Through the acceptance of the Purchase Order, making reference to the Code, the Supplier commits that all its operations are subject to the provisions contained in this Code.' The Company also states ', Nestlé reserves the right to verify compliance with the Code through internal or external assessment mechanisms.' The Company provided analysis of progress made on broader human rights issues. <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met • Not met: Analysis of trends in progress made: An analysis of progress on the freedom of movement in its contractual arrangement with suppliers has not been identified.
D.1.6.b	Freedom of association and collective bargaining (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: FoA & CB rules in codes or contracts • Not met: How working with suppliers on FoA and CB <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in progress made

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Sets out clear Health and Safety requirements: The Company states 'aligned with the framework, our Safety and Health Roadmap sets out our strategic vision for safety and health performance until 2018. It focuses on four strategic priorities: Our passion for nutrition, health and wellness; Key risks managed; Everyone engaged; and Management processes. [Nestle in Society Report, 43100] • Met: Injury Rate disclosures: The recordable injury rate in 2017 is 1.97 per million hours worked. [Nestle in Society Report, 43100] • Not met: Lost days or near miss disclosures • Met: Fatalities disclosure: In 2017 the Company had two fatalities among employees. Both cases were driving incidents. [Nestle in Society Report, 43100] <p>Score 2</p> <ul style="list-style-type: none"> • Met: How working with suppliers on H&S: In relation to suppliers the Company states ' We operate a Group standard on contractor management. This outlines our expectations for each site to implement a process for selecting contractors, planning work activities and ensuring safe execution. The standard is supported by a tool for categorising contracts and determining the level of oversight required to reduce the risk of incidents. Project management on all capital projects has been improved to ensure a greater focus on safety and health. We have also enhanced our safety and health training for project managers and engineers.' [Nestle in Society Report, 43100] • Not met: Provide analysis of trends in progress made
D.1.8.b	Land rights: Land acquisition (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Rules on land & owners in codes or contracts: The Company expects suppliers to demonstrate legal entitlement to land ownership and adds: 'Land rights, including legal title and customary land, of local communities are respected' and 'Agricultural and forestry developments and activities on local peoples' land are subject to the free, prior and informed consent of the affected local communities, including indigenous peoples'. Details are outlined in the Nestlé Commitment on Land & Land Rights in Agricultural Supply Chains and its Responsible Sourcing Guideline. [Nestle Company website, 43234: nestle.com] • Not met: How working with suppliers on land issues: The Company has not indicated in its guideline that it expects the suppliers to have a process to identify legitimate tenure rights holders nor whether or how this is taken into account in the selection of suppliers. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in the progress made
D.1.9.b	Water and sanitation (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Rules on water stewardship in codes or contracts: The Company has explained in its Responsible Sourcing Guidelines how it works with suppliers to improve their practices through its Sustainable Agriculture Initiative at Nestlé (SAIN) which enables Nestlé to 'address key challenges in water management and irrigation, such as resilience to drought and flooding; wastewater and organic waste treatment; and farm intensification techniques. Through SAIN, we hold regional workshops for farmers and share best practice through field projects and public-private partnerships(...). Our initial objective, to be achieved by 2015, was to define and start to implement action plans to save water in our upstream supply chains for coffee, sugar, rice and cereals, and our work in this area has been extended into 2020. Focus is given to high-priority locations, which are selected based on a range of water-related issues such as exposure to scarcity, floods and competition with other users'. It also provides practical examples. [Nestle Company website, 43234: nestle.com] • Met: How working with suppliers on water stewardship issues <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.1.10.b	Women's rights (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Women's rights in codes or contracts

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: How working with suppliers on women's rights: The Company has put in place some initiatives related to Women's empowerment in the supply chain but its guidelines to suppliers do not include equal pay for equal work or measures to ensure equal opportunities throughout all levels of employment and to eliminate health and safety concerns that are particularly prevalent among women workers. Among others, some initiatives related to gender awareness training in the Cocoa supply chain include 'inclusion of women in coop management and decision making' and discussion on giving land to women as well as including women in child labour monitoring and remediation systems. [Nestle in Society Report, 43100 & Nestle Company website, 43234: nestle.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> • Area: Health and Safety • Headline: Fire leads to death of 35 workers at Nestlé packaging supplier in Bangladesh, triggering renewed concerns over working conditions • Sources: reuters.com financialexpress.com Bangladesh supplier factory fire - Nestlé - 14/09/2016 Forty-one industrial sectors exposed to fire hazards - The Financial Express - 16/09/2016 Death toll rises in Bangladesh factory fire - World Socialist Web Site - 16/09/2016; Bangladesh factory owner sued as death toll rises - DW - 12/09/2016; Bangladesh: Government and brands share factory deaths blame - TUC - 17/09/2016; Death toll rises in Bangladesh fire at factory supplying packaging to consumer multinationals - IUF - 19/09/2016; "Bangladesh: Fire at a food & cigarette packaging factory leaves 31 dead, 50 injured" - Business Human Rights Resource Centre - September 2016 • Allegation: On September 10, 2016, 35 workers were killed and more than 50 others injured when a factory in the Tongi industrial zone in Bangladesh belonging to Tampaco Foils Limited collapsed following an explosion. Tampaco Foils Limited is a packaging supplier of Nabisco Biscuit & Bread, a unit of Mondelez International. <p>Officials suspect a gas leak and a boiler eruption caused the fire. Fire crews were reportedly unable enter the building as there were chemical containers and oil drums on various floors. The factory owner, a former member of parliament, claimed it was "fully compliant" with safety standards. However, police later said the factory owner and seven other top managers went into hiding as the death toll rose, Reuters reported. The factory's clients also include British American Tobacco and Nestlé.</p> <p>The global union confederation ITUC reported the Bangladesh government as saying global brands doing business with the factory shared responsibility for the deaths. Reuters quoted a government secretary with the ministry of labour and employment as saying that after checking the factory's design, it seemed that it was a one floor building to which floors were added later, similar to Rana Plaza. The father of one of the victims reportedly filed a lawsuit against the building's owner.</p>
E(1).1	The Company has responded publicly to the allegation	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response available <p>Score 2</p> <ul style="list-style-type: none"> • Met: Response goes into detail: The Company reports in a detailed way on its position to the case. On September 14, 2016, Nestlé expressed its sadness over the events. Nestlé also stated that an audit of the Tampaco factory by its partner SGS had taken place in 2011, which found a number of deficiencies. At that time, all of the findings relating to health and safety were rectified by the time of a follow up inspection in December 2012.
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised • Met: Policies apply to the type of business relationships involved <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The Company's supplier code also expects its suppliers to commit to respecting all four core ILO standard as well as the health and safety of their workers and to convey the same expectations to their suppliers.

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders • Not met: Encourages linked business to engage affected stakeholders • Not met: Provides remedies to affected stakeholders • Not met: Has improved systems and engaged affected stakeholders <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Not met: Has improved systems and engaged affected stakeholders
E(2).0	Serious allegation No 2		<ul style="list-style-type: none"> • Area: Child labour • Headline: Child slaves from Ivory Coast appeal dismissal of the child labour charges against Nestle • Sources: U.S. Supreme Court gives boost to child slave labor case against Nestle - Reuters - 13/01/16 - reuters.com The Guardian, 01/02/2016 - theguardian.com Business and human rights resource center - business-humanrights.org • Allegation: Nestlé (along with ADM and Cargill) is a defendant in a lawsuit alleging it sourced cocoa from suppliers in Cote d'Ivoire despite being aware of child labour and human trafficking concerns. Plaintiffs, alleged former child slaves from Mali, claimed that they were held captive, beaten and forced to work long hours with no pay. They slept on the floor in locked rooms and were given only food scraps, those caught trying to escape were severely beaten or forced to drink urine, according to the complaint. The case has split appeals courts but continues to make its way through the system. In June 2018, a three-judge Ninth Circuit panel agreed the claim could be pursued. <p>The lawsuit was launched in 2005 by two human rights organizations, Global Exchange and the International Labour Rights Fund. In September 2010, the court dismissed the case finding that it could not be brought under the Alien Tort Claims Act. The plaintiffs appealed the dismissal and in December 2013 a federal appeals court overturned that ruling, allowing the plaintiffs to refile the lawsuit. In September 2014, the federal appeals court replaced its December 2013 opinion with an expanded one reversing and vacating the lower court's dismissal of the case. The new opinion sets out expanded reasoning for allowing the plaintiffs to amend their complaint to show the connection their claims have to the US (addressing the US Supreme Court's holding in Kiobel v. Shell). The court found that the plaintiffs had standing to bring an Alien Tort case because of the universal prohibition against slavery.</p> <p>In October 2015, ADM sold its cocoa business to Olam International.</p> <p>On January 12, 2016, the US Supreme Court refused to dismiss the charges against the companies. On March 10 2017 a Los Angeles federal judge dismissed the claim. The plaintiffs appeal has been upheld.</p> <p>An independent investigation by the Fair Labor Association released in June 2012, mapped Nestles cocoa supply chain from its headquarters to the farms in Ivory Coast and identified numerous violations of its labour code, especially with regard to child labour.</p>
E(2).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response available: With regards to the lawsuit, the spokesperson claimed that "the issue cannot be properly addressed through lawsuits such as the one just filed in California". <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(2).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised • Met: Policies apply to the type of business relationships involved <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The Company's business principles cover all four core ILO standards. The Company's supplier code also expects its suppliers to commit to respecting all four core ILO standard as well as the health and safety of their workers and to convey the same expectations to their suppliers.
E(2).3	The Company has taken	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders


Indicator Code	Indicator name	Score (out of 2)	Explanation
	appropriate action		<ul style="list-style-type: none"> • Not met: Encourages linked business to engage affected stakeholders • Not met: Provides remedies to affected stakeholders • Met: Has reviewed management systems to prevent recurrence: In 2013, Nestlé partnered with the Fair Labour Association (FLA) to investigate and report about the incidence of child labour in the supply chain, particularly in Ivory Coast, and to find solutions in order to tackle the problem. The Company's measures include building new schools, training farmers and providing 12 million higher-yielding disease-resistant cocoa plants by 2020. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Met: Has improved systems and engaged affected stakeholders
E(3).0	Serious allegation No 3		<ul style="list-style-type: none"> • Area: Child and forced labour • Headline: Nestlé faces social allegations over its palm oil sourcing in Indonesia • Sources: Amnesty International Slams Colgate, Nestlé and Unilever For Palm Oil Supply Chain Abuses" - Forbes - 30/11/2016 - forbes.com amnesty.org Amnesty International report, 'The Great Palm Oil Scandal', 2016 - amnesty.org.uk Huile de palme. De grandes marques mondiales tirent profit du travail des enfants et du travail forcé" - Amnesty International - 30/11/2016 Firms such as Kellogg's, Unilever and Nestlé 'use child-labour palm oil" - The Guardian - 30/11/2016 amnesty.org • Allegation: On November 30th 2016, Amnesty International published a report in which it accused major clients of palm-oil producer Wilmar, including Nestlé (as well as Unilever, Kellogg's, Reckitt Benckiser and Colgate-Palmolive) of human rights violations in its supply chain processes in Indonesia. These companies are alleged to have been complicit in the use of child labour and forced labour, with workers subjected to poor working conditions. They are also accused of contributing to deforestation and the extinction of rare species in Indonesia, endangering workers' health through exposure to dangerous chemical herbicides and failing to provide safety equipment. In addition, labourers allegedly work for around 10 to 11 hours a day without adequate pay, while children allegedly work from the age of eight. Amnesty vowed to conduct a campaign to ask if the companies' products are issued from Wilmar activities in Indonesia. <p>In March 2017, Amnesty repeated its accusations claiming the situation had not been resolved and alleging that Wilmar was continuing to intimidate workers to prevent them from speaking out.</p>
E(3).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response available: Nestle responded to Amnesty's report in a letter to the organisation which was published by AI. In that letter the company details its policy but does not specifically responds to the allegations. Wilmar responded to the Amnesty International report and it is publicly visible as annex to the report. It has acknowledged the issue stating "we recognize that these issues, including the ones raised in your letters, are systemic challenges shared by the industry". Regarding child labour, it refers to the issue in general in Indonesia. In its second letter to Amnesty, Wilmar reports on having started an investigation into the allegations in question. It has not responded on the issue of overtime in its response to Amnesty International. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(3).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised • Met: Policies apply to the type of business relationships involved <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The Company's business principles cover all four core ILO standards. The Company's supplier code also expects its suppliers to commit to respecting all four core ILO standard as well as the health and safety of their workers and to convey the same expectations to their suppliers.
E(3).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders • Not met: Encourages linked business to engage affected stakeholders • Not met: Provides remedies to affected stakeholders • Met: Has reviewed management systems to prevent recurrence: In its response to Amnesty International, Wilmar has indicated that 'in addition to the supplier compliance work and ART programme with our collaborative partner The Forest

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Trust (TFT), as well as the supply chain surveillance work by an international NGO partner on more than 40 palm oil companies at plantation, mill or group level, our grievance procedure is the other platform used to identify, address and monitor potential supply chain non-compliance'. In addition to Willmar, Nestle described its own actions to prevent recurrence - this includes improving traceability of all palm oil and raising awareness among suppliers regarding labour rights. They also working with the Forest Trust to assess behaviours and find remedy. Score 2 <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Met: Has improved systems and engaged affected stakeholders
E(4).0	Serious allegation No 4		<ul style="list-style-type: none"> • Area: Forced labour • Headline: Nestlé's palm oil supplier, FGV, under investigation for alleged human rights violations in Malaysia and Indonesia. • Sources: Business and Human Rights Resource Center - business-humanrights.org Finwatch, 28/07/2015 - finnwatch.org wsj.com • Allegation: On July 27th, 2015, The Wall Street Journal reported on human rights and labour abuses in a palm oil plantation belonging to Felde Global Venture's (FGV) in Malaysia. Buyers from FGV reportedly include Cargill, Procter & Gamble, and Nestlé. A coalition of civil society groups subsequently called upon the Roundtable for Sustainable Palm Oil (RSPO) to investigate the allegations of human trafficking, forced labour and withholding of wages of employees. <p>FGV denies the allegations of human rights abuses on its plantations and claims that the Wall Street Journal only considered the parts of its plantation that are in the process of certification under the RSPO guidelines.</p>
E(4).1	The Company has responded publicly to the allegation	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Public response available: Nestlé said it was unaware of conditions at Felde's plantations but was refocusing resources to "ensure that our responsible sourcing requirements are met" in Malaysia. the supplier, Felde Global Venture, has responded publicly to the allegations raised by the Wall Street Journal. It denied any wrongdoing and asked for the Journal to share details of the individuals and locations in order to investigate. Score 2 <ul style="list-style-type: none"> • Not met: Response goes into detail
E(4).2	The Company has appropriate policies in place	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Company policies address the general issues raised • Met: Policies apply to the type of business relationships involved Score 2 <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: Nestle has a policy on forced labour.
E(4).3	The Company has taken appropriate action	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders • Not met: Encourages linked business to engage affected stakeholders • Not met: Provides remedies to affected stakeholders • Met: Has reviewed management systems to prevent recurrence: In its response, Felde Global Venture stated that: 'Our estate management team monitors the treatment of all workers employed by third-party agents servicing our plantations. The compensation of workers is directly supervised and monitored by estate management team. Contractors found in violation of any regulations will risk losing their contracts with FGV. Governance: Internal audits are also conducted to ensure no such violations occur by way of stakeholder feedback and regular management meetings where workers' representatives are present. This is also confirmed through certification audit by RSPO appointed auditors and verified annually by the surveillance audit. We appreciate the Wall Street Journal raising instances that may have fallen through the cracks, and we welcome a meeting with Wall Street Journal and the relevant workers affected to better understand the situation, strengthen our processes, and ensure that all FGV employees are accorded the same rights and protection under the law. We have proven our commitment to reducing our dependence on contractors: we reduced dependency on labour contractors from 60% in 2008 to 15% in 2014. We are also reviewing our processes in order to ensure full compliance with the law and FGV's standards by all parties involved. As a founding member of the RSPO, we reiterate our long-term commitment to environmental and economic sustainability, and the fair and equitable treatment of our employees – responsibilities we take very seriously'.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Met: Has improved systems and engaged affected stakeholders
E(5).0	Serious allegation No 5		<ul style="list-style-type: none"> • Area: Right to livelihood/Access to water • Headline: Nestlé accused of extracting excessive amounts of water for the production of bottled water in the community of Bhati Dilwan, Pakistan • Sources: Dead in the water" - FIVAS The Association of International Water Studies - 2014/2015 - fivas.org • Allegation: Nestlé is accused of contributing to the deterioration of water resources in parts of the Sheikhpura region of Pakistan undrinkable through extracting excessive amounts of water for use at its own bottled water facility. <p>The production facility is located in Bhati Dilwan in the Sheikhpura region where the access to safe and sufficient water is frequently inadequate. The groundwater level has fallen significantly and water quality has deteriorated, creating a health risk. According to locals, communities situated close to the Bhati Dilwan production facility have to pay more to be able to pump water for their own use. The local community depends on the water for survival and livelihoods. Maude Barlow, a former senior UN adviser, argued against Nestlé's conduct in Bhati Dilwan: "When a company like Nestlé comes along and says, Pure Life is the answer, we're selling you your own groundwater while nothing comes out of your faucets anymore or if it does it's undrinkable –that's more than irresponsible, that's practically a criminal act".</p>
E(5).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response available: Nestlé has denied being responsible for the drop in the groundwater level around the village of Bhati Dilwan. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(5).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised • Met: Policies apply to the type of business relationships involved <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: Nestle states in its business principles that it is 'committed to the sustainable use of water and continuous improvement in water management' and, in 'Nestlé in Society 2015', it states that 'Nestlé supports the human right to water and is committed to assisting with the provision of clean water and improved sanitation to priority communities where we source agricultural commodities'. It added 'as a member of the (...) UNGC's CEO Water Mandate, we have committed to respect the human right to water and sanitation. In addition to our own public commitments, in 2013, Nestlé signed the World Business Council for Sustainable Development (WBCSD) WASH Pledge, which commits companies to providing access to safe water, sanitation and hygiene at all workplace premises in our direct control within three years'.
E(5).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Denies allegations, but has engaged affected stakeholders • Met: Denies allegations, but reviewed systems to prevent such impacts <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Denies allegations, but implements review recommendations
E(6).0	Serious allegation No 6		<ul style="list-style-type: none"> • Area: Forced labour • Headline: US court dismisses first lawsuit against Nestlé over forced and child labour allegations at supplier for cat food in Thailand; appeal filed. • Sources: business-humanrights.org and theguardian.com and theguardian.com and legalnewsline.com • Allegation: Nestle has admitted to forced labour in its seafood supply chain in Thailand. The admission followed allegations made initially in a Guardian report in 2014. The report prompted a lawsuit in a Los Angeles federal court in which four consumers filed a case against Nestle for failing to disclose to consumers that cat food it was producing contained farmed shrimp from Thailand where slave labour and human trafficking were widespread in the fishing industry. The plaintiffs sought to represent all California buyers of Fancy Feast. The court sided with Nestle saying that by disclosing its efforts to eradicate slavery and human trafficking in its supply chain, it complied with the law. The plaintiffs appealed. <p>Nestlé's admission came as a result of its own investigation into the issue. It also stated following the lawsuit that 'Forced labour has no place in our supply chain.</p>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Our mandatory Nestlé Supplier Code and Responsible Sourcing Guideline (RSG) on Fish and Seafood require all of our suppliers to respect human rights and to comply with all applicable labour laws.'
E(6).1	The Company has responded publicly to the allegation	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: Public response available Score 2 • Met: Response goes into detail: Following the allegation of slave labour, Nestle has published its own investigation on the issue and admitted to forced labour in its seafood supply chain in Thailand. It also launched a detailed year-long solution strategy throughout 2016 as part of efforts to protect workers
E(6).2	The Company has appropriate policies in place	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: Company policies address the general issues raised • Met: Policies apply to the type of business relationships involved Score 2 • Met: Policies address the specific rights in question: The company has a prohibition of forced labour throughout its operation and its suppliers and identified forced labour as one of its priorities
E(6).3	The Company has taken appropriate action	0.5	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Engages with affected stakeholders • Not met: Encourages linked business to engage affected stakeholders • Not met: Provides remedies to affected stakeholders • Met: Has reviewed management systems to prevent recurrence: It has promised to impose new requirements on all potential suppliers and train boat owners and captains about human rights, possibly with a demonstration vessel and rewards for altering their practices. It also plans to bring in outside auditors and assign a high-level Nestlé manager to make sure change is under way. • Not met: Denies allegations, but has engaged affected stakeholders Score 2 • Not met: Remedies are satisfactory to the victims • Met: Has improved systems and engaged affected stakeholders

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	2.48 out of 4	Out of a total of 42 indicators assessed under sections A-D of the benchmark, Nestle made data public that met one or more elements of the methodology in 26 cases, leading to a disclosure score of 2.48 out of 4 points.
F.2	Recognised Reporting Initiatives	0 out of 2 	The individual elements of the assessment are met or not as follows: Score 2 • Not met: Company reports on GRI • Not met: Company reports on SASB • Not met: Company reports on UNGPRF
F.3	Key, High Quality Disclosures	1.5 out of 4	Nestle met 3 of the 8 thresholds listed below and therefore gets 1.5 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples • Not met: Score 2 for A.2.2 : Board discussions • Met: Score 2 for B.1.6 : Monitoring and corrective actions • Met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2018 Key Findings report for more details of the research process.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.