



Good Food, Good Life

"Dirty Profits 4: Report on Companies and Financial Institutions Benefitting from Violations of Human Rights," (see pages 32-33, 51, 71, 75, 79), Facing Finance, 16 Feb 2016, [http://www.facing-finance.org/files/2016/02/ff\\_dp4\\_EN\\_WEB.pdf](http://www.facing-finance.org/files/2016/02/ff_dp4_EN_WEB.pdf)

**Nestlé response:**

We have a fully-fledged [human rights due diligence programme](#) in place that is aligned with the UN Guiding Principles on Business and Human Rights. This programme helps us assess and address labour and human rights issues – including those raised in the latest report of Facing Finance – across our value chain in an ongoing manner. Other issues raised in this report are addressed through our policies, procedures and commitments to [product safety and quality](#), [water stewardship](#) and [environmental sustainability](#).

Forced labour and other human rights abuses have no place in our supply chain. We are committed to eliminating them in the seafood supply chain in Thailand, working alongside others. 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.

Nestlé's NGO partner Verité spent three months in 2015 collecting information from fishing vessels, ports, mills and farms to identify where and why forced labour and human rights abuses may be taking place in Thailand. Using the [recommendations provided](#), we published an [action plan](#) in late 2015 for preventing unacceptable practices. We also made Verité's key findings publically available to help wider efforts to stop abuses from taking place.

We have made [significant progress in implementing our action plan](#), alongside Verité, suppliers and in partnership with the Government of Thailand. This includes establishing traceability for 99% of our seafood supplied from Thailand, a vital step towards verifying employment, living and working conditions on the vessels used in our supply chain. Progress has also been made in providing training for boat workers, establishing a grievance mechanism for reporting abuses and in funding a demonstration boat for training and sharing best practice among boat owners, captains and workers.

We will continue to provide updates on both our achievements and the challenges in implementing our plan.

Alongside this, Nestlé is participating in an International Labour Organisation (ILO) Working Group to identify further ways of improving general labour conditions in Thailand's seafood industry. This group has developed training guidelines for factories, primary processors and fish farms to help end unfair practices, and tools to support the inspection of fishing vessels to identify where forced and child labour is taking place.

In addition, we have recently joined the Shrimp Sustainable Supply Chain Task Force (SSSCTF), an international industry alliance including retailers, manufacturers, governments and NGOs. It is tasked with ensuring Thailand's seafood supply chain is free from illegal and forced labour through accountability, verification and transparency.

We are firmly opposed to all forms of child exploitation. Our Nestlé Supplier Code and [Nestlé Corporate Business Principles](#) explicitly cover child labour and we are taking action to progressively eliminate it by assessing individual cases and tackling the root causes.

These efforts are part of the [Nestlé Cocoa Plan](#), which aims to improve the lives of cocoa farming communities and the quality of the cocoa we purchase. In 2014, we set up our [Child Labour Remediation and Monitoring System \(CLMRS\)](#) in Côte d'Ivoire. This comprehensive mechanism is helping us and our partners, including the Fair Labour Association (FLA) to identify children at risk in each cocoa community and the specific conditions that put them at risk. We then, together with our partners, work with individual households and the community to raise awareness, address and prevent the problem. In 2015, the CLMRS was extended to a further 18 co-operatives, taking the total to 40, and will cover all 79 Nestlé Cocoa Plan co-operatives by 2016.

To the best of our knowledge, we are the first cocoa purchaser to set up such a system to tackle child labour. Creating opportunities for children in cocoa growing communities to attend school is one of the ways known to help reduce the incidence of child labour. To date, Nestlé has built and refurbished 42 schools in communities most at need. These efforts, which have benefitted more than 11,000 children so far, are part of our ongoing long-term commitment to tackle this issue. We are also working to increase monitoring and accountability throughout the various tiers of our supply chain. We provide annual updates on our progress in the Nestlé in Society report and on our Nestlé Cocoa Plan website.

We are determined to eradicate the problem of child labour in our supply chain and we have made this a priority for our company. We also recognise that the elimination of child labour is a shared responsibility and that we are not able to address its root causes alone. However, through the CLMRS, we are able to better understand the extent of the problem and are better positioned to work with the government, NGOs, international organisations, other businesses, suppliers and the farmer communities themselves to make sustained progress in tackling this serious and complex issue.

As a company which sources a significant amount of palm oil from Malaysia, we are concerned by serious allegations of labour abuses at plantations.

Nestlé does not source from the region named in recent reports, and neither do we purchase palm oil from Felda Global Ventures, the company at the centre of the allegations. However, we do have commercial relationships with suppliers which also operate in these areas and, as such, are closely monitoring the situation. We welcome commitments from Felda to act on the findings of an independent investigation into the allegations, carried out by Accreditation Services International (ASI) on behalf of the Roundtable on Sustainable Palm Oil (RSPO). Nestlé supports efforts to improve transparency in the palm oil supply chain, and we have worked with

organisations including The Forest Trust to monitor and assess our suppliers regarding labour and environmental issues. We will continue to work proactively with our partners to improve practices in the palm oil industry.

Regarding the reference to Maggi noodles in India. The trust of our consumers and the safety of our products are our first priorities across all the markets in which we operate. In India, we have built a reputation for consistently delivering products that meet the highest quality and safety standards for the 103 years we have been in the country and the 33 years we have been producing Maggi Noodles.

Nestlé India has always maintained that Maggi Noodles are safe for consumption. Unfortunately, and in order to avoid consumer confusion, Nestlé India decided to stop selling Maggi noodles in the country. This withdrawal was also carried out to comply with the recall order made by the Food Safety and Standards Authority of India (FSSAI). We submitted samples of Maggi Noodles from more than 800 product batches to an external laboratory for independent analysis for lead. We also tested samples from more than 1,850 batches at our own accredited laboratory. All the results of these internal and external tests showed that lead levels were well within the limits specified by food safety regulations and that Maggi Noodles are safe to eat. Nestlé shared these results with the authorities and [the results are also available on our website for consumers](#).

On 9 November 2015, Maggi Noodles Masala was re-launched and ever since, the market has been working to reintroduce the full range of product variants on the market. We appreciate the positive consumer response to the return of Maggi Noodles to the market and are working to promptly reintroduce all of its variants. We remain fully committed to working with the authorities to resolve the situation and uphold high quality standards in India.

Consumers choose to buy bottled water because it provides convenient, healthy, no-calorie hydration. We support consumer choice and encourage the consumption of water, whether bottled or from the tap, as part of a healthy lifestyle. Bottled water does not compete with tap water as the major source of drinking water for any population. It is also an important source of drinking water when tap water infrastructure is temporarily unavailable, such as in the wake of natural disasters. Bottled water also leads other packaged beverage products with respect to environmental performance.

Nestlé Waters is a comparatively small water user and is fully committed to responsible water management. [Nestlé's group-wide Commitment on Water Stewardship](#) guides our efforts. At each of our water bottling operations, we constantly monitor our water draws to ensure that we are not negatively impacting local watersheds and aquifers. Nestlé Waters has improved water use efficiency in its operations by 20% over the last five years and collaborates with other stakeholders to help ensure the long-term sustainability of the watersheds in which we operate.

Access to water is a basic human right. All people have the right to clean water to meet their hydration and basic hygiene needs. Guidance by the World Health Organization and the United Nations puts this at 50 to 100 litres of water per person per day. We have explicitly incorporated the recognition of and respect for the human right to water into our Nestlé Corporate Business Principles. In the Nestlé Water Stewardship Commitment, we commit to ensuring that this right is

respected through measures such as diligence processes to evaluate our potential impact on a community's right to water, as well as the long-term availability of water resources.

We are proud to be recognised as a leading company in [addressing the challenges of climate change along our entire value chain](#). We are among the two top rated companies on climate change in Oxfam's Behind the Brand Scorecard and we have retained our industry-leading position in the 'environmental dimension' of the Dow Jones Sustainability Index Series. In 2015, Nestlé received an A- leadership score by the CDP Water programme and a score of 100 out of 100 in the Climate Disclosure Leadership Index.

We know that based on the available evidence, the food and agriculture sectors will be among those most affected by climate change. We have been following the scientific data for many years and in 2001, integrated climate change into our company-wide risk management processes. Our greenhouse gas (GHG) emissions reduction and disclosure practices have been consistently recognised as being among the best in the industry as a result of our actions and forward-looking strategy for addressing climate change along the value chain of our products. We have set ourselves three new objectives to reinforce our efforts in reducing GHG emissions in our distribution operations and in our major warehouses, and using natural refrigerants in our new refrigerated trucks.

In 2015 we invested CHF 289 million in replacing synthetic refrigerants with natural alternatives in our industrial refrigeration systems. We have put our full support behind important multi-stakeholder initiatives, including the Paris Pledge for Action, a universal climate agreement at COP 21 in Paris, the American Business Act on Climate pledge as well as United Nations Global Compact's "Caring for Climate" initiative, the world's largest global coalition on climate issues. We believe meaningful progress on addressing the global challenge of climate change can only be achieved through comprehensive, multi-stakeholder efforts. We will continue to actively contribute to such efforts and the global dialogue on this important topic, while strengthening our public commitments along our value chain and driving industry efforts on climate change.