

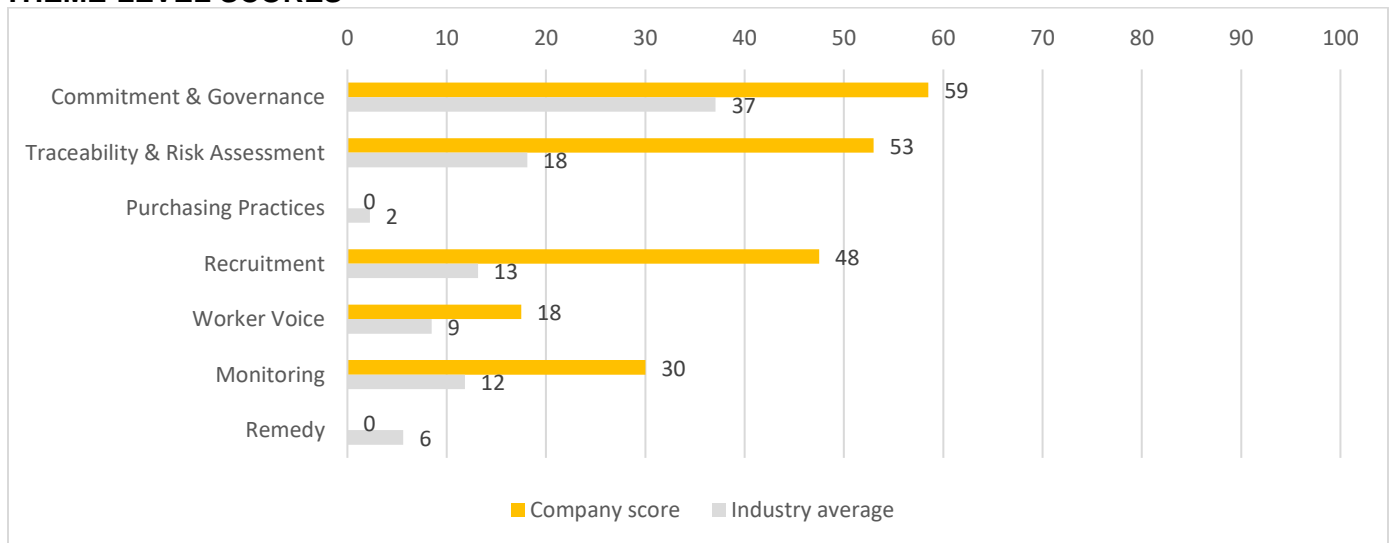
Nestlé, S.A. (Nestlé)

TICKER
NESN

MARKET CAPITALIZATION
US\$351.5 billion

HEADQUARTERS
Switzerland

DISCLOSURES
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [Yes \(Disclosure of Subsidiary\)](#)
Australia Modern Slavery Act: [Yes](#)
OVERALL RANKING
8 out of 60
[2020 Rank:](#) 3 out of 43

OVERALL SCORE
36 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
FIRST-TIER SUPPLIER LIST

Yes (Partial list, Names only)

RISK ASSESSMENT

Yes

ENGAGED WITH KNOWTHECHAIN¹ ❌ No

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS
❌ No

HIGH-RISK COMMODITIES²
❌ Coffee, cocoa, palm oil, sugarcane and others

SUMMARY

Nestlé, S.A. (Nestlé), the largest publicly held food company in the world,¹ ranks 8 out of 60 companies. Compared to 2020, the company began disclosing additional information on board oversight of its supply chain policies that address forced labour, supply chain tracing and recruitment related practices. However, the company did not improve across other themes and performed poorly on the themes of Remedy and Purchasing Practices. As such, the company's rank dropped five places. The company's score is based on stronger performance on the themes of Monitoring, Recruitment and Traceability & Risk Assessment where it discloses a strong methodology which includes stakeholder engagement and details of risks identified.

KnowTheChain identified four additional allegations of forced labor in the company's supply chains. The company states that it "rejects bad labour practices" however, neither discloses engagement with affected stakeholders, nor remedy outcomes for workers. The company is encouraged to improve its performance and disclosure on the themes of purchasing practices and remedy

LEADING PRACTICES

Responsible Recruitment: Nestlé discloses (among others) joining the Harvesting the Future project led by the **Fair Labor Association**, which provided training to "85 company and supplier representatives" on "greater adherence to responsible recruitment practices" and "increased awareness and registration of labor intermediaries" in the Turkish hazelnut supply chain. It further discloses deploying a digital tool with palm oil suppliers in Malaysia developed by Earthworm Foundation which "involves undertaking detailed reviews for every stage of a company's recruitment process and involves collecting and evaluating the recruitment experiences of foreign workers" and "support[ing] research conducted by Earthworm into recruitment practices and costs among small and medium third-party suppliers".

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider ring-fencing labour costs such that they are not impacted during pricing negotiations. The company should consider integrating responsible buying practices in its contracts with suppliers, to ensure that the responsibility for respecting human rights is shared.

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labour and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers, including with respect to specific allegations in its supply chains.

¹ Research conducted through January 2023 or through April 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

² For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 [food & beverage benchmark findings report](#).

¹ Forbes, "What's the world's largest food company," <https://www.forbes.com/sites/chloesorvino/2023/06/08/whats-the-worlds-largest-food-company/>. Accessed 06 July 2023.