



Nestlé Good food, Good life

Child and Forced Labour Statement 2023

CANADA





Nestlé Child and Forced Labour Statement 2023 – Canada

About this statement

Nestlé Canada Inc. (“Nestlé Canada”, “we” or “our”) has prepared this 2023 Supply Chains Act Statement (the “Statement”) pursuant to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”). This Statement covers the information that is required by the Act from January 1st to December 31st, 2023.

Globally, Nestlé S.A. (“Nestlé”) and its affiliates (the “Nestlé Group”) have policies and processes in place relating to modern slavery and human rights in our operations and supply chains that cover Canada. These policies are promulgated by, and on behalf of, Nestlé, which is the principal governing entity of the Nestlé Group, of which Nestlé Canada is part. Further information about Nestlé’s advancement of human rights can be found [here](#).

In addition to shared policies and processes, Nestlé Canada and other companies in the Nestlé Group have many shared suppliers due to the nature of the Nestlé Group’s procurement structure. Accordingly, while this Statement pertains to only Nestlé Canada, the information in this Statement highlights the Nestlé Group’s ongoing work to prevent and mitigate the risk of Forced Labour and Child Labour throughout its supply chains on a global basis.

The process of preparing this statement involved the participation of a wide range of internal stakeholders across the Nestlé Group. It has been approved by directors of Nestlé Canada Inc. based on Nestlé Creating Shared Value and Sustainability Report 2023.

While this Statement discusses Nestlé Canada’s supply chains as a whole, it prioritizes the sourcing of our key raw materials in Canada: Cocoa, Coffee, Palm Oil, and Dairy.

CONTENTS

Introduction	3
Our structure, operations and supply chains	4
Our approach to human rights and forced and child labour in our operations and supply chains	5
Nestlé human rights policy and framework	6
Assessing human rights risks	7
Identifying and Mitigating Risks	8
Grievance Mechanisms	9
Taking Action: Nestlé Salient Issues	10
Forced Labour and Responsible Recruitment	11
Child Labour and Access to Education	12
Responsible Sourcing	
Cocoa	13
Coffee	14
Palm Oil	15
Dairy	16
Looking Ahead	17

INTRODUCTION

Our 2023 Child and Forced Labour Statement highlights Nestlé's ongoing work to tackle these issues throughout our supply chain.

To be the Good Food, Good Life company that consumers, customers, and our supply chain partners in Canada can depend on, we recognize that respect for people and their human rights must be at the core of Nestlé's culture and values, and Corporate Business Principles. Human rights are inevitably linked to our shared future and are a key element of the just transition to regenerative food systems.

As part of a global food and beverage company with a diverse range of products, at Nestlé Canada, we directly source ingredients and packaging from suppliers both in Canada and all over the world. While some of Nestlé Canada's products may be manufactured and sourced from outside of Canada, we prioritize responsible sourcing across our supply chains to promote the highest standards of ethics and sustainability.

As part of the Nestlé Group, we are committed to upholding human rights and the well-being of the people involved in our operations. We firmly believe that children should be free from exploitation, and no person should be forced into labour against their will. As set out in [Nestlé's Corporate Business Principles](#), we assess, address and report on human rights risks in our operations and value chain, and maintain a zero tolerance position on child labour, forced labour and modern slavery. Our stakeholders depend on us and our products, and we are committed to meeting their needs while working to promote fairer treatment of the people in our value chain, including by respecting their human rights.

In 2023, the Nestlé Group also continued to embed its ambition to advance a regenerative food system at scale, while sourcing ingredients that are traceable and have been produced using methods that foster the practices detailed in our [Responsible Sourcing Standard](#) (the "Responsible Sourcing Standard"). As part of this effort, the Nestlé Group continued to map supply chains, assess human rights and environmental risks, and implement actions that contribute to creating fairer working conditions.

We understand that using the scale, experience, and the resources of the Nestlé Group to promote best practices is vital in developing the skills and capacities needed at all levels of value chain to tackle salient human rights issues. We believe that transparency and reporting will help us remain accountable on the progress we make and bring awareness to the challenges we face.

Globally, the Nestlé Group continued the roll-out of the [Human Rights Framework and Roadmap](#), and in February 2023 published action plans to specifically assess, address and report on the most salient issues we face and foster powerful collaborations on the ground.

While in the context of this report we focus on modern slavery risks and indicators in our own operations and supply chains, Nestlé's approach to human rights covers the Nestlé Group's entire value chain and goes beyond modern slavery.

This Statement was approved by the board of Nestlé Canada Inc. In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



John Carmichael
Chief Executive Officer
and President
Nestlé Canada

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Nestlé Global

The Nestlé Group's business spans a diverse range of products. The Nestlé Group has around 2,000 brands and its products are distributed and consumed in 188 countries around the world. Behind this, as the world's largest food and beverage manufacturer, the Nestlé Group employs around 270,000 people and operates 340 factories in 76 countries.

The Nestlé Group works with almost 150,000 suppliers, also known as Tier 1 suppliers, and works closely with 500,000 individual farmers worldwide. As the raw ingredients used in Nestlé Group products come from suppliers and farmers all over the world, agricultural supply chains remain the area at most risk of modern slavery. These are the primary focus of the Nestlé Group's activities to reduce risks of modern slavery.

Fourteen agricultural raw materials cover 95 per cent of the Nestlé Group's annual sourcing: palm oil, hazelnuts, sugar, coffee, cocoa, fish and seafood, dairy, pulp and paper, soya, cereals and grains, meat, poultry and eggs, vegetables, spices, and coconut. Many of the purchases for these raw materials fall under the scope of the [Sustainable Sourcing Program](#).

Nestlé in Canada

Nestlé Canada is a wholly owned subsidiary of Nestlé engaged in the manufacturing and distribution of food, beverages, and nutritional health solutions in Canada. On January 1, 2024, Nestlé Canada amalgamated with Atrium Innovations Inc. and Bountiful Canada Vitamins ULC, which were also part of the Nestlé Group. This Statement discusses Nestlé Canada's structure, activities and supply chains from January 1st to December 31st, 2023, which predates this amalgamation.

At the end of 2023, Nestlé Canada employed over 3,500 people across 2 factories, 44 offices, distribution centres and a network of retail boutiques. We also partnered with several third-party manufacturers in Canada.

At Nestlé Canada, we engage with over 1,500 suppliers, out of which 230 are direct suppliers of ingredients and packaging, referred to as Tier 1 suppliers. We conduct our sourcing from 129 sourcing sites worldwide. From those sites, 30% of our finished goods by volume are from the two Canadian Nestlé factories, 45% are from affiliated sites, 19% are with co-manufacturers, and 6% are based out of co-packaging facilities.

Nestlé Canada is guided by our commitment to responsible sourcing, and we periodically conduct audits to evaluate our domestic suppliers' compliance with the Responsible Sourcing Standards. This includes adherence to relevant local laws and regulations, as well as avoiding practices that could contribute to labour abuses.



Nestlé Canada in Numbers

73
brands in Canada

3,500
employees

2
factories

44
in total of offices, distribution centres and boutiques

230
direct suppliers



Nestlé Global in Numbers

2,000
brands worldwide

Selling products in
188
countries

270,000
employees

340
factories in
76
countries

150,000
suppliers

Our approach to human rights and **RISKS OF CHILD AND FORCED LABOUR IN OUR OPERATIONS** and supply chains

We aim to use the Nestlé Group's scale, experience, and resources to raise awareness of human rights risks, promote best practices and empower people across our operations and within our supply chains. Human rights are inevitably linked to our shared future and it's a key element of the just transition to regenerative food systems.

Risks of Child and Forced Labour in our Operations

Nestlé Canada is headquartered in Toronto, Ontario, and all of our 3,500 employees are based in Canada. We own and operate two factories located in Toronto, Ontario and London, Ontario and have 44 offices, distribution centres and a network of retail boutiques that are all located in Canada. Accordingly, our employees are based within Canada and work in professional roles, roles that assist in the day-to-day operation of the company or are part of an organized labour union.

As these areas of our operations in Canada are under our direct control, and are subject to Canadian labour and employment laws, we consider the risk of child and forced labour in our operations to be low. Nestlé's global CARE audit program is the Nestlé Group's bespoke compliance audit process. External auditors assess compliance with our Corporate Business Principles against seven pillars, including human rights conditions of work and employment, business integrity, safety and health, environmental sustainability, security, local communities, and labour accommodation. years.

Risks of Child and Forced Labour in our Supply Chain

At Nestlé Canada, we work with 230 Tier 1 suppliers who supply us with packaging and ingredients. However, as the raw ingredients used in most of our products in Canada come from suppliers and individual farmers worldwide, our agricultural supply chains remain the area most at risk of modern slavery in our supply chains. The policies and processes in place that are designed to address those risks are discussed below.

Actions Taken to Assess and Address Identified Child and Forced Labour

The Nestlé Group has been working to incorporate human rights in all aspects of its business for many years. Today, human rights elements have been mainstreamed into various policies, standards and guidelines, including those set out in this Statement.



NESTLÉ HUMAN RIGHTS POLICY AND FRAMEWORK

The Nestlé Group was an early adopter of the United Nations Guiding Principles on Business and Human Rights. The Nestlé Group's Human Rights Policy expresses our overall strategy on human rights, from principles to operational approach and governance. Nestlé's Human Rights Framework and Roadmap, highlights 10 of the most salient human rights issues that have been identified globally. This Statement focuses on two of those issues that are directly applicable: Child Labour and Access to Education and Forced Labour and Responsible Recruitment.

Our Human Rights Policy

[Nestlé's Human Rights Policy](#) expresses the Nestlé Group's overall strategy on human rights, from principles to operational approach and governance. Nestlé's Board is responsible for the global strategy, organization and oversight. Nestlé's Executive Board is responsible for the execution of the approach. It has set out clear roles and responsibilities within the Nestlé Group to facilitate the implementation of the Human Rights Framework and Roadmap, and the associated Salient Human Rights Issue Action Plans throughout the business categories and geographies. Nestlé's Human Rights Steering Committee, which is chaired by the EVP Group General Counsel of Nestlé, oversees the implementation of Nestlé's salient issue action plans and monitors the progress.

A just transition to a regenerative food system demands a multifaceted approach that prioritizes and protects people. Nestlé's Human Rights Framework is the foundation of that approach.

Our Human Rights Framework

The Nestlé Group's [Human Rights Framework](#) has two aims:

1. To strengthen the level of due diligence across the value chains; and
2. To support enabling environments for the respect and promotion of human rights.

The Nestlé Group strives to achieve the first aim by executing the dedicated salient issues action plans and leveraging Nestlé's five enablers to implement them effectively.

Nestlé globally strives to achieve the second aim by brokering global and local partnerships for more effective on-the-ground collaboration, by leveraging Nestlé's market-based network of experts, and by supporting legislation that encourages companies to assess, address and report on their potential impacts on human rights.

Our Five Enablers

Respecting and advancing human rights must be carefully integrated into the way businesses operate. To enhance the Nestlé Group's due diligence approach, Nestlé has identified five key enablers that are crucial to helping the Nestlé Group address the most serious human rights issues it faces.

Enabler 1: Governance and Incentives

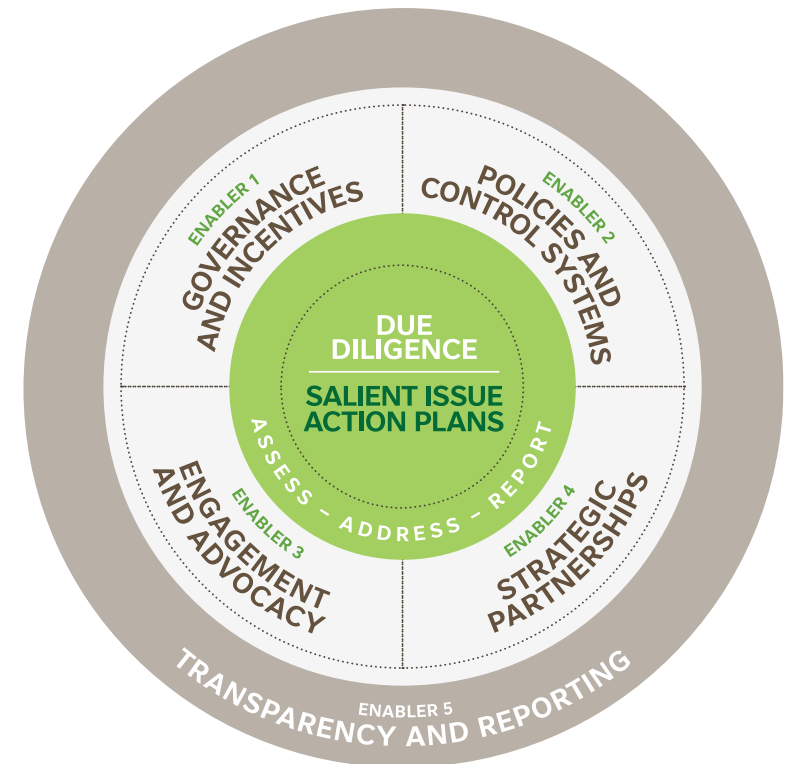
Integrating human rights at all levels of our governance structure.

Enabler 2: Policies and Control Systems

Leveraging our policies and control systems to ensure human rights are embedded throughout the organisation.

Enabler 3: Engagement and Advocacy

Engaging with key stakeholders and advocate for smart due diligence legislation and collective action on the ground.



Enabler 4: Strategic Partnerships

Partnering with thought-leading and boots-on-the-ground organisations.

Enabler 5: Transparency and Reporting

Providing a high level of transparency about the Nestlé Group's progress and challenges.

ASSESSING HUMAN RIGHTS RISKS

Who our Work Protects

As part of the Nestlé Group, we are committed to respecting and promoting human rights in our operations and supply chains, taking action to protect rights holders and to achieve long-term systemic change. When we talk about human rights at Nestlé Canada, we are talking about the global efforts directed at supporting:

- Farmers in our supply chains and their families;
- Workers in our supply chains, including at farm level;
- Communities in and around our operations and supply chains, including women and children;
- Our employees and on-site contractors; and
- Consumers.

Assessing Human Rights Risks

Nestlé's human rights impact assessments have been instrumental in helping understand the environment it works in. The human rights impact assessments explore the on-the-ground reality of the Nestlé Group's operations and supply chains and have helped develop targeted, effective procedures and programmes that contributed to positive impacts for people and communities on the ground.

Contribution to the Sustainable Development Goals

We are committed to respecting and advancing human rights in our operations and supply chains and to supporting the UN Sustainable Development Goals (SDGs). The Nestlé Group has mapped each of the salient human rights issues action plans to the SDGs. The actions are intended to contribute to:



IDENTIFYING AND MITIGATING RISKS

Identifying Risks and Assessing Effectiveness

The Sustainable Sourcing Program provides the Nestlé Group with data sets that include raw material specific risks, desk-based risk assessments, information from and consultations with rights holders or credible representatives, and grievance information. At the parent level, Nestlé uses this data to refine the list of priority countries for specific raw materials or business activities and to inform decisions about how and why to engage with sectoral actions, whether at global, country, or regional levels.

The Responsible Sourcing Standard includes requirements related to forced labour and responsible recruitment, such as not charging fees or costs to workers for a job. At Nestlé Canada, we evaluate alignment to and compliance of our direct suppliers with the Nestlé Responsible Sourcing Standard through different methods at different tiers of our supply chains. These can include self-declaration, desk-based assessments and second- or third-party site audits or assessments. The tools used to assess compliance depend on the supply chain tier and the level of risk, with some of the due diligence being conducted by Nestlé on our behalf. Nestlé is also working to improve the suppliers' Human Rights and Environmental Due Diligence ("HREDD") systems. This includes integrating HREDD in supplier contracts and developing a tool to assess suppliers' HREDD maturity, with the objective of helping them improve.

The prevention and mitigation of actual or potential human rights risks and adverse impacts in our upstream supply chain starts with understanding the nature and scale of risks. Because the Nestlé Group's approach to human rights due diligence is risk-based, the measures taken to help address these risks are prioritized and intended to be commensurate with the severity of the impacts on people.

Nestlé's risk assessment approach comprises four interrelated lenses, each currently at varying levels of maturity:

- **Countries in a global context:** The Nestlé responsible sourcing team uses global data sets such as Verisk Maplecroft and insights from stakeholders on specific raw materials. Insights are used to select which countries to assess, which suppliers and raw materials to engage on and how to support local teams, including Nestlé Canada.
- **Country or specific locations:** Nestlé uses data sets, deskbased risk assessments, grievance reports, information from rights holders and insights from the Responsible Sourcing Program. These data are used to guide actions at national, regional, landscape or site levels.
- **Raw materials or business activities:** Nestlé uses data sets, desk-based risk assessments, grievance reports, information from rights holders and insights from our Responsible Sourcing Program. It then uses this to prioritize countries and to decide on engagements at a sectoral level, and whether engagements should be global, national, or regional.
- **Individual suppliers:** Nestlé combines information about the maturity level of our suppliers' HREDD management systems, and site assessment and grievance information. This enables them to prioritize suppliers for engagement or support.

In Canada, our policy and general practice is to conduct Sustainable Sourcing Audits of suppliers above a certain specified spending threshold, using auditing companies such as SMETA or Ecovadis. All suppliers in Canada are expected to comply with our mandatory "Know Your Supplier Program" which is outlined in our contracts. This program assesses suppliers for international sanctions lists, fraud/regulatory issues, terrorism and money laundering, and financial stress. During the onboarding process of suppliers, our general practice is to share the Nestlé Responsible Sourcing Standard and Nestlé Corporate Principles with our suppliers, along with other required documents.

CARE AUDIT PROGRAM

[Nestlé's Global CARE Audit Program](#) is the Nestlé Group's bespoke compliance audit process. It aims to verify that employees and sites operated by the Nestlé Group comply with local legislation, the Corporate Business Principles, and the [Code of Business Conduct](#). External auditors assess compliance with our Corporate Business Principles against seven pillars, including human rights conditions of work and employment, business integrity, safety and health, environmental sustainability, security, local communities, and labour accommodation. The program relies on an independent external audit network. In line with the Nestlé Corporate Business Principles, everyone in the organization is encouraged to speak openly on any matter. They can do this through various teams, including line managers, human resources, and compliance teams.

All Canadian sites are audited on a three-year cycle, with the last cycle being 2021-2023 – achieving 100% site completion and zero open gaps.



GREIVANCE MECHANISMS

Providing rights holders with access to effective grievance mechanisms is a crucial way of monitoring human rights risks on an ongoing basis and assessing the effectiveness of our actions. The mechanisms provide insights into our due diligence processes and enable us to assist workers and other rights holders.

Understanding Nestlé's Speak Up Program

A global helpline provides both Nestlé Group employees and external stakeholders with the opportunity to raise non-compliance concerns. Speak Up is an accessible grievance mechanism tool to capture complaints and feedback from employees and any external stakeholders. It helps enable a compliance culture and daily adherence to the values of our Corporate Business Principles. Every allegation reported through Speak Up is professionally and confidentially handled.





TAKING ACTION: NESTLÉ'S SALIENT ISSUES

Salient issues are the human rights Nestlé has identified as at risk of the most severe negative impact through the Nestlé Group's activities or business relationships ("Salient Issues").

Understanding Nestlé's Salient Issues Action Plans

In February 2023, Nestlé developed its Salient Issue Action Plan: Child labour and Access to Education and Nestlé's Salient Issue Action Plan: Forced Labour and Responsible Recruitment, dedicated action plans to address these Salient Issues. These plans were built on the Nestlé Group's experience carrying out human rights due diligence across business activities and geographies, and reflect the inputs the Nestlé Group has collected from local and global stakeholders along the way.

The Nestlé Salient Human Rights Issue Action Plans are designed to help address each of the identified Salient Issues and are aimed at further strengthening the Nestlé Group's due diligence approach. So far, efforts have focused on spreading awareness, training employees and staff, and developing or improving processes. This includes improving the Nestlé Group's understanding of human rights risks across our own operations and supply chains, developing tools to assess suppliers' due diligence systems, and reviewing how different certification and verification schemes can provide insight into the mitigation of human rights risks. The plans bring together all of the Nestlé Group's existing programs in a holistic way across geographies, categories and ingredients, human rights and value chain.

Action plans are now being embedded within the Nestlé Group's wider programs. These include the Nestlé Cocoa Plan, through which the Nestlé Group is also addressing child labour risks by helping to improve the living incomes of cocoa-farming families. The Nescafé Plan 2030 is tackling child labour and forced labour risks, and the Nespresso AAA Farm Business Advisors provide technical advice to their clients. Finally, the Sustainable Quality™ Program is working toward the empowerment of coffee communities, while prioritizing the protection of children.

TAKING ACTION: NESTLÉ'S SALIENT ISSUES



Salient issue: Forced Labour and Responsible Recruitment

Forced labour is any work or service that is exacted from any person under threat of any penalty and for which that person has not offered themselves voluntarily. Forced labour is illegal and a grave human rights violation wherever it occurs. As part of the Nestlé Group, we can play an important role in helping address this issue by using our influence to promote fair and equitable recruitment practices.

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

TAKING ACTION

in the Nestlé Group's raw materials and recycled packaging supply chains to assess forced labour risks, address those risks and any adverse impacts, and monitor and report on activities and their outcomes.

USING LEVERAGE

and collaboration, actively support collective engagement to address widespread, systemic forced labour issues and their root causes, particularly unethical recruitment practices.

How we are Currently Addressing the Issue

The Nestlé Group's has a long-standing commitment to address forced labour risks and promote responsible recruitment practices. This commitment is integrated in several of the Nestlé Group's policies:

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

Nestlé verifies compliance with our policies through:

- Nestlé's CARE audit program, which covers all Nestlé sites
- Speak Up, Nestlé's grievance mechanism which provides Nestlé employees and external stakeholders with a dedicated, confidential communication channel for reporting non-compliance concerns, anonymously if they wish.
- Nestlé's Sustainable Sourcing Tier 1 audit program, which covers our prioritised direct suppliers, as relevant.

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



TAKING ACTION: NESTLÉ'S SALIENT ISSUES



Salient issue: Child labour and access to education

As part of the Nestlé Group, we are committed to helping address child labour risks alongside efforts to enhance access to education.

Tackling child labour risks is a critical part of a just transition to a fairer and more sustainable food system. The Nestlé Group aims to address child labour risks and help provide access to education throughout the global value chain. If a member of the Nestlé Group identifies actual or potential adverse child labour impacts in our agricultural supply chains or other parts of our value chain, there are processes in place to address those impacts. Together with our partners, the Nestlé Group will focus on helping address the complex factors that contribute to the risk of child labour, such as widespread rural poverty, increasing climate risks and a lack of access to financial services and basic infrastructure like water, health care and education.

How Nestlé is currently addressing the issue

In addition to the Nestlé Group's policies (referenced in Salient issue: Forced labour and responsible recruitment), the Nestlé Group also supports different tools and programmes that assess and address child labour risks in the Nestlé Group's supply chains and provide access to education. These include actions that are applicable to both domestic and international suppliers:

- A Child Labor Monitoring and Remediation System ("CLMRS") in our cocoa supply chain in Côte d'Ivoire and Ghana, in collaboration with the International Cocoa Initiative. This has been extended to our coffee supply chain in Côte d'Ivoire.
- Helping cocoa farmers to reach a living income through our Income Accelerator Program.
- Working with direct hazelnut suppliers in Turkey to run summer schools that provide a safe space for the children of seasonal migrant workers during the harvest season.
- Providing training to coffee farmers and mills on child labour risks and conducting independent monitoring of coffee farms during harvesting season in Mexico, Brazil, Vietnam and Honduras.

As part of the Nestlé Group, Nestlé Canada's supply chains benefit from the above noted steps. In addition to those steps, however, in Canada, our policy and general practice is to conduct Sustainable Sourcing Audits of suppliers above a certain specified spending threshold, using auditing companies such as SMETA or Ecovadis.





RESPONSIBLE SOURCING: COCOA

The Nestlé Group's identification and assessment of risks has indicated that the risk of child labour is elevated in the cocoa sector. The Nestlé Cocoa Plan, along with Rainforest Alliance certification, allows the Nestlé Group to help tackle this social issue with the objective to create a sustainable cocoa supply chain.

The Nestlé Cocoa Plan is the Nestlé Group's global plan for building a more responsible cocoa supply chain. Nestlé is working with farmers, communities, and local and international organizations to develop and implement solutions to the challenges facing cocoa-farming communities. At Nestlé Canada, most of our local Nestlé production is sourced through Nestlé's Responsible Sourcing Standard.

To remediate and continue to support the communities in which the Nestlé Group globally sources key raw ingredients from, the [Income Accelerator Program](#), which aims to help close the living income gap and reduce child labour risks. As of 2023 key highlights include:

- In Côte d'Ivoire, the Income Accelerator Program has empowered more than 10,000 farmers with skills and knowledge on good agricultural practices and environmental protection, and has enabled more children to register in school, to reduce child labour risks.
- During the first two years, families can annually earn up to €500 in direct bonus payments by taking part in the program and reaching the associated targets. As farmers' incomes increase from additional sources and better yields, the cash incentive is reduced to €250.
- Village Savings and Loan Associations ("VSLA") provide much needed funds for women to start or continue with a new business venture. In 2023, over 9,000 households were enrolled in VSLAs, the majority women. The program helps families send their children to school. The pilot report showed the program does make a difference, with 2,782 children registered as attending school – an 8% improvement compared to a control group of families not in the Income Accelerator Program. To help families with diversified incomes, the target for enrolling households in Village Savings and Loan Associations (VSLAs) was 9,291, with 9,225 enrolled (99% of the target reached).



[Learn more about the Nestlé Cocoa Plan](#)



RESPONSIBLE SOURCING: COFFEE

Knowing where our coffee beans come from is essential to assessing the suppliers and farmers Nestlé source from and empowering them to improve their practices to become part of a more sustainable supply chain.

Nestlé Canada sources coffee from more than 20 countries that is grown mostly by smallholders, making them a key part of our global and local supply chain.. The supply chain itself spans more than 20 countries, with each region presenting unique conditions and risks.

As part of the Nestlé Group, we strive to address risks of adverse human rights impacts in our coffee supply chain, including forced and child labour risks.

Respecting Human Rights and Livelihoods

As part of the Nestlé Group, we strive to keep human rights abuses out of our coffee supply chain, including forced and child labour. The Nestlé Group works to promote best practices to respect and empower the farmers and communities behind our beans. Our coffee supply chain is one part of a complex global network and, with suppliers in multiple countries, the Nestlé Group works to comply with a diverse range of regulations and standards. At Nestlé Canada, we work to promote labour rights compliance across all our coffee origins, focusing on identified hotspots such as Côte d'Ivoire, Mexico, Brazil, Vietnam and Honduras.

Nescafé Plan 2030

Over a decade ago, Nestlé launched a global coffee sustainability initiative called the Nescafé Plan. Through the Nescafé Plan 2030, Nestlé, on a global basis, is accelerating its action to support a more inclusive and sustainable future for the coffee sector, using scale and reach to help uplift lives and livelihoods from farm to cup.

The Nescafé Plan 2030 includes a reinforcement of human rights and child protection activities that go beyond certification and verification checks. In farmer groups where the Nestlé Group engages more deeply for regenerative agriculture, Nestlé is developing specific partnerships with specialised organisations to implement training sessions and visits to farms in our supply chain at higher risk in order to assess the risks and act with appropriate remediation.

Through Nestlé, we also support and implement various types of training for farmers that support their economic resilience and build a body of knowledge around best practices. These cover topics like helping address local human rights issues, such as gender disparities. Nestlé engages in collective and pre-competitive actions via sector-wide initiatives such as the International Coffee Organization's Public-Private Taskforce, the multi-stakeholder [Global Coffee Platform](#) and the [Sustainable Coffee Challenge](#).

Nespresso Fair Labor Accreditation

- Nespresso is the first brand within Nestlé to seek Fair Labour Accreditation (FLA) for its coffee sourcing program, the AAA Sustainable Quality™ Program. In partnership with FLA and network of Nestlé stakeholders from business, civil society, and academia, Nespresso has embarked on a comprehensive program with the goal of improving working conditions for all workers on coffee farms that grow Nespresso coffee.
- FLA is a rigorous multi-year evaluation process with a simple goal: to better protect workers across global supply chains across all sourcing countries.



[Learn more about Nestlé Coffee sourcing Strategy](#)



RESPONSIBLE SOURCING: PALM OIL

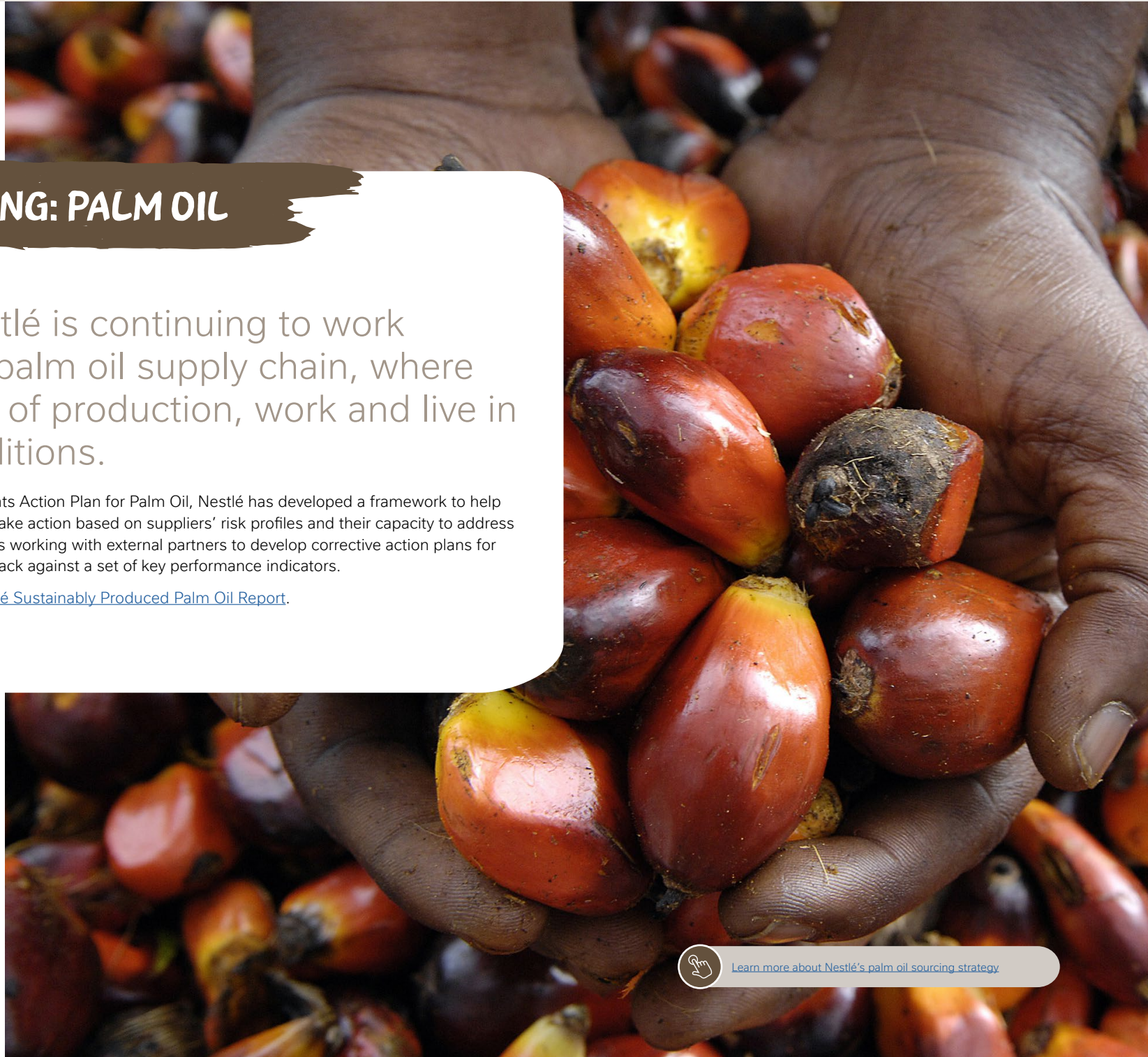
On a global level, Nestlé is continuing to work toward a sustainable palm oil supply chain, where all workers, at all tiers of production, work and live in safe and healthy conditions.

As part of the Nestlé Group's collective Labour Rights Action Plan for Palm Oil, Nestlé has developed a framework to help prioritise supplier engagement and systematically take action based on suppliers' risk profiles and their capacity to address labour rights issues. Under the framework, Nestlé is working with external partners to develop corrective action plans for suppliers and put monitoring systems in place to track against a set of key performance indicators.

Detail of progress to date can be found in the [Nestlé Sustainably Produced Palm Oil Report](#).



[Learn more about Nestlé's palm oil sourcing strategy](#)



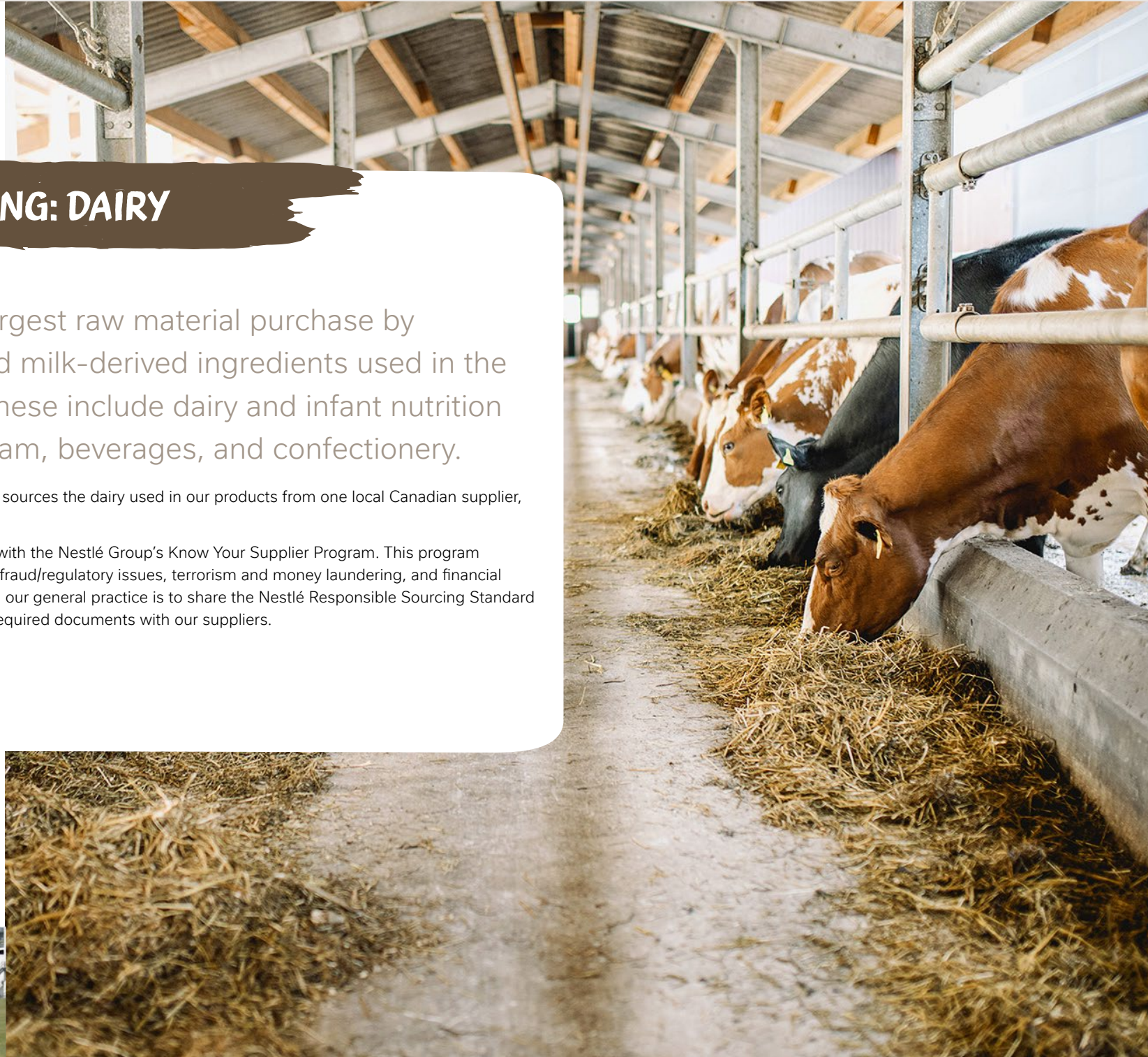


RESPONSIBLE SOURCING: DAIRY

Globally, dairy is Nestlé's largest raw material purchase by volume, with many milk and milk-derived ingredients used in the Nestlé Group's products. These include dairy and infant nutrition products, as well as ice cream, beverages, and confectionery.

In Canada, dairy is a key ingredient. Nestlé Canada sources the dairy used in our products from one local Canadian supplier, that is referred to as a Tier 1 supplier.

Nestlé Canada's suppliers are expected to comply with the Nestlé Group's Know Your Supplier Program. This program assesses suppliers for international sanctions lists, fraud/regulatory issues, terrorism and money laundering, and financial stress. During the onboarding process of suppliers, our general practice is to share the Nestlé Responsible Sourcing Standard and Nestlé Corporate Principles, along with other required documents with our suppliers.



LOOKING AHEAD

Nestlé's ambition is to advance a regenerative food system at scale, while enabling a just transition. Nestlé's commitment to respecting and promoting human rights is a key part of enabling this move to a fairer food system that protects the rights of the people working within it. To enable a just transition, it is vital that as part of the Nestlé Group, we help support and empower the most vulnerable individuals and communities across our value chain both internationally and locally in Canada.

Reporting our progress

The launch of Nestlé's Human Rights Framework and Salient Issue Action Plans, and Nestlé's ambition to support and accelerate the transition to a regenerative food system, have helped us at Nestlé Canada to strengthen our due diligence and establish an integrated approach to monitoring human rights impact throughout our supply chains – with a shared commitment within the Nestlé Group to be transparent in our reporting on progress and challenges.

We will continue to be transparent, reviewing and sharing our progress, learnings, and challenges. As part of the Nestlé Group, we intend to continually assess and, if required, adapt our approach to meet on-the-ground realities to ensure we are compliant with local laws and regulations. And by 2025, Nestlé's will be in a position to report our progress against our salient issue action plans.

Monitoring Risks and Training

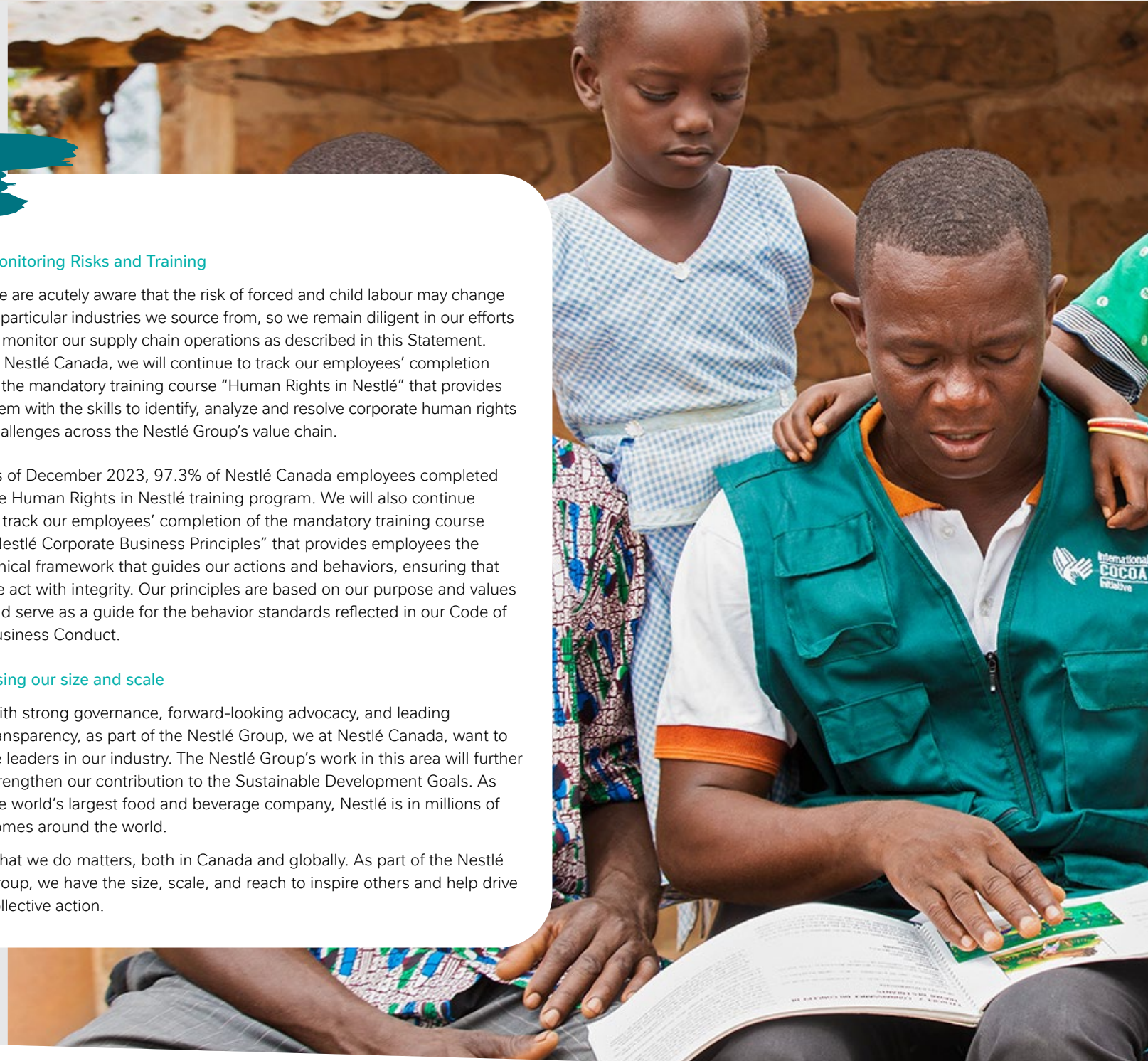
We are acutely aware that the risk of forced and child labour may change in particular industries we source from, so we remain diligent in our efforts to monitor our supply chain operations as described in this Statement. At Nestlé Canada, we will continue to track our employees' completion of the mandatory training course "Human Rights in Nestlé" that provides them with the skills to identify, analyze and resolve corporate human rights challenges across the Nestlé Group's value chain.

As of December 2023, 97.3% of Nestlé Canada employees completed the Human Rights in Nestlé training program. We will also continue to track our employees' completion of the mandatory training course "Nestlé Corporate Business Principles" that provides employees the ethical framework that guides our actions and behaviors, ensuring that we act with integrity. Our principles are based on our purpose and values and serve as a guide for the behavior standards reflected in our Code of Business Conduct.

Using our size and scale

With strong governance, forward-looking advocacy, and leading transparency, as part of the Nestlé Group, we at Nestlé Canada, want to be leaders in our industry. The Nestlé Group's work in this area will further strengthen our contribution to the Sustainable Development Goals. As the world's largest food and beverage company, Nestlé is in millions of homes around the world.

What we do matters, both in Canada and globally. As part of the Nestlé Group, we have the size, scale, and reach to inspire others and help drive collective action.





Nestlé Good food, Good life

To learn more about Nestlé's human rights policies and action, visit:

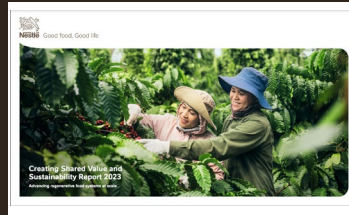
[Nestlé's Human Rights Framework and Roadmap](#)



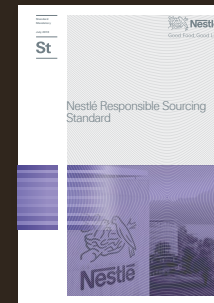
[Nestlé Human Rights Salient Issue Action Plans](#)



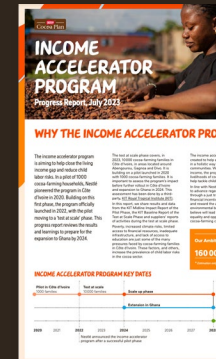
[Creating Shared Value and Sustainability Report 2023](#)



[Nestlé Responsible Sourcing Standard](#)



[The Income Accelerator Program – Cocoa](#)



[Nescafé Plan 2030 Progress Report](#)



Nestlé Canada Incorporated
25 Shepherd Avenue West
North York, Ontario
corporate.affairs@ca.nestle.com