

NESTLÉ SUPPLY CHAIN GRIEVANCE MANAGEMENT PROCESS

Background

At Nestlé, we are committed to building trust, transparency and accountability within our business and across our supply chain. A core element of our human rights strategy is to ensure that stakeholders and rightsholders are able to raise their grievances through effective channels and receive access to remedy. For this purpose, we are implementing the *Nestlé Supply Chain Grievance Management Process*, as explained herein.

We require our employees to act in adherence to our [Corporate Business Principles](#) and [Code of Business Conduct](#), and our suppliers to comply with our [Responsible Sourcing Core Requirements](#), amongst other relevant policies and commitments. Our standards are based on international conventions, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles for Business and Human Rights (UNGPs).

This *Supply Chain Grievance Management Process* provides an overview of how we receive, review, address, and monitor supply chain related grievances received from various stakeholders. Our aim is to provide a transparent process for grievance investigation, escalation, and resolution. We will engage and support our suppliers in addressing and remediating grievances that are raised, and expect our suppliers to operate transparently.

Nestlé will continue to consult with affected stakeholders and rightsholders, and periodically review the effectiveness of our grievance channels and procedure in line with the UNGP's criteria for effectiveness.

This process is complemented by a standard operating procedure, a grievance protocol and a monitoring and improvement guide.

Scope and Principles

This *Supply Chain Grievance Management Process* applies to all supply chain related grievances received by Nestlé in relation to any alleged breaches by our direct suppliers or upstream supply chain of our [Responsible Sourcing Core Requirements](#), and for alleged failure to respect local legislation, or other issues relating to business ethics, environmental impacts, and human rights.

Grievances will be assessed, investigated and, if verified, time-bound remediation plans will be established with our suppliers for them to remediate negative impacts. We are committed to engaging and supporting our suppliers in remediation. However, Nestlé may terminate relationships with suppliers that are unwilling or unable to demonstrate steps to address and remediate substantiated grievances.

All non-public grievances raised to us will be kept confidential, and information regarding cases will only be shared with those directly involved or affected. Anonymous grievances can be raised through our [Speak Up platform](#), and will be fully investigated in line with our *Supply Chain Grievance Standard Operating Procedure*. Nestlé is committed to non-retaliation against any party that raises a grievance in good faith. Any forms of threats or retaliation made against those who have raised a grievance will not be tolerated.

Available Channels

Grievances may be reported to Nestlé through a number of different channels, including through our [Speak Up platform](#). Speak Up is our global reporting channel for non-compliance concerns and questions seeking compliance

advice. It is available for all stakeholders to access 24/7, 365 days a year. Reports can be submitted confidentially via a [webform or call a toll-free number](#), where available.

Grievances may also be brought to our knowledge through third-party stakeholders such as non-governmental organizations (NGOs) or unions.

In addition, our direct suppliers must notify Nestlé of any actual or potential severe human rights and environmental adverse impact, keeping Nestlé informed of the progress of any investigation, and if requested, consult Nestlé in all material steps of the process up to remediation.

Investigation approach

Nestlé takes a rights-centered approach to investigating and remediating grievances, and ensures that all investigations conducted are independent and free of conflicts of interest. Grievances will be investigated in a timely manner whenever possible, and prioritized by their severity. The duration of investigations and remediation of substantiated grievances may vary depending on the type, circumstances and complexity of the case involved. It is important to consider some social and environmental issues require long-term, tailored interventions to tackle their root causes.

1. Grievance Receipt

A grievance is received by Nestlé, and an evaluation is made to determine whether the impact is related to our supply chain. If the grievance is not within our supply chain scope, the case will be closed. If it is within our scope, the grievance is categorized according to its severity, and an investigation starts.

Grievances may be related to the environment (e.g., nature, climate), human rights (e.g., child labor, forced labor, Indigenous peoples and local communities' land rights), business ethics (e.g., bribery, corruption), animal welfare, or compliance with local legislation.

2. Investigation

Nestlé will review the grievance, and conduct desktop assessments, interviews, and/or onsite visits as deemed appropriate under the known circumstances. When grievances are raised about indirect suppliers, Nestlé will engage with our direct supplier(s) sourcing from the involved entity to conduct an investigation. In case a grievance is substantiated, our direct supplier will have to develop a remedial time-bound action plan agreed with Nestlé.

3. Implementation of Remediation

Nestlé will monitor the status of remedial actions, and communicate progress with the grievant. Upon closure of the time-bound action plan, Nestlé will follow up with the grievant on whether the grievance has been satisfactorily resolved. In the event that the remedial actions are not satisfactorily implemented by suppliers, Nestlé may exercise any remedy as set out in the relevant contract or in the applicable law, including suspending the relationship with the direct supplier or require suspension of the direct supplier's non-compliant site(s), sub-contractor(s) or sub-tier supplier(s).

4. Continuous Improvement

Nestlé will review grievances that are received to determine whether there are any trends, and root causes that need to be addressed to avoid repetition and identify opportunities for improvement. Where appropriate, Nestlé will integrate the findings and review into capacity building activities for our own employees and for our suppliers, and collect key case information to build continuous learning.

5. Reporting

Nestlé will publicly disclose the number of substantiated supply chain related grievances that are received on an annual basis.

Management and Escalation

Nestlé follows a defined monitoring and evaluation framework to measure the company's grievance management performance. This framework, including key performance indicators, are used to measure outcomes, track progress, and evaluate the overall effectiveness of the grievance process and Nestlé's preparedness to respond and adapt with agility.

Grievances investigations are coordinated and reviewed by Group Compliance. Information on grievances received is shared with top management.