

The background features a dense, wavy pattern of blue lines that create a sense of depth and movement. A white graphic element, consisting of a curved line on the left and a vertical line on the right, frames the central text.

**Neste
Modern Slavery
Statement
2020**

Contents

- 1. Introduction
- 2. Our business and supply chains
- 3. Policies and contractual controls
- 4. Risks of modern slavery
- 5. Due diligence processes
- 6. Training and capacity building
- 7. Working with others
- 8. Tracking progress and effectiveness
- 9. Looking forward

This statement has been published in accordance with the Commonwealth Modern Slavery Act 2018, UK Modern Slavery Act 2015 and California Transparency in Supply Chains Act of 2010. It applies to, and sets out the steps taken by, Nestle Corporation and its consolidated subsidiaries ("Nestle") during year ending 31 December 2020 to prevent modern slavery and human trafficking in their businesses and supply chains. Nestle provides this joint statement for itself and on behalf of certain foreign subsidiaries that are directly covered by a disclosure obligation in their respective jurisdictions. Currently this includes Nestle (Suisse) S.A and Nestle Components B.V., pursuant to Section 54(1) of the UK Modern Slavery Act 2015, and Nestle Australia Pty Ltd, pursuant to the Commonwealth Modern Slavery Act 2018. Through this statement, Nestle also satisfies the disclosure requirements pursuant to the California Transparency in Supply Chains Act of 2010. This statement has been prepared in joint consultation with the aforementioned subsidiaries, whose relevant representatives were provided with the opportunity to contribute to the statement process. The Board of Directors of Nestle Corporation, for itself, Nestle Australia Pty Ltd., Nestle Suisse S.A. and Nestle Components B.V. approved this Statement on 28 April 2021.



1. Introduction



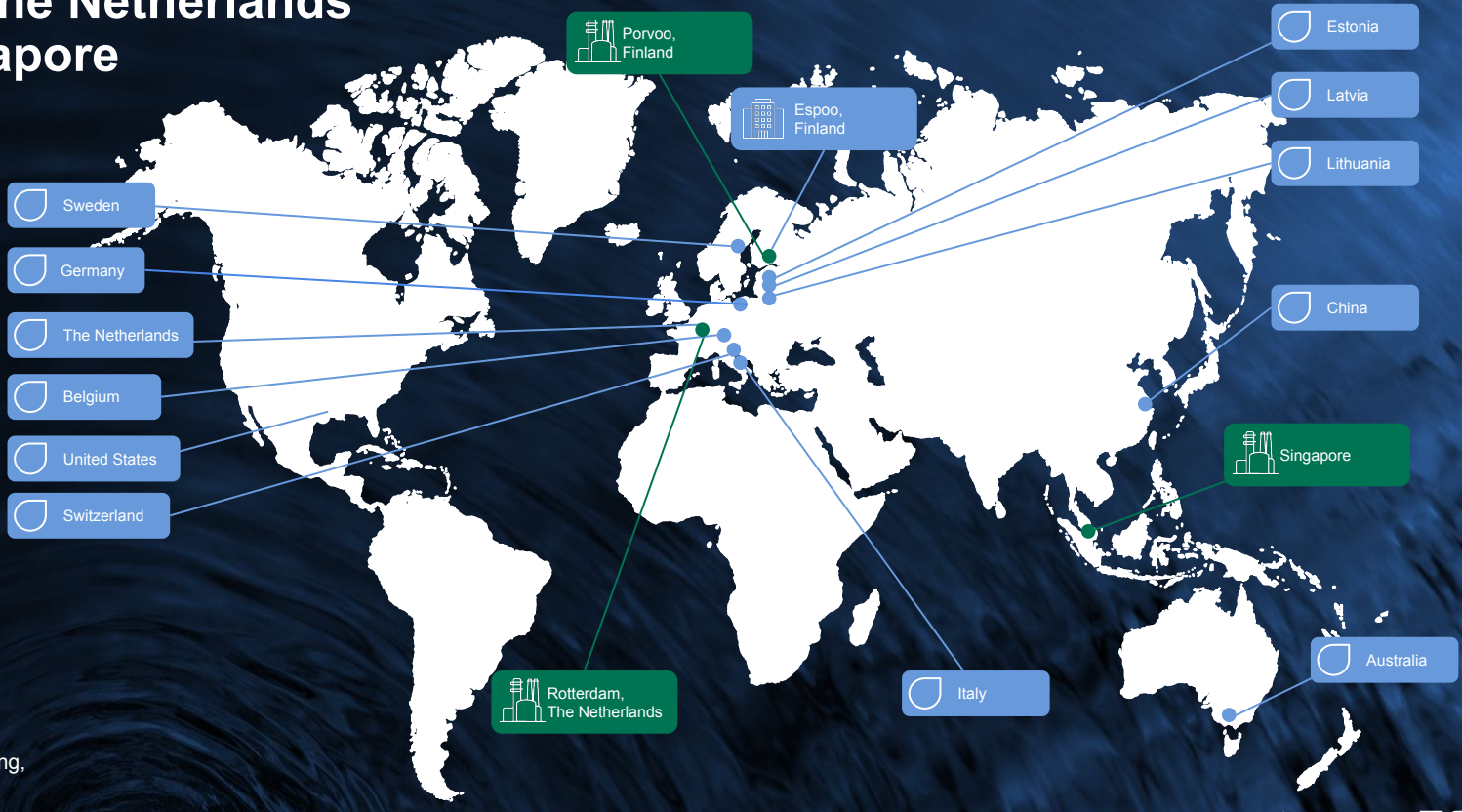
Respecting human rights is essential to Neste's [purpose, vision and values](#). Neste respects the wellbeing and human rights of all of our rights-holders, including our employees, the employees of our contractors and service providers, the workers in our supply chain, our customers, and the communities in which we operate. We believe that every person deserves to live a life in freedom, safety and dignity.

Modern slavery is an umbrella term that covers all situations of exploitation that a person cannot refuse or leave, because of threats, violence, coercion, abuse of power or deception. This includes slavery, servitude, forced labor, human trafficking, and slavery-like practices such as debt bondage and the worst forms of child labor. Such forms of exploitation have long-lasting impacts on affected individuals and communities around the world.


Neste supports the elimination of all forms of modern slavery. We recognise that modern slavery is a growing global issue from which no industry is immune, and we understand our responsibility to prevent, mitigate and remediate the risk of modern slavery in our operations and supply chains. As an international business, we also welcome the increasing momentum towards establishing mandatory human-rights due diligence, as is outlined in our joint Nordic Business Network for Human Rights [statement](#) in favour of mandatory human rights due diligence legislation at EU level, published in January 2021.


This Modern Slavery Statement details the steps Neste is taking to identify, assess and address the risks of modern slavery and human trafficking in our business operations and supply chains. It describes the steps taken during 1 January – 31 December 2020, and provides an update on the activities and commitments detailed in our [2019 Modern Slavery Statement](#).

Neste has operations globally and refineries in Finland, the Netherlands and Singapore



 Refinery

 Headquarters

 Sales, Marketing, and/or Supply

2. Our Business and Supply Chains

[Neste](#) creates solutions for combating climate change and accelerating a shift to a circular economy. We refine waste, residues and innovative raw materials into renewable fuels and sustainable feedstock for plastics and other materials. We are the world's leading producer of renewable diesel and sustainable aviation fuel, developing chemical recycling to combat the plastic waste challenge. We invest heavily in researching, testing and deploying new raw materials, and are a technologically advanced refiner of high-quality oil products. In 2020, Neste placed 3rd on the [Global 100 list](#) of the most sustainable companies in the world.

Neste has operations globally, and refineries in Finland, the Netherlands and Singapore. Our headquarters are in Espoo, Finland and in 2020 Neste employed an average of 4,833 employees worldwide. In 2020, Neste's revenue stood at EUR 11.751 billion.

Neste's business activities are divided into three key operating segments: Renewable Products, Oil Products, and Marketing & Services. A fourth business segment, Others, consists of the engineering and technology solutions company Neste Engineering Solutions, common corporate costs, and Nynas, a joint-venture owned by Neste (49.99% share) until 15 September 2020 when its sale of shares was completed.

Information on the supply chains and business activities for Renewable Products, Oil Products, and Marketing & Services is detailed on the following page (direct procurement and spend). Any purchasing of goods and services excluding direct logistics, supply of crude oil or renewable raw materials for refining is covered by the Neste Indirect Procurement function (indirect procurement and spend). Indirect Procurement is responsible for the sourcing, purchasing and supplier management of all the goods and services we use to run our businesses and implement our investment projects, such as utilities, chemicals, materials, equipment, contracting and subcontracting services, research, IT and professional services. In 2020, we spent 2,780 MEUR on Indirect Procurement, with a total of 6,403 suppliers across 47 countries.

You can read more about Neste's business, operations, supply chains and joint ventures in our [2020 Annual Report](#).



Neste's business activities are divided into three operating segments:

Renewable products

Our Renewable Products segment produces, markets and sells renewable diesel, sustainable aviation fuels and solutions, renewable solvents, and raw material for bioplastics to domestic and international wholesale markets.

Renewable diesel is produced at Porvoo, Singapore, and Rotterdam refineries with a total capacity of 3.2 million tons per year.

We use approximately 10 different sustainably produced raw materials to produce our renewable products. These include wastes and residues such as used cooking oil, animal fat, fish fat, and vegetable oil processing waste and residues. Our raw materials also include sustainably-produced, 100% certified vegetable oils such as rapeseed oil, soybean oil and palm oil.

The raw material supply chains for our renewable products are extensive and global. In 2020, we procured raw materials from 405 suppliers ¹ in 49 countries across Europe, North America, South America, Asia, Africa and Australia.

1) Includes 246 Demeter suppliers. 2) Includes natural gas and industrial gas suppliers. 3) As disclosed in our 2020 Annual Report, our crude oil and fossil feedstock sources in 2020 were Russia (10.7 mil tons), Norway (1.7 mil tons), Denmark (0.1 mil tons), and other countries (1.5 mil tons).

Oil products

Our Oil Products segment produces, markets and sells an extensive range of low carbon solutions that are based on high-quality oil products and related services to a global customer base. The product range includes diesel fuel, gasoline, aviation and marine fuels, light and heavy fuel oils, base oils, gasoline components, and special fuels such as small engine gasoline, solvents, liquid gases and bitumens.

Neste's oil products are refined in Neste Finland refineries in Porvoo and Naantali. Base oils are also produced by a joint arrangement production plant in Bahrain. Neste Shipping chartering operations are included in the Oil Products segment.

Our crude oil refining capacity is 14 million tons per year. In 2020, we purchased oil products from 94 suppliers ² in Russia, Norway and Denmark.³

Marketing & Services

Our Marketing & Services segment markets and sells petroleum products and associated services directly to end-users who are predominantly private motorists, industry, transport companies, farmers, and heating oil customers.

This segment includes our network of 749 stations in Finland, and 215 stations in the Baltic countries (Estonia, Latvia and Lithuania).

3. Policies and Contractual Controls

We have several group-wide policies in place relevant to modern slavery and regularly review and improve our policies and guidance documents, with input from both internal and external stakeholders. Our commitments, policies and principles relevant to modern slavery include, but are not limited to, our Human Rights [Commitment](#) and [Principles](#), [Code of Conduct](#), [Supplier Code of Conduct](#), and [Neste Responsible Sourcing Principle](#). You can find more information about Neste's policies and principles on our [website](#).

Neste Human Rights Commitment and Principles

In line with the United Nations Guiding Principles on Business and Human Rights, Neste has made a commitment to respect human rights and remediate adverse human rights impacts throughout our business operations and value chains. In accordance with our [Human Rights Commitment](#) and [Principles](#), Neste respects the internationally-recognized human rights laid down in the International Bill of Human Rights, the fundamental rights in the eight core conventions of the ILO as set out in the ILO Declaration on Fundamental Principles and Rights at Work, the Children's Rights and Business Principles, and the UN Declaration on the Rights of Indigenous Peoples. We are committed to upholding and implementing the UN Global Compact (UNGC) and Women's Empowerment Principles, to which we are signatories, including UNGC Principle Four on the elimination of all forms of forced and compulsory labour.

Neste's Human Rights Principles set the path and standards for a rights-based approach in all of our business decisions. Under these Principles, child labour and all forms of forced labor are prohibited, including also the prohibition of certain practices that can lead to forced labor such as document retention, recruitment fees and deceptive practices regarding employment contracts. We expect all of our suppliers and business partners to uphold our Human Rights Commitment and Principles and address human rights impacts not only in their own workplace and supply chains, but also in communities impacted by their business activities.

The Human Rights Team, under Neste's Sustainability and Corporate Governance function, is responsible for implementing the Human Rights Commitment and Principles at Neste. More information on Neste's governance structure is available in our 2020 [Annual Report, p.87](#).

Neste's seven human rights principles are:

1. Fair Employment
2. Health & Safety
3. Equality, Diversity & Non-Discrimination
4. Rights of Children
5. Forced Labour
6. Fair Treatment
7. Social, Economic and Cultural Rights

Neste Supplier Code of Conduct

Our [Supplier Code of Conduct](#), updated in 2019 and implemented during 2020, defines the basic requirements Neste expects its suppliers and their own first tier sub-suppliers, contractors and business partners to adhere to and implement throughout their businesses.

Neste's minimum human rights requirements for suppliers are outlined in section 4.1 - 4.7 of the Supplier Code of Conduct, which is based on the internationally-recognized human rights and labor standards enshrined in the Universal Declaration of Human Rights and ILO eight core conventions. The Supplier Code of Conduct prohibits child labor and all forms of forced and compulsory labor. It also explicitly requires that all Neste suppliers ensure any recruitment fees and associated costs are not borne by their workers, and that all employees are made aware of the key terms of their employment prior to commitment to work.

The Supplier Code of Conduct is included in the terms of contract with all suppliers, contractors and other business partners participating in the delivery of products, components, materials or services to Neste, covering both direct and indirect procurement.⁴ In 2020, we carried out training to support the implementation of the Neste Supplier Code of Conduct, and also published an official [guidance with practical recommendations](#) to help our suppliers meet their obligations. Read more about our 2020 Neste Supplier Code of Conduct training on page 17.

Access to Remedy

Neste is [committed](#) to remediate adverse human rights impacts throughout its business operations and value chains, and we expect all of our business partners to share the same commitment to respect and remediate

We take seriously any allegations that human rights are not properly respected in our business or supply chains, and encourage individuals, communities, business partners or other stakeholders who have reason to believe such activity is taking place to raise their concerns, without fear of retaliation, via our whistleblowing channel, [Ethics Online](#). Ethics Online is available 24/7 and is accessible in 19 languages. Reports can be made anonymously via phone or web service. Any reports made will be investigated confidentially, and Neste will not retaliate against anyone who files a report in good faith.

Neste emphasizes, promotes and respects effective recourse to all rights-holders who allege that their rights have been violated, including efficient grievance mechanisms, effective remedy and access to fair compensation.

Read more about our grievance procedures and how we respond to allegations of modern slavery on pages 14 & 19.

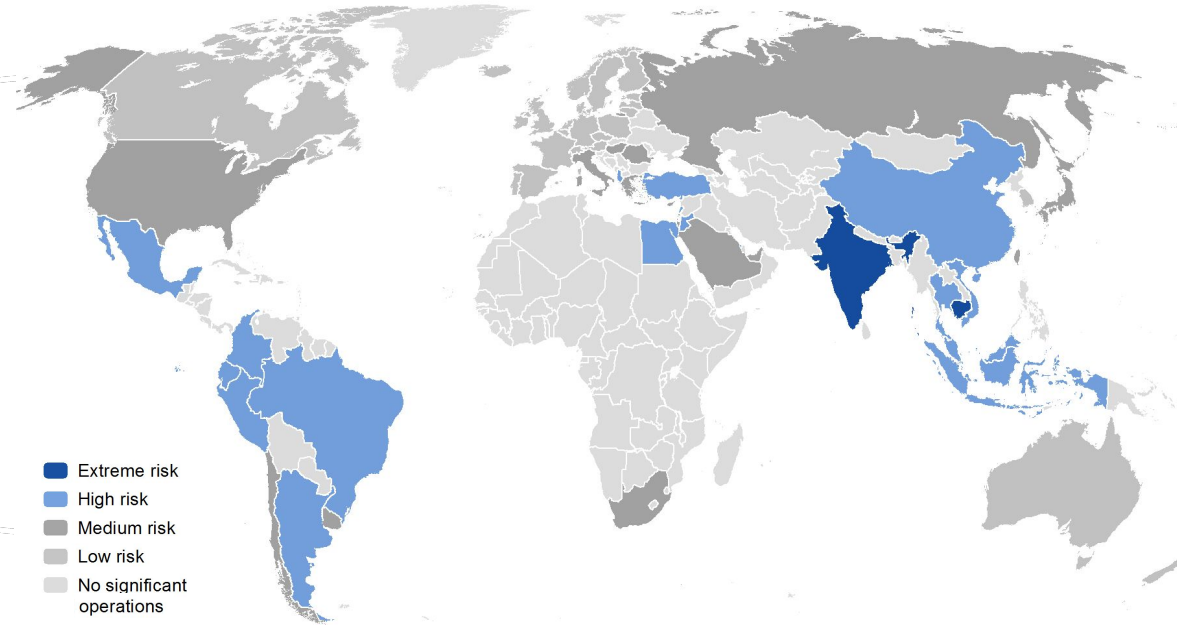
Read more about the site-level grievance mechanism established to address migrant worker concerns at the Neste Singapore Expansion Project in the case study on page 15.

⁴ In 2020, 100% of the renewable raw material volume and 78% of the total supplied volumes of crude oil and fossil feedstocks were covered by Neste's Supplier Code of Conduct or similar schemes. 100% of the new indirect supplier contracts were covered by the Neste Supplier Code of Conduct or equivalent. For more information, see Neste 2020 Annual Report p. 58-61.

4. Risks of Modern Slavery

Neste has undertaken several initiatives to identify and understand how human rights risks, including modern slavery, may be present in our operations and supply chains. In order for us to effectively prioritize our activities, our risk assessment includes mapping of supply chains and operations, country risk assessments, desk-based research, supplier surveys, supplier engagement, and discussions with expert stakeholders.

A key element in understanding the risk of modern slavery in our supply chains is assessing country risk. We use a bespoke, industry leading, country risk assessment methodology to map modern slavery risks for the countries in which we operate and have supply chains. The map on the right illustrates the level of modern slavery risk for those countries within our supply chains for Renewable Products, Oil Products, Marketing & Services and Indirect Procurement. We recognise that modern slavery is prevalent across the world, including those countries and regions traditionally perceived as low risk. Read more about how we integrate country risk assessments into our sustainability and human rights due diligence processes on page 12.



This map is an aggregate of a selection of Verisk Maplecroft indices. The map covers countries where we have significant business with suppliers, but may not cover all countries where our suppliers operate. This map was created based on Verisk Maplecroft's Global Risks Portfolio, © Verisk Maplecroft

While we acknowledge that modern slavery can be found in all countries and industries, we have identified our renewable products supply chain for palm oil in Southeast Asia as having the highest risks for forced labor, child labor and indebted labor. As detailed in our [2019 Modern Slavery Statement](#), this is based on the results of a [BSR](#) corporate-wide human rights impact assessment on Neste's business and value chains (2016), social and labor studies on the ground in Indonesia and Malaysia (2015-16), supplier engagement activities (2015-19), findings from our sustainability audits (2017-19), and ongoing work to map our supply chains and assess human rights risks by sector and geography.

In 2020, we continued to advance our understanding of the modern slavery risks in our palm supply chains by surveying our Malaysian palm suppliers on their recruitment and employment practices for migrant workers, a vulnerable group identified in our 2019 desk-based review of best practices for addressing forced labor risks in Malaysia. The survey consisted of 35 questions on supplier recruitment and labor practices, covering topics ranging from use of recruitment agencies to termination and repatriation practices.

Recognizing that modern slavery is a complex issue that can also be hidden in those areas of a company's business activities that have not been identified as high risk, in 2020 we completed a corporate-wide exercise to map and understand internal processes and gaps in addressing modern slavery risks across our common functions and operating segments. 25 Neste personnel were interviewed in 14 sessions covering all three of Neste's operating segments. Functions and units consulted included Oil Products, Renewables, Marketing and Services, Human Resources, Production, Logistics & Operations, Indirect Procurement and Risk Management.

Assessing Human Rights Risks in Indirect Procurement

In 2020, we began a new project to advance sustainability under Neste Indirect Procurement, by integrating sustainability and human rights criteria into procurement category risk assessments and the tendering process. A need for the project was identified based on the results of two separate assessments: a 2018-19 [Enact](#) UNGP human rights due diligence gap assessment and a 2019 sustainability maturity analysis. Following on the recommendations from these assessments, in 2020 we created a framework for assessing the sustainability risks and practices within different procurement categories, and used this to carry out sustainability risk assessments on every major procurement category in the Neste organization. Each assessment was followed up with a category-specific sustainability plan, integrated as part of the category strategy, which will be updated annually. In addition to these category sustainability assessments, we began integrating new sustainability and human rights criteria into the tendering process for Indirect Procurement. Read more in our [2020 Annual Report](#), p.60.

Modern Slavery and COVID-19

As a global company, Neste has closely monitored the impacts of COVID-19. We understand that the economic and social impacts of the coronavirus pandemic have led to an increase in factors that fuel modern slavery, such as poverty, inequality and lack of opportunity for decent work, and that those who are already in vulnerable positions are being disproportionately affected. One of the groups of rights-holders in our value chain identified as being most vulnerable to the impacts of COVID-19 are migrant workers. Read more about how we adapted our human rights priorities in response to COVID-19 to safeguard the rights of migrant workers on our construction site at the Neste Singapore Expansion Project in the case study on p. 15.

5. Due Diligence Processes

Having established risk, we conduct human rights due diligence within our supply chains and operations to prevent, mitigate and, where necessary, remediate the occurrence of modern slavery.

We expect all of our business partners and suppliers to uphold Nestlé's [policies and principles](#), including our [Human Rights Commitment and Principles](#), and the minimum requirements in our [Supplier Code of Conduct](#), a key element in Nestlé's supplier management system.

To support and validate this expectation, Nestlé has implemented systematic controls for counterparty screening and monitoring in which all potential business partners and suppliers undergo automated pre-screening, escalated to manual review if any issues are found or the counterparty's business case matches predefined criteria. While the screening is predominantly focused on economic sanctions and trade compliance issues, human rights is one of the most significant drivers behind non-jurisdiction targeting sanctions that focus on actions of specific entities, and counterparties are also screened for selected ethical concern categories in third-party enforcement databases and major news outlet sources.



Due diligence for raw material suppliers:

Raw material suppliers for our renewable products are subject to rigorous human rights due diligence as part of our supplier sustainability approval process under the Neste Principle on Renewable Products Supplier Sustainability Approval. The Principle applies worldwide to any Neste company which is establishing a business relationship with a supplier of renewable raw material for Neste's renewable products. It sets the minimum sustainability requirements for approving suppliers through a five-step sustainability due diligence process which includes strong human rights and modern slavery criteria: (1) Feedstock Evaluation, (2) Country and Feedstock Risk Assessment, (3) Counterparty Compliance Screening, (4) Sustainability Desktop Review, (5) Sustainability Audits.

In order to identify human rights risks in our renewable raw material supply chains, we undertake a Country and Feedstock Risk Assessment (2) and maintain an up-to-date country risk categorization based on country risk indices, including specific indices related to modern slavery such as child labour, forced labour, migrant workers and vulnerable groups. Our categorization also includes a list of no-go countries and regions based on considerations regarding trade sanctions, conflicts, human rights and sustainability risks.

After undergoing Neste Counterparty Compliance Screening (3), detailed above, all potential raw materials suppliers must complete a self-assessment survey that contains questions related to modern slavery as part of the Sustainability Desktop Review (4). The questions are aligned with the 2019 Neste Supplier Code of Conduct and the Neste Human Rights Commitment and Principles, and cover topics such as fair employment, employment contracts, child labor, forced labor, recruitment fees and use of recruitment agencies, vulnerable groups, retention of identity documents, access to remedy, and freedom of association and collective-bargaining.

The five-step sustainability due diligence process is managed through Neste's Supplier Sustainability Portal, a digital platform that is used to facilitate our evaluation of potential and existing renewable raw material suppliers, to support performance monitoring, and to enable active supplier engagement. In 2020, the portal was brought fully into use, and a total of 219 renewable raw material suppliers were assessed.

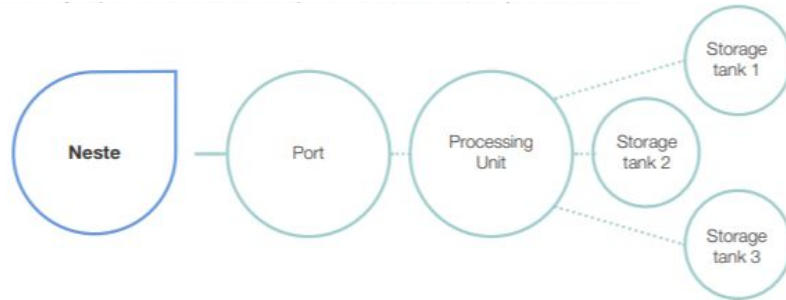
We continue commercial negotiations only with approved parties who meet our sustainability requirements, and all partners must continue to meet these criteria and commit to developing their operations in the future. Our overall approach to advancing sustainability due diligence throughout the supplier relationship is to work with our suppliers to drive positive practices and mutually enhance sustainability performance through continuous engagement, collaboration, and improvement.

Supply Chain Traceability:

Identifying and selecting good partners is crucial to the sustainability of our supply chains, and knowing the origin of our renewable products is a basic requirement on which we will not compromise. In addition to understanding the sustainability and human rights performance of our direct suppliers, we also want to gain visibility on practices and human rights impacts throughout the entire raw material supply chain, including our suppliers' suppliers. During onboarding we require our suppliers to disclose detailed information about their supply chain actors and locations. For example, for crude palm oil we need to know the exact GPS coordinates of all the plantations. For used cooking oil, we require detailed supply chain information from the collection point where used cooking oil is gathered until the point it reaches Neste. Read more about traceability in our supply chains on page 19.

Overview of our supply chain

Traceability requirements are feedstock-specific and at all times, the product must be traceable to the point of origin.⁶ The diagram below illustrates a typical waste & residue feedstock supply chain:



Sustainability Audits:

Based on steps 1-4 of the sustainability due diligence process, we are able to use a risk-based approach to prioritize which suppliers to select for Sustainability Audits (5), which are conducted either by our own local sustainability specialists or a 3rd-party auditor.

In recognizing the traditional approach to auditing is limited in its ability to identify and assess human rights impacts, we have worked with external experts to develop an audit approach for tackling systemic human rights issues in our supply chains, such as modern slavery. Our sustainability audits have a strong human rights focus, and include, for example, criteria on the indicators of forced labor and child labor, fair wages, favourable working conditions, labor standards, access to basic services, employee and community grievance mechanisms, and topics related to vulnerable groups and neighbouring communities. The criteria in our audit framework are aligned with our Supplier Code of Conduct, and additionally go beyond compliance in addressing a broader range of human rights topics and impacts. Our on-the-ground sustainability audits centralize rights-holders by including conversations with groups such as management, site workers, third-party employees and union or worker's committee representatives.

In 2020, we conducted a total of nine Neste-led sustainability on-boarding audits, four of which were conducted online as virtual audits due to the COVID-19 pandemic.⁵ A number of additional sustainability audits that had been planned for 2020 were cancelled or postponed as a result of the COVID-19 pandemic. In 2021, we will continue our work to scale up the sustainability audit program at Neste, and focus on further improving our audit documentation and reporting processes.

5) All Sustainability Audits carried out in 2020 were conducted by Neste (not a third party), with no unannounced Sustainability Audits. 6) Point of origin is defined by Neste.

What do we do if indicators of modern slavery are found?

We take all allegations of suspected human rights violations and shortcomings seriously and investigate all cases. If we become aware of a human rights violation in our supply chain, our primary means of action is engagement and cooperation with our supplier to remedy the issue.⁷ This is because ending purchases does not resolve problems or provide access to remedy for affected rights-holders.

For more severe cases where we are investigating credible serious allegations against a supplier, we put all further purchases from the supplier on hold until a remediation plan has been approved and implementation is in progress. In all cases, we prioritize the wellbeing of the affected rights-holders. Read more about our grievance procedures on pages 8 & 19.

We address adverse human rights impacts once we become aware of them and have several ways to take action:

Requiring the supplier to provide a detailed account of the situation

Providing an assessment and, if necessary, a supply chain audit carried out by Nestle or partner sustainability experts locally

Requiring a detailed plan for corrective actions from the supplier

In the case of palm suppliers, submitting the shortcoming to the RSPO grievance process either by us or by the counterparty involved

Cooperating with the supplier and other stakeholders to develop practices and processes

Discontinuing purchases if we do not see adequate progress or if the supplier loses their certificate

⁷) While this is Nestle's primary process, our approach allows for more stringent actions to be taken straight away, for example in cases of severe human right abuse, or where more drastic measures are required by law.



Case Study: Advancing Business Respect for Migrant Worker Rights in Singapore

At the end of 2018, Neste made the final investment decision to expand the renewable products production capacity at our refinery in Singapore. Construction started at the beginning of 2019, and is currently ongoing with the extended refinery commercial operations projected to begin in 2023.

In line with our ambition to advance a rights-based approach in all of Neste's business decisions, we undertook a human rights risk assessment for the Singapore expansion during the planning stage of the project in 2018, before a final investment decision was made.

The assessment, conducted in partnership with external experts at Enact, identified the most severe human rights risks and impacts that could potentially occur during the construction phase of the project. It highlighted migrant workers on the construction site as being an especially vulnerable group at risk of experiencing negative human rights impacts. The risks identified related to ethical recruitment, fair wages and working hours, occupational health and safety, grievance-raising, and access to remedy.

Following the recommendations from the human rights risk assessment, in 2019-20 Neste put in place a number of measures, above and beyond the requirements of local law, in order to protect the rights of workers on the construction site. For example, in Singapore, construction workers are often transported to and from work on the back of crowded open-air trucks, but at the Neste Singapore Expansion project, we require all of our contractors to use busses to transport workers to and from site. Additional Neste measures include strong pre-qualification criteria for all contractors, regular site checks and social audits, and stationing of two sustainability specialists onsite to manage human rights and sustainability issues.

We also made it a priority to ensure that the workforce on the construction site, who are mainly employees of contractors and sub-contractors, have the right to be heard and to raise any concerns they may have directly to Neste. In line with this, we developed a [site-level grievance mechanism](#) specifically for the Neste Singapore Expansion, by putting in place suggestion boxes, promoted to workers in multiple languages, with the aim of capturing the voices, experiences, and needs of migrant workers, identifying issues on the ground, and providing effective remedy when negative impacts occur.



The [Neste Singapore Expansion Project](#) is projected to have several thousand workers onsite during the peak period for construction activities. The majority of this labour force is made up of workers from neighbouring countries in the region, such as India, Bangladesh, China, Malaysia, Thailand, and the Philippines. In 2020, the COVID-19 pandemic caused unprecedented socioeconomic impacts on a global scale. While these impacts have been experienced by everyone in varying degrees of severity, the greatest toll has been felt by the most vulnerable and marginalized groups in society, including the migrant workers in Singapore.

The majority of the COVID-19 cases in Singapore occurred in migrant worker dormitories, where the virus spread quickly due to communal living arrangements. As of 13 December 2020, the number of migrant workers who had tested positive for COVID-19 since the beginning of the outbreak amounted to 54,505, representing 93% of total cases in Singapore at the time.⁸

As part of Neste's ongoing efforts to adapt to COVID-19 and safeguard the rights of migrant workers on our sites, we proactively collaborated with the Singapore Government and our main contractor Technip Energies to gain access to one of the Singapore Government's newly-built [Quick Build Dormitories](#), which have a reduced occupancy density and improved living standards, such as free WiFi coverage throughout the living complex for all residents. We successfully reserved 1000 beds for our contractors to use, and the first batch of migrant workers moved into the newly inaugurated QBD in December 2020.

In addition to our efforts to secure improved housing for the migrant workers employed by our contractors, throughout 2020 we took a number of steps to protect workers onsite at the Neste Singapore Expansion Project in response to COVID-19. This includes multiple [new safety measures](#) which were put in place to ensure safe and hygienic conditions onsite with adequate social distancing, and a Worker Wellbeing Survey carried out during June-July 2020 to gain a deeper understanding of how COVID-19 and associated local restrictions are impacting migrant workers. Topics covered in the survey included overtime and rest periods, on-time payment of salaries; accommodation and social distancing; freedom of movement; access to food, water and basic necessities; sanitation and hygiene; and worker's ability to access the internet, communicate with their families and remit money back home

Moving forward into 2021, we will continue to work closely with our business partners to safeguard the rights of all workers involved in the Singapore Expansion Project, ensure compliance with new government requirements and take the necessary measures to minimize workforce exposure to COVID-19.

Read more about how we are [advancing business respect for human rights](#) at the Neste Singapore Expansion Project, [collaborating to safeguard migrant worker rights](#), and [ensuring safe construction during COVID-19](#) on our website.

8) Published on Singapore [Ministry of Manpower's official website](#) on 14 December 2020.

6. Training & Capacity Building

Understanding that risk assessments and sustainability audits alone are not sufficient for tackling an issue as hidden and complex as modern slavery, we are also committed to training our employees on our policies, and engage in capacity building with suppliers operating in high risk sectors and geographies.

In 2020, we established a new KPI to increase the number of Nestle employees who have received training on forced labor and vulnerability, prioritizing those involved in supply chains and procurement. You can read more about our Sustainability KPIs on page 19.

During 2020 we carried out Supplier Code of Conduct training for 110 employees in supply and procurement, in partnership with internal and external experts. The training included a dedicated segment on Nestle's minimum human rights requirements for suppliers, including: the prohibition of child labor and all forms of forced labor, our requirement that no workers are to pay recruitment fees or associated costs, and our requirement that all employees are to be made aware of the key terms of their employment prior to commitment to work. As part of our commitment to training our own employees so that they are able to identify modern slavery risks and communicate our requirements to suppliers, the Supplier Code of Conduct training also incorporated additional information on forced labor and vulnerability, including an explanation of the ILO Indicators of Forced Labor, practical guidance on how to identify and report signs of modern slavery, and information on the prevalence of modern slavery in geographies where we have operations and supply chains. Due to COVID-19, the training sessions took place in the form of live online workshops. These training workshops were also recorded and are accessible to all Nestle employees.

We believe that close engagement and collaboration with our raw material suppliers provides us the best opportunities to advance human rights and proactively mitigate modern slavery risks within our supply chains. [Since 2015](#), we have hosted [annual sustainability workshops](#) to engage our palm suppliers in open dialogue on sustainability topics and advance capacity building on human rights. Due to COVID-19, our planned in-person workshop for 2020 was replaced with a series of four 90-minute live webinars, attended by both our direct and third-party palm suppliers. An entire webinar was assigned to cover the topic of forced labor and ethical recruitment in palm. The webinar included information on Nestle's requirements and expectations, and covered best practices for preventing modern slavery, with practical guidance for identifying and addressing common indicators of forced labor in the palm sector. This included issues related to the use of recruitment agents, recruitment fees, document retention, employment contracts, forced overtime, calculation of wages and termination of employment. The webinar and training was conducted in collaboration with our partner, Consortium of Resource Experts (CORE).



7. Working with others

Working in partnerships is an important part of how we do business. We believe that increased protection for human rights is best achieved by working together with rights-holders, suppliers, civil society, governments and other businesses.

Neste is an active member of [The Nordic Business Network for Human Rights](#). This helps us stay updated on the most recent knowledge and trends in business and human rights, and provides us with a space to share difficult dilemmas with experts and peers. The network is chaired by the Danish Institute for Human Rights. Neste is one of 12 NBNHR member companies who have signed a [joint statement in support of EU legislation on mandatory human rights due diligence](#). Published in January 2021, the joint statement emphasizes an urgent need to harness the transformative power of the UNGPs across all industries and value chains, in the pursuit of tackling complex issues like modern slavery and realizing universal human rights for all.

We are also a member of the Finnish corporate responsibility network [FIBS](#), and throughout 2020 participated in their quarterly focus sessions on business and human rights, which included training on human rights due diligence and modern slavery topics. These workshops are conducted in partnership with human rights experts from Enact.

In addition to our membership in these networks, our attendance and participation at the annual [UN Forum on Business and Human Rights](#) serves as a platform for us to evaluate our approach and learn from others.

CEO leadership on human rights

CEO leadership plays a critical role in ensuring that human rights are taken seriously across a company, and embedded in corporate culture. In January 2020, Neste joined the World Business Council for Sustainable Development (WBCSD) and our President and CEO, Peter Vanacker, became one of 54 forward-thinking company executives to sign the [WBCSD Call to Action for Business Leadership on Human Rights](#). Signatories of the Call to Action emphasize that urgent business leadership is needed to advance corporate respect for human rights and scale up the implementation of the UNGPs, which provide a clear framework and global approach for businesses to prevent and address risks of modern slavery in their supply chains.

Collaborating to protect children's rights

We are engaged in collaborative efforts to protect children's rights. In 2019, Neste, together with a number of major brands, partnered with Business for Social Responsibility (BSR) and Wilmar on a program aimed at protecting the rights of children living on palm plantations. In 2020, this initiative continued with a series of capacity building workshops on child protection in the Indonesian palm sector, and the publication of the [Child Protection Policy Implementation Manual](#), designed to be detailed and comprehensive while also incorporating field guidance and illustrations for universal understanding. Read more about this initiative on our [website](#).

8. Tracking progress and effectiveness

Modern slavery is a complex, multi-faceted issue, which is often hidden and can thus be challenging to address effectively. As such, we are committed to assessing the effectiveness of our due diligence activities, so that we can continuously improve, strengthen and refine our approach.

Key Performance Indicators

In 2020, we conducted a [materiality assessment](#) which engaged our key stakeholders, rights-holders and business representatives to identify which topics should be highlighted in our sustainability efforts at Nestle. Nine material topics were identified, forming the basis for the development of new Nestle [Sustainability KPIs](#). Three of these material topics include KPIs related to tracking our progress and effectiveness on modern slavery: Forced Labour and Vulnerable Groups; Ethics, Transparency & Open Communication; and Supply Chain Sustainability.

The new Forced Labor KPIs include targets on managing forced labor risks in Nestle operations and supply chains and increasing the number of employees who have received training on forced labor and vulnerability, prioritizing those involved in supply chains and procurement. Under our Ethics, Transparency & Open Communication KPIs, we publish monthly grievance log updates on our website, and track and publicly disclose the number and type of grievances that have been raised in person or via our whistleblowing channel. Our Supply Chain Sustainability KPIs track the number of Sustainability Audits conducted annually, the percentage of business partners who have committed to Nestle's minimum sustainability requirements in the Supplier Code of Conduct, and the number and outcome of Nestle's renewable raw material supplier sustainability assessments. Additional details on our KPI targets and progress for 2020 available in [this table](#), which is updated on an annual basis and published on our website and annual report.

Grievance Processes

In 2020, we also improved our procedures for tracking and processing grievances. This included establishing a cross-functional team to ensure speed and consistency in how we manage grievance cases, and maintaining a publicly available log of grievances raised in our raw materials supply chains on our [website](#). The grievance log is updated on a monthly basis to include new grievances as well as provide status updates on the remediation of existing grievances and how these are being addressed or monitored by Nestle. This includes any grievances related to modern slavery or labor exploitation in our extended raw material supply chains. More information on how we monitor and track grievances, including a [diagram of our grievance process](#) is available on our [website](#).

Traceability

A key element of being able to track progress and effectiveness is knowing – and being transparent about – our value chain. Nestle's publicly available [Traceability Dashboard](#) provides detailed information on our palm oil and palm fatty acid distillate (PFAD) supply chains. In 2020, we updated our Nestle Traceability Dashboard to provide exact coordinates to the oil palm plantations in Nestle's supply chain. This type of supply chain mapping and information sharing increases the probability that modern slavery issues will be identified and addressed in our extended supply chains. Palm supply chain mapping activities are carried out in collaboration with our palm oil suppliers and sustainability specialists from the Consortium of Resource Experts (CORE), who also track progress and monitor effectiveness of Nestle requirements on the ground, by directly engaging with our suppliers on advancing their commitments under the No-Deforestation, No-Peat, No-Exploitation pledge (NDPE).

9. Looking forward

We recognize that our business and extended supply chains are not static but continually evolving. As a fast-growing organisation, it is essential that we remain aware of emerging risks in our new supply chains and alert to the complex nature of modern slavery. We are committed to improving our understanding and management of modern slavery risks over time, and will continue to reflect on, develop and extend our approach to modern slavery, both in breadth across our key business segments, and in the depth of work within our raw material supply chains and sourcing regions.

We know that there is more work to do and we expect our approach to managing the risk of modern slavery to evolve as we learn from our risk assessments and due diligence processes.

We work according to our values: We care. We have courage. We cooperate.

This Statement was approved by the Board of Directors of Nestle Corporation on 28 April 2021.

Signed

Peter Vanacker

President and CEO, Nestle



NESTE

Change runs on renewables