

A snail is positioned on a moss-covered log. In the foreground, several small, glowing mushrooms with white caps and thin stems are scattered across the moss. The background is a dark, misty forest scene.

Developing HRDD at Neste

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FIBS Human Rights WG | 13.2.2024

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Launching Neste Human Rights Commitment

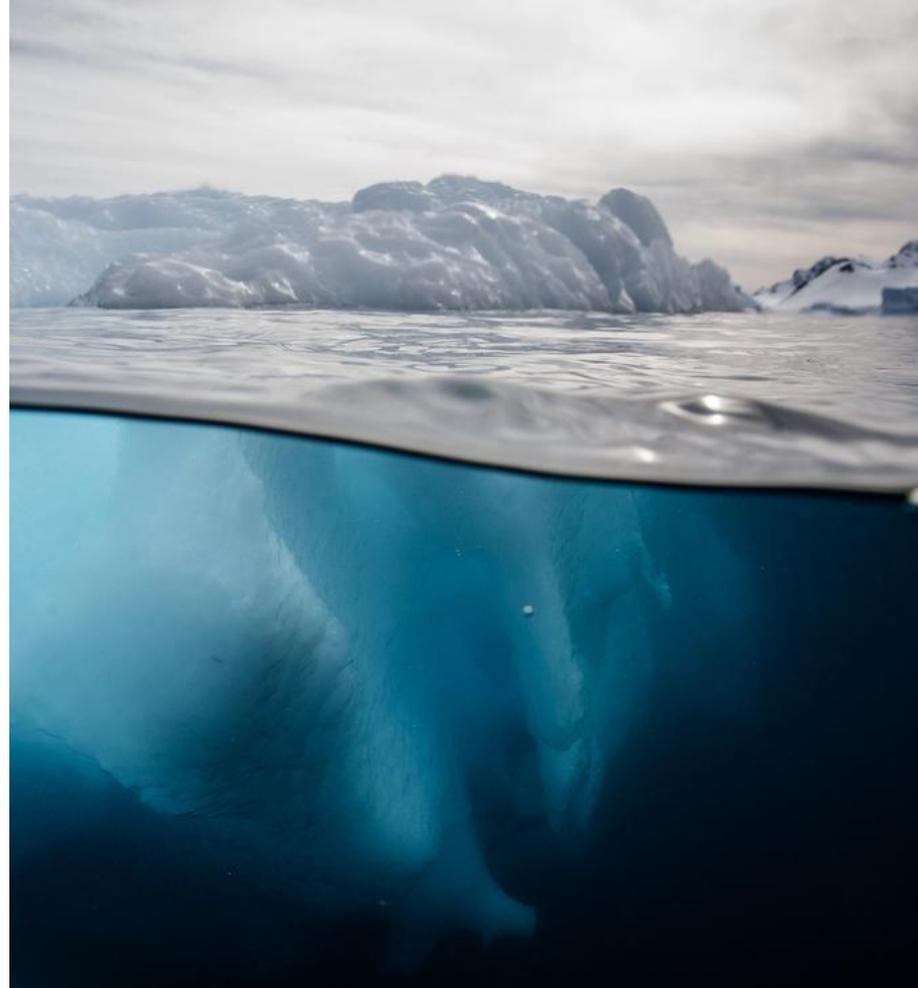
Identifying Human Rights Priorities

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Summary



The idea of human rights is as simple as it is powerful: all people have a right to be treated with dignity.

As a global company, our value chain connects us with thousands of people around the world. Nestlé has a responsibility to avoid having a negative impact on the human rights of these people and to address such impacts when they do occur.

At Nestlé, we are committed to embedding respect for human rights across our business and value chains, so that all of our **rights-holders** can lead dignified and independent lives, free from abuse and discrimination.



Internationally-recognized human rights



Source: [International Bill of Human Rights](#)

Neste's Rights-Holders



Neste Employees:

Permanent and temporary employees of Neste across our operations, joint ventures and subsidiaries.



Contractors Employees:

Employees of Neste's contractors and service providers e.g. maintenance, cleaning services, consultants.



Supply Chain Workers:

Employees who work for Neste's business partners/ suppliers e.g. palm refinery workers, UCO drivers



Communities:

Communities who may be affected by Neste or our Business Partners' operations, including in their supply chains



Customers:

Individuals and companies who buy Neste products and services.



Neste's rights-holders, pictured above, are all the individuals or social groups who may be impacted by our business activities

Respecting Human Rights at Neste

The [Neste Human Rights Principle](#), updated in 2022, contains two key elements:

Neste Human Rights Commitment

- 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.
- We carry out **human rights due diligence** to identify, assess and address our human rights impacts.

Seven Neste Human Rights Principles

- Seven principles which explain the salient issues/**priority focus areas** for human rights at Neste.
- These principles set the path and standards for a **rights-based approach** in all of Neste's business decisions.

Seven priority human rights areas (salient issues)



Fair Employment

Ensuring workers earn a living wage, have decent working conditions and working hours, and the ability to organize freely and bargain collectively if they so wish.



Health & Safety

Ensuring high standards of product safety, and providing a safe and healthy workplace for all of our employees.



Equity, Diversity and Non-Discrimination

Providing equal employment opportunities for all without discrimination. Zero tolerance for harassment and bullying.



Children & Young Workers

Ensuring that Neste respects, supports and promotes children's rights. Child labour is prohibited and young workers must be provided with just and favourable work conditions e.g. no hazardous work.



Modern Slavery

Prohibition of all forms of modern slavery. Workers are not to be charged any recruitment fees to secure a job. Prohibition of deceptive employment contracts and the retention of workers' personal documents.



Fair Treatment

Providing appropriate and effective remedy and making efficient grievance mechanisms available to our rights-holders. Protecting privacy and confidentiality of personal data. Ensuring respect for human rights defenders.



Social, Economic and Cultural Rights

Ensuring all people have the opportunity to develop and enjoy economic, social and cultural prosperity, and that the rights of Indigenous Peoples are upheld.

Minimum Human Rights Requirements for Suppliers



Employment Standards

Comply with laws on working hours, minimum wages, overtime, rest and employee benefits. Strive to provide all employees with fair and decent work.



No Deceptive Employment Practices

Ensure all employees' work is conducted on the basis of freely agreed and documented terms of employment, clearly understood prior to the commitment to work.



No Child Labor

Do not employ any workers younger than 15 years of age. When workers under the age of 18 are employed, do not require or allow them to do work that is mentally, physically, socially or morally dangerous or deprives them of the opportunity to attend school.



No Forced Labor

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.



No Harassment

Zero tolerance for any type of harassment, whether emotional, physical or verbal. This includes bullying and any direct or indirect behaviour that is offensive, intimidating, malicious or insulting.



Equality and Non-Discrimination

Treat everyone fairly and equally, and provide equal opportunities without discrimination on the grounds of race, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, dependants, disability, social class or political views.



Freedom of Association & Collective Bargaining

Recognise and respect employees' right to organize freely and bargain collectively if they so wish. Respect employees' rights to join or not to join a legally recognised trade union, or any other body representing their collective interests, and establish constructive dialogue and bargain in good faith with trade unions or representative bodies.

Continuous assessment of human rights impacts and their saliency

Identify

- Identify impacts on people
- Covering
 - own operations
 - upstream
 - downstream
 - JVs and projects

Prioritise

- Assess severity
- Assess likelihood
- Take into account vulnerable groups

Assess

- Assessment practices for each impact
- Evaluating their effectiveness

Human rights “risk register” & heatmap with salient impacts

Supply chain sustainability in a nutshell

- Compliance with **Neste Supplier Code of Conduct** and **Neste's Responsible Sourcing Principle** (renewable raw materials suppliers)
- Annual **sustainability workshops and trainings** to support capacity building of Neste's suppliers
- We **investigate all suspected sustainability violations** and publish a monthly grievance log on our website
- **Collaboration with other companies** to drive sustainable practices in the supply chains (e.g. Consumer Goods Forum)





Case: Enhancing employees' understanding of modern slavery

In 2022, Nestle partnered with The European Institute for Crime Prevention and Control (HEUNI) as a third-party expert **to train Nestle employees on modern slavery** and labor exploitation risks in the regions and sectors connected to our business and value chains.



We recognise that modern slavery is a growing global issue from which no industry is immune. Nestle is committed to taking the appropriate steps to identify vulnerable workers and mitigate modern slavery risks in our operations and supply chains.

Case:

Engaging with contractor workers during turnarounds



Are you being verbally/physically abused or threatened?



Has your ID/passport been taken away?

Thousands of workers from contractors and sub-contractors temporarily work at Neste's refineries during turnarounds.

They are often **foreign workers** who may not be familiar with the working language(s), culture and requirements of the host country, which makes them more vulnerable to possible labour exploitation. Therefore we pay special attention to **secure workers' rights** during turnarounds.

We work to make sure **everybody is treated with dignity** by:

- Including **supplier requirements in contract clauses**
- Proactively **screening potential risk factors** and engaging with contractors to ensure **continuous mitigation practices**
- Raising awareness on workers' rights, conducting **social toolboxes** on decent working conditions
- Providing access to **local feedback and complaints channels**, monitoring **red flags** during the turnaround
- Conducting **social audits** and engaging with long term partners between turnarounds.

Preparing for increasing regulation



CSRD

EUDR

CS3S

Forced labour

Neste HRDD in a nutshell



Policy commitment

- Neste Code of Conduct
- Neste Human Rights Principle, supported by operational policies and procedures



Identify and prioritise actual & potential impacts

- Ongoing practice of reviewing Neste's impacts, prioritising based on severity & likelihood, and understanding the gaps in our mitigation activities
- Human Rights Risk Assessments eg. for major business development and investment projects
- Collaboration with third parties and through initiatives
- Country and sector risk assessments
- Findings from supplier surveys and audits
- Workers' Voice surveys



Prevent & mitigate adverse impacts

- Supplier requirements
- Counterparty pre-screening for all potential business partners
- Supplier sustainability survey and desktop audit for all new renewable raw materials suppliers
- Regular personnel surveys for all Neste employees
- Human rights training included in e-learning
- Human rights specialists stationed on the ground for high-risk projects
- Capacity building with suppliers in high-risk geographies and supply chains
- Sustainability audits with strong human rights criteria
- Multi-stakeholder collaboration and partnerships to jointly address root causes and systemic issues



Remedy adverse impacts

- Company-wide grievance mechanism, Ethics Online
- Operational-level grievance mechanisms designed for individual sites and projects (local complaints channels)
- Renewable raw material grievances (NGO allegations)





NESTE

Change runs on renewables