## Nestlé statement on Public Eye investigation into modern slavery at its coffee suppliers

(by email on 30 May 2025)

Thank you for your email sharing concerns on Nestlé's coffee sourcing from Brazil, and for giving us the opportunity to respond.

You raised a number of concerns regarding labor conditions on certain coffee farms in Brazil. We take any information on such issues very seriously. There are strong measures in place to make sure our strict standards on decent working conditions and human rights are respected in our supply chain. When these standards are not respected, we take action.

We want to clarify that for these three farms you referred to in your note – Três Irmãs, Primavera and Mata Verde – we do <u>not</u> source coffee from them. These farms are not part of our Nescafé Plan and Nespresso AAA Sustainable Quality Program™ programs.

We currently source coffee from the 4C certified farm unit of 500 farms within the Cooabriel cooperative, which represents a subset of the total farms associated with this cooperative. 4C certified coffee lots are segregated and traceable to their 4C farm unit, ensuring that these farms meet the environmental and social criteria set out under the 4C Code of Conduct.

The 4C Code of Conduct includes explicit requirements prohibiting forced labor, child labor, and other unacceptable working conditions. These requirements are designed to prevent human rights violations in coffee supply chains and include independent third-party audits, the availability of grievance mechanisms, and oversight of internal management systems, all supported by input from external stakeholders, including government investigations.

We also maintain direct communication with Cooabriel to emphasize the importance of safe and fair working conditions across all farms where we source our coffee. Our <u>Nestlé</u> <u>Responsible Sourcing Core Requirements</u> outline the strict social, environmental, and other requirements that must be respected by all suppliers –whether they are a direct or indirect part of our coffee supply chain.

In this context, we want to address the other concern you had raised related to coffee sourcing from the Vista Alegre farm. Once we were made aware of the issues you referenced, we took decisive action and suspended this farm from our AAA Sustainable Quality Program™ pending evidence that the farm complies with our strict standards.

Where violations of our strict standards are identified, immediate action is taken in coordination with our suppliers. This may involve assisting farms to make necessary changes to ensure compliance with our strict standards or excluding them from our program (in case of a severe breach).

Finally, we want to highlight that as part of our ongoing efforts in Brazil, we are implementing a comprehensive approach to detect potential risks of human rights and labor rights violations in our supply chain—namely, regular visits to coffee farms in our supply chain, and supplier audits. In Brazil, Nestlé is also an active member of collective initiatives such as the Global Coffee Platform and InPacto, working toward advancing coffee sustainability and better working conditions in the coffee sector.

We appreciate your concerns and remain committed to sharing our progress to implement our Human Rights Roadmap and uphold and advance human and labor rights in our supply chains, including in coffee.

You can also find more information about the Nestlé coffee sourcing practices at <u>Responsible</u> sourcing: Our coffee supply chain.

## The questions sent by Public Eye to Nestlé

## (by email on 15 May 2025)

On 3 May 2023, labor inspectors from the Brazilian government freed ten workers from slave-like conditions on the Sítio Mata Verde farm in Vila Pavão, Espírito Santo, which is owned by Venâncio Jacob. Jacob supplied his coffee, which was produced according to 4C standards, to Cooabriel, a direct supplier to Nestlé and official partner of the Nescafé Plan. After the rescue operation became known, the farm was excluded from the 4C system, as confirmed by the certifier. The conditions on the farm were classified as 'degrading' under Brazilian law, as the informally employed workers were held through debt bondage, an internationally prohibited form of forced labor.

On 11 May 2022, a worker was found in slave-like conditions at Fazenda Três Irmãs in Camacã, Bahia, owned by Zenilton de Jesus Oliveira; and on 5 May 2022, inspectors found violations of Brazilian labour law affecting 63 workers at Fazenda Primavera in Canavieiras, Bahia, owned by Wanderlei Fornasier Morgan. Both farmers confirmed that they were suppliers to Cooabriel.

Finally, on 4 July 2023, three workers were freed from slave-like conditions at the Vista Alegre farm owned by Cosmo Damião da Silvas in Patrocínio, in the state of Minas Gerais. Invoices obtained by Public Eye and Repórter Brazil show that the farm sold its harvest to Nestlé supplier NKG Stockler in February of the same year and received a Nespresso AAA premium for the shipment. In March 2025, NKG Stockler had 'paused' its business relationship with the Vista Alegre farm, but only after we confronted the company with our findings. The inspectors classified the conditions on the farm as 'degrading'. Among other things, the workers were employed without contracts, illegal deductions were made from their wages and the accommodation and sanitary facilities were inadequate.

## Nine questions:

- 1. Was Nestlé aware of these incidents prior to our report, and if so, what measures had the company taken in response?
- 2. When modern slavery was first identified in Nestlé's Brazilian supply chain back in 2016, the company publicly emphasized its 'zero tolerance' policy. How come such cases, all the same, keep occurring?
- 3. Despite being involved in three incidents of modern slavery and labor law violations, Coobriel became an official <u>partner of the Nescafé Plan</u>, after undergoing comprehensive audits. How is this possible and what does this partnership imply?
- 4. According to Cooabriel, they suspended their business relations with the Mata Verde farm. Can you confirm this? Are their relationships to the farms Três Irmas and Primavera also suspended?
- 5. How could modern slavery occurr at a farm (Vista Alegre) certified by Nespresso AAA?
- 6. Is the Vista Alegre farm still AAA certified, and if not, since when?
- 7. How does Nestlé prevent modern slavery and other violations of human and worker rights in its coffee supply chain?
- 8. Does Nestlé want to make sure harvest workers on coffee farms in its supply chain are formally employed?
- 9. Does Nestlé think coffee workers in its supply chain should earn a living wage, and has it a policy to ensure they do?