

ANNEXURE -3 TO THE BOARD'S REPORT BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Section A: General Disclosures

I. Details of the Company:

1.	Corporate Identity Number (CIN) of the Company	L15202DL1959PLC003786
2.	Name of the Company	Nestlé India Limited
3.	Year of Incorporation	28 th March 1959
4.	Registered office address	100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110001, India
5.	Corporate office address	"Nestlé House", Jacaranda Marg, 'M' Block, DLF City, Phase - II, Gurugram - 122 002, Haryana, India
6.	E-mail id	investor@in.nestle.com
7.	Telephone	011-23418891
8.	Website	www.nestle.in
9.	Financial year for which reporting is being done	January 2022 to December 2022
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited, Mumbai
11.	Paid-up capital (In ₹)	₹ 96,41,57,160/-
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Sanjay Khajuria, Director-Corporate Affairs and Sustainability Email: Sanjay.Khajuria@in.nestle.com Phone: 011-23418891
13.	Reporting boundary	The disclosures made under this report are on a standalone basis.

II. Products/services

14. Details of business activities:

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Company
1.	Food Processing Industry	Food Processing Industry	100

15. Products/Services sold by the Company:

S.No.	Product/Service	NIC Code	% of Total Turnover
1	Milk Products and Nutrition	10509	40.6%
2	Prepared Dishes and Cooking Aids	10750	31.6%
3	Confectionery	10732 & 10733	15.8%
4	Powdered and Liquid Beverages	10792	12.0%

III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

Your Company has 9 manufacturing facilities, 4 sales branches, 1 registered office, 1 Head office and nation-wide sales and distribution network.

Your Company has its manufacturing facilities at Moga (Punjab), Choladi (Tamil Nadu), Nanjangud (Karnataka), Samalkha (Haryana), Ponda (Goa), Bicholim (Goa), Pantnagar (Uttarakhand), Tahliwal (Himachal Pradesh) and Sanand (Gujarat).

The Registered Office of the Company is located at Delhi. The 4 Branch Offices located at Gurugram, Mumbai, Chennai and Kolkata help facilitate the sales and marketing activities of the Company. The Head Office is located at Gurugram, Haryana.

Location	Number of Plants	Number of Offices	Total
National	9	4 Branch offices, 1 Head office, 1 Registered Office	15
International	Not Applicable	-	-

17. Markets served by the Company:

a. Number of locations

Location	Number
National (No. of States)	Pan-India 36 (28 States/8 UTs)
International (No. of Countries)	26*

* Your Company exported products to 26 countries in 2022.

b. What is the contribution of exports as a percentage of the total turnover of the Company?

Contribution of exports during the financial year ended 31st December 2022: 4.1%

c. A brief on types of customers:

With nine factories and a large number of co-packers, co-manufacturers and trade partners, your Company provides consumers in India with products of international standards and is committed to long-term sustainable growth. Your Company works to build relationships that ensure long-term business for everyone. Your Company has developed a resilient and agile framework that sources its direct and indirect materials from over 4,000 suppliers and has touched lives of over 200,000 farmers, retailers, vendors, distributors etc. Your Company reaches consumers through its wide network of distributors, traditional and organized trade, e-commerce, canteen stores and pharmacies. Direct-to-Consumer (D2C) e-commerce platform www.mynestle.in was launched during the year, where Nestlé products manufactured in India are available in select towns of National Capital Region (NCR).

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures:

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held	Does the Company indicated at Column A, participate in the Business Responsibility initiatives of the Company
1	Nestlé S.A.	Holding	34.28	No
2	Maggi Enterprises Limited	Holding	28.48	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 167,895.3 million

(iii) Net worth (in ₹): 24,591.7 million

VII. Transparency and Disclosures Compliances

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place	FY 2022			FY 2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. Weblinks*	0	0	-	0	0	-
Investors (other than shareholders)	Yes. Weblinks*	0	0	-	0	0	-
Shareholders	Yes. Weblinks*	14	0	-	3	0	-
Employees and workers	Yes. Weblinks*	29	3	-	16	0	-
Customers	Yes. Weblinks* Email: wecare@in.nestle.com	5,338	0	-	4,608	0	-
Value Chain Partners	Yes. Weblinks*	30	3	-	5	0	-
Others (please specify)	-	-	-	-	-	-	-

***Weblinks:**

- Policy: www.nestle.in/investors/policies
- Vigil mechanism: www.nestle.com/about/how-we-do-business/report-compliance-concerns

24. Overview of the Company’s material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Renewable Fuel and Renewable Power	Opportunity	Reduction of pollution and protection of the environment.	Move to renewable sources of energy across the manufacturing locations. Your Company is installing biomass boilers at factories in Nanjangud, Moga and Sanand that will help in reducing GHG emissions per annum.	Initially because of capex, this will be negative but in medium to long term it will be positive.
2	Plastic (laminates used for packaging)	Risk and Opportunity	Limited recycling infrastructure. Reduced plastic consumption, use of recycled content and pack-size optimization.	Move to mono layer laminates to mitigate impact. Approach directed towards circular economy.	Change to mono layer will be negative. Reduced plastic usage will be positive.
3	Social responsibility towards society	Opportunity	Your Company’s commitment to the society is sincere and longstanding and the focus is on areas where societal needs are high. The initiatives include nutrition awareness; plastic waste management; creating access to clean drinking water and sanitation; training street food vendors on food safety and hygiene and village adoption.	Details are appended in Annexure-2 that forms an integral part of Annual Report.	Positive. Your Company’s initiatives are in line with national priorities and SDGs. Your Company strives to make a positive difference and create maximum value for the society.

Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct [NGRBC] as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

S. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	a. Whether your Company's policy/ policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	@	@	@	@	@	@	@	@	@
2.	Whether the Company has translated the policy into procedures.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle.	<p>Your Company's manufacturing facilities and office premises have well defined Environment, Health, Safety and Quality Management systems in place with stringent internal standards and are also certified with international standards ISO 45001: 2018: Occupational Health and safety Management system; ISO 14001: 2015: Environmental Management system, ISO 9001: 2015: Quality Management system. Additionally, manufacturing facilities are certified with ISO/IEC 17025:2017 (Testing and Calibration Laboratories Accreditation), BIS and FSSC 22000 (Food Safety System Certification).</p> <p>Your Company works with suppliers/farmers and sourcing ingredients adhering to 4C certification, Rainforest Alliance for Coffee, Bonsucro certification for Sugar and RSPO for Palm oil.</p>								

5.	Specific commitments, goals and targets set by the Company with defined timelines, if any.	<p>Globally, Nestlé group has committed to be net zero by 2050 based on the 2018 baseline. Your Company as one of the markets of Nestlé group is also committed to reduce the emissions and accelerating the sustainability journey in India.</p> <p>To achieve net zero emissions, there is a need to reduce emissions as much as possible. As a part of the global commitment, sourcing 50% of the ingredients from regenerative agriculture by 2030 will help to do so, as will investing in sustainable logistics, packaging and manufacturing activities. By 2025, as part of the global commitment, Nestlé aims to reduce the emissions by 20% and by 2030 reduce emissions by 50%. To achieve the commitments, your Company is accelerating work in manufacturing, packaging, sourcing, water, logistics and carbon-neutral brands.</p>
6.	Performance of the Company against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>Your Company follows a series of Environmental Performance Indicators to monitor its efforts for sustainable use of natural resources in manufacturing. Your Company is committed to conservation and optimal utilization of all resources, reducing waste to zero and full recovery of unavoidable by-products.</p> <p>Through the NESCAFÉ Plan, MAGGI Spice Plan and partnering with the dairy farmers, your Company continued to collaborate with the farmers on environmental sustainability programmes. All your Company's brands continue to be plastic neutral, which means the quantum of plastic that is being used in the packaging is compensated by what is collected and managed.</p>
Governance, leadership and oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>Your Company's vision is to be seen as "Leaders in Sustainability" and as "Solution provider", by the consumers, employees, partners, society and other stakeholders.</p> <p>At Nestlé, sustainability inspires and guides everything the Company does. Your Company is committed to environmentally sustainable business practices across its value chain making the right choices to protect the future by integrating environmental considerations into its business planning. Preserving the planet is weaved into the Purpose of your Company - "We unlock the power of food to enhance quality of life for everyone, today and for generations to come".</p> <p>Your Company has accelerated the sustainability journey by working across 4 commitments related to climate change, plastics and packaging, responsible sourcing and water management. Its efforts encompass the entire value chain, where it actively engages with farmers, suppliers, employees and consumers to increase awareness about the planet. Your Company has made substantial progress in the sustainability journey towards reducing overall emissions. The key projects across 4 focus areas:</p> <ul style="list-style-type: none"> » Sourcing the ingredients sustainably: especially raw materials where your Company is working closely with farmers to educate / build sustainability practices. » Manufacturing sustainably: By increasing usage of renewable sources of energy. » Optimizing use of water: By conserving, limiting usage, facilitating re-use. » Building sustainable packaging options: Reducing overall use of virgin plastic material, design for recycle. <p>Your Company is committed to being open and transparent, and to listening to the views of others as we move forward in sustainable development.</p>

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>At the highest level, the Board of Directors of your Company, led by the Chairman and Managing Director, has the primary role to protect and assess the Business Responsibility (BR) performance of your Company.</p> <p>The Corporate Social Responsibility (CSR) Committee oversees, <i>inter-alia</i>, corporate social responsibility and other related matters as may be referred by the Board of Directors. The CSR Committee formulates an Annual Action Plan pursuant to the CSR Rules and the CSR Policy of the Company, as amended from time to time. All the CSR projects and programmes are undertaken, monitored, assessed and reported as per the CSR Rules.</p> <p>In order to review the sustainability agenda of your Company at the desired levels, the Board of Directors added sustainability areas as part of terms of reference of the Risk Management Committee and to reflect the same, changed its nomenclature to Risk Management and Sustainability Initiatives Committee.</p> <p>Risk Management and Sustainability Initiatives (RMSI) Committee reviews amongst other things, your Company's sustainability agenda including the measures which ensure the Company's sustainability commitment and how its long-term strategy relates to its ability to create shared value.</p> <p>The RMSI Committee, <i>inter-alia</i>, reviews Company's plan and actions with regard to climate change, plastics and packaging, water management and responsible sourcing while ensuring that the Company carries out human rights due diligence and manages diversity, inclusion and employee health and well-being appropriately. The RMSI Committee also oversees compliance of all policies and the regulatory reporting requirements under the Listing Regulations.</p>
9.	Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? If yes, provide details.	<p>Yes, the Board of Directors has entrusted RMSI Committee to oversee the sustainability initiatives of your Company. The Committee meets once in a quarter. The RMSI Committee comprises of three independent non-executive directors and two executive directors of your Company.</p> <p>Your Company has also set up a Governance Council to provide oversight, direction and support on sustainability, headed by the Chairman and Managing Director. The Council comprises of the key members of the Management Committee as well as leads of the Task Forces that have been set up to drive and deliver key projects in each focus area i.e. Sustainable Sourcing, Sustainable Packaging, Manufacturing & Logistics, Brands, Recipes & Portfolio.</p> <p>The Governance Council meets regularly and reviews progress of the sustainability projects undertaken by the Task Forces in their respective focus areas. The Chairman of the Governance Council reports the progress to the RMSI Committee and the Board of Directors of the Company.</p>

Note: The policies have been derived and adopted from the Nestlé Global Policies and are aligned as per local requirements to safeguard the interests of all its stakeholders.

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	C^	C^	C^	C^	C^	C^	C^	C^	C^	A*	A*	A*	A*	A*	A*	A*	Q#	A*
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	C^	C^	C^	C^	C^	C^	C^	C^	C^	A*	A*	A*	A*	A*	A*	A*	Q#	A*

*A - Annually, #Q - Quarterly, ^C - Committee of the Board.

Note: There were no follow-up actions by the Committee of the Board.

11. Has the Company carried out independent assessment/ evaluation of the working of its policies by an external agency? If yes, provide name of the agency.																		
	P1	P2	P3	P4	P5	P6	P7	P8	P9									
Has the Company carried out independent assessment/ evaluation of the working of its policies by an external agency? If yes, provide name of the agency.	N	N	N	N	N	N	N	N	N									

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:																		
	P1	P2	P3	P4	P5	P6	P7	P8	P9									
The Company does not consider the Principles material to its business	Not Applicable																	
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles																		
The Company does not have the financial or/human and technical resources available for the task																		
It is planned to be done in the next financial year																		
Any other reason																		

@Weblink of the Policies:

Principle 1: Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable:

- Nestlé Corporate Business Principles
https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_governance/corporate-business-principles-en.pdf
- Nestlé India Code of Business Conduct
<https://www.nestle.in/sites/g/files/pydnoa451/files/2019-11/nestle-india-code-of-business-conduct-22-11-19.pdf>

Principle 2: Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe:

- Nestlé Quality Policy
https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/quality_policy_nestle.pdf



Principle 3: Employee Well Being: Businesses should respect and promote the well-being of all employees, including those in their value chains:

-Whistle Blower Policy

<https://www.nestle.in/investors/policies>

- Equal Opportunity Policy

<https://www.nestle.in/jobs/equal-opportunity-policy>

- Nestlé Corporate Business Principles

<https://www.nestle.in/aboutus/report-your-concerns/nestl%C3%A9%27s-corporate-business-principles>

- ISO 45001: 2018: Occupational Health and safety Management system

Principle 4: Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders:

- Nestlé Corporate Business Principles

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_governance/corporate-business-principles-en.pdf

Principle 5: Businesses should respect and promote human rights:

- Nestlé Responsible Sourcing Standard

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/nestle-responsible-sourcing-standard-english.pdf>

<https://www.nestle.com/csv/what-is-csv/ethical-business/human-rights>

Principle 6: Environment: Businesses should respect and make efforts to protect and restore the environment:

- Nestlé Responsible Sourcing Standard

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/nestle-responsible-sourcing-standard-english.pdf>

- Safety, Health & Environmental Sustainability Policy

<https://www.nestle.in/sites/g/files/pydnoa451/files/asset-library/publishingimages/csv/pdf/shandepolicy.pdf>

- The Nestlé Policy on Environmental Sustainability

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/environmental_sustainability/nestl%C3%A9%20policy%20on%20environmental%20sustainability.pdf

Principle 7: Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent:

- Nestlé Corporate Business Principles

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_governance/corporate-business-principles-en.pdf

- Antitrust Law Policy

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/about_us/nestle-group-antitrust-law-policy-september-2016.pdf

- Transparency on advocacy, lobbying and industry associations (nestle.com)

Principle 8: Inclusive Growth: Businesses should promote inclusive growth and equitable development:

- Nestlé Corporate Social Responsibility Policy

www.nestle.in/investors/policies

Principle 9: Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner:

- Nestlé Marketing Communication to Children Policy

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_social_responsibility/nestle-marketing-communication-children-policy.pdf

- Nestlé Consumer Communication Principle

http://www.nestle.com/asset-library/documents/library/documents/about_us/communication-principles.pdf

Section C: Principle wise Performance Disclosure

Principle 1

Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Your Company's business practices have been governed by integrity, honesty, fair dealing and full compliance with all applicable laws. Nestlé employees have upheld and lived this commitment in their everyday responsibilities ever since, and Nestlé's reputation remains one of the Company's most important assets today. The Nestlé Corporate Business Principles prescribe certain values and principles which Nestlé has committed to globally. The Code of Business Conduct specifies and helps the continued implementation of the Corporate Business Principles by establishing certain non-negotiable minimum standards of behaviour in key areas. Considering the importance, all employees are trained on these principles and it's ensured that they are well aware of them.

Segment	Total Number of Training and Awareness Programmes held	Topics/Principles Covered Under the Training and its impact	% of Persons in Respective Category Covered by the Awareness Programmes
Board of Directors (BOD) (online mode)	1	All principles	100%
Key Managerial Personnel (KMPs) (Training is administered using the virtual learning platform)	1	All principles	100%
Employees other than BoD and KMPs Majority of the training programs are administered through the internal virtual learning platform. Some employees are also covered via classroom sessions – 51 such sessions have been held during the year.	51	All principles	96%
Workers	1,463	All principles	91.5%

2. Details of fines/penalties/punishment/award/ compounding fees/settlement amount paid in proceedings (by the Company or by directors/KMPs with regulators/law enforcement agencies/judicial institutions, in the financial year:

(Note: the Company shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the Company's website):

During 2022, no fines/penalties/punishment/award/compounding fees/settlement amount was paid in proceedings (by the Company or by directors/KMPs with regulators/law enforcement agencies/judicial institutions).

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
Penalty/ Fine	Not Applicable				
Settlement					
Compounding Fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
Imprisonment	Not Applicable				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the Company have an anti-corruption or anti bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The *Nestlé Corporate Business Principles* (NCBP) prescribe certain values and principles which Nestlé has committed to globally. Other significant documents from the Nestlé Group, which define the standard of behaviour of the Company, are Nestlé Purpose and Values and Nestlé Responsible Sourcing Standard.

The *Nestlé Code of Business Conduct* specifies and helps the continued implementation of the Corporate Business Principles by establishing certain non-negotiable minimum standards of behaviour in key areas, one of which is anti-corruption and bribery. The Nestlé Code of Business Conduct guidelines details the prescribed behavior pertaining to the area. Part of it states, "The Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party. Moreover, employees must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt there of." The link of the NCBP is provided hereunder:

www.nestle.in/sites/g/files/pydnoa451/files/investors/documents/nestle_india_code_of_business_conduct_.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Segment	FY 2022	FY 2021
Directors	None	None
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022		FY 2021	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs	0	Not Applicable	0	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, or cases of corruption and conflicts of interest:

Not Applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Your Company facilitates capacity building workshops and awareness sessions for its key value chain partners including farmers, suppliers/vendors, distributors to educate and create awareness on key areas like safety, quality, human rights, labour practices and sustainability.

Value Chain Partner	Total No. of Awareness Sessions Held	Topics/ Principles covered under the training	% of value chain programme partners covered (by value of business done with such partners) under awareness programmes
Dairy Farmers	88	Environment Sustainability and Responsible Sourcing (quality, nutrition, health)	16%
Coffee Farmers	2,500	Environment Sustainability and regenerative agriculture	100%
Distribution Centres (DCs)	3,465	Health & Safety	100%

2. Does the Company have processes in place to avoid/ manage conflict of interests involving members of the Board? If Yes, provide details of the same:

Yes. Your Company has adopted the 'The Nestlé India Code of Business Conduct' ("the Code"). The Code is available on the website of the Company at <https://www.nestle.in/investors/policies>. The Code requires the directors, key managerial personnel, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. Further, the Board of Directors sign-off on the Code of Business Conduct on an annual basis.

The directors, key managerial personnel and other senior management of the Company are required to disclose to the Board of Directors, on an annual basis, whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

As per the *Nestlé Corporate Business Principles* (NCBP), all employees are obligated to disclose any conflict of interest either by holding any outside position or employment of relatives or receiving/giving gifts. Your Company has also implemented a conflict of interest tool which requires disclosure by employees, upto a certain grade, on an annual basis on any existing conflict of interest and also a mechanism to report off cycle, if any, conflict of interest arising subsequently. Any conflict of interest reported by an employee is escalated to the line manager of that employee. Thereafter, the line manager reviews, assesses the situation and act upon the reported conflict of interest. In case the mitigation action plan cannot be agreed with the direct reportee, the line manager can escalate the case(s) to the Compliance Officer. A Ready Reckoner has been issued to the line managers to review the situation(s) and decide on appropriate mitigation action plan.

Principle 2

Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the Company, respectively:**

(Amount Rupees in Million)

	FY 2022	FY 2021	Details of improvements in environmental and social impacts
R&D	266	267.2	Invested towards innovation and renovation of products to achieve high manufacturing quality and safe products.
Capex	531	154	Invested towards environment sustainability (green-power, green fuel, recycling of water to reduce ground water withdrawal, cost effectiveness and energy conservation).

While your Company focuses on R&D testing and adaptation to local conditions, as a part of Nestlé Group and under the General License Agreement(s), it has access to and advantage of drawing from the extensive central R&D efforts and activities of the Nestlé Group. Nestlé Group spends substantial amounts and efforts in R&D and in gaining industrial experiences. It has therefore been possible for your Company to focus its efforts on testing and modification of products for local conditions. Improving and maintaining the quality of certain key raw materials continued to receive close attention. The ability to leverage the R&D expertise and knowledge of Nestlé Group, has helped your Company to innovate and renovate, manufacture high quality and safe products, improve yields, input substitution, sustainable sourcing, packaging and logistics to achieve more efficient operations.

Furthermore, access to Nestlé R&D network helps your Company to use new process technologies that lower emissions and provide guidance on how the product development can achieve lower-carbon recipes by substituting ingredients while maintaining key product attributes. Wherever possible, it also helps in upcycling agriculture by-products to reduce food waste and nutrient loss, while unlocking new revenue streams for the farmers. In addition to the above, the R&D organization helps to discover and develop technologies for more sustainable packaging to meet global commitment for all Nestlé packaging to be recyclable or reusable by 2025. Consequently, the consumers perceive the products and services of your Company as high value for their money. This gives your Company the unique ability to develop products and solutions that are produced with careful consideration for natural resources and social impacts and for contributing towards environment sustainability.

Nestlé Institute of Packaging Science of Nestlé group works alongside Nestlé R&D network while helping all Nestlé group companies move towards paper packaging, increasing use of recycled, bio-degradable content in the packaging, simplifying on packaging, piloting refillable and reusable systems.

During the year, nine energy reduction projects were undertaken by factories of the Company which will result in substantial annualized savings of approximately 23,299 Gigajoules (saving of 0.59% of total annual energy consumption) and should be realized in next two to three years. Some of the projects undertaken at different factory locations include flash steam heat recovery from condensate; automation of burners in boiler operations; electricity optimization in reverse osmosis, vacuum pump, compressed air operations.

During the year, seven water reduction projects were initiated in different factories locations. This, inter-alia, resulted in reduction in water consumption and reuse of recycled water in a more efficient manner. The projects undertaken will result in savings of approximately 148,654 m³ (saving of 5.31 % of total annual water consumption) and shall be realized in the next two to three years. One of the key initiatives contributing to water savings in 2022 was increasing the utilization of treated effluent after polishing through high technology Reverse Osmosis (RO) plant.

2.a. Does the Company have procedures in place for sustainable sourcing?

Yes, there are procedures in place for sustainable sourcing. The Company selects its suppliers through strictly laid down procedures and engages with them according to the non-negotiable standards described in the Nestlé Responsible Sourcing Standard. The requirements of Business Integrity, Human Rights (labour standards), Health and Safety and Sustainable environmental standards in their business activities, production processes, services provision, and their own purchasing procedures, as enshrined in the Nestlé Responsible Sourcing Standard, apply to all suppliers.

Your Company's Sustainable Sourcing team ensures that the raw and packaging materials and the services sourced have been produced in accordance with the Responsible Sourcing Standard.

Dairy and coffee farmers constitute a vital part of your Company's supply chain and provides a unique opportunity to engage with farmers and help address some of the sustainability challenges confronting them, and at the same time create sustainable and resilient value chains for your Company's businesses. Your Company is engaging with rice, wheat and spice farmers for good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.

Through the NESCAFÉ Plan, MAGGI Spice Plan and partnering with the dairy farmers, your Company collaborates with the farmers on environmental sustainability programmes. The focus of these interventions has been largely around improving farmer livelihoods, increasing agricultural productivity, strengthening water security and addressing the challenge of climate change and enhancing resilience.

b. If yes, what percentage of inputs were sourced sustainably?

Your Company's supply chains facilitate optimum utilization of raw materials, recycling of waste as well as efficient logistics operations. Farmers constitute a vital part of your Company's supply chain. Accordingly, your Company focuses extensively on enhancing the sustainability of its supply chain.

Your Company's sustainable supply chains cover the labour standards, health and safety as mandatory elements and environment assessment as additional elements.

During 2022 about 73% of inputs were sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

Your Company follows 3R's principles i.e. 'Reduce', 'Recycle' and 'Recover' to be environmentally sustainable:

REDUCE: Your Company ensures continuous optimization of packaging by source reduction, ecodesign and value engineering. Your Company launched Ready-to-Drink ('RTD') tetrapaks with paper straw replacing plastic straw. For the first time recycled PET trays in the Chocolate category were launched in 2022 to reduce usage of virgin plastic.

RECYCLE: Your Company encourages the use of recycled material wherever applicable e.g., 100% recycled paper in shippers. Your Company successfully expanded the mono material laminate journey in flexible packaging for Chocolates.

RECOVER: Your Company supports initiatives to recover used packaging. This year your Company responsibly managed approximately 23,300 Metric tonnes of post-consumer plastic packaging waste as a part of our commitment under Extended Producers' Responsibility (EPR).

Your Company achieved Plastic Neutrality in 2020 and continued to be plastic neutral in 2022 by implementing an integrated waste management programme that incorporates unique and multi-dimensional initiatives. Your Company collected and sustainably managed approximately 23,300 Metric tonnes of post-consumer plastic waste across 35 states and Union Territories. The amount of plastic waste managed is equivalent to the amount of plastic packaging utilized by your Company during the year, enabling the Company to maintain the milestone of Plastic Neutrality.

Your Company has a robust e-waste management standard operating procedure which ensures compliance to e-waste Management Rules 2016, including filing of requisite annual returns to State Pollution Control Boards (SPCB). Contracts for disposal of e-waste exist with authorized vendors and disposal is done within the stipulated time frames in a responsible manner. Similarly, disposal of hazardous waste, as laid down in the Hazardous Waste Management Rules, is done in line with the stipulated guidelines through authorized vendors and requisite Annual returns are filed with SPCB.

4. Whether Extended Producer Responsibility (EPR) is applicable to the Company’s activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable. As a responsible manufacturer of food products, your Company has initiated collection and management of both pre-consumer and post-consumer plastic packaging through registered waste management service providers as a part of EPR. This initiative not only ensures compliance to ‘Plastic Waste Management Rules’ 2016 and as amended but also facilitates reinforcement of positive attitude and behaviour towards responsible waste disposal through consumer awareness. All the packaging carries anti-litter logo for consumer awareness. For easy segregation and recycling, packaging identification logo is placed on the plastic-based packaging material.

Leadership Indicators

1. Has the Company conducted Life Cycle Perspective/ Assessments (LCA) for any of its products?

Your Company has initiated Life Cycle Assessments (LCA) of its products with an objective to evaluate environmental impact and identify areas for improvement in the value chain. The LCA was done for the brand NAN and this included analysis across parameters such as ingredients, packaging materials and manufacturing etc. The study was conducted by your Company and reviewed by an external LCA expert entity. Similar LCA studies will continue to be used as a tool for assessing environmental footprint of products going forward.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain If yes, provide the web-link
10509	NAN portfolio	6.3	The LCA was conducted in 2022 (taking 2018 as the baseline year for analysis)	No	No

* The NAN portfolio includes infant and toddler nutrition brands, namely NANGROW, NAN EXCELLAPRO, NAN PRO, NAN LO LAC and PreNAN.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same:

Your Company conducted LCA study for NAN portfolio for identifying additional opportunities to reduce environmental impact across the value chain. This assessment provided valuable insights and will enable a roadmap to identify concrete steps that can be taken towards reducing carbon footprint of the brand. Brand levers such as ingredients and usage of the product have been identified as the key change-makers to create further impact.

Name of Product/ Service taken	Description of the Risk /Concern	Action
NAN® portfolio	Emissions pertaining to ingredients	Carbon roadmap being developed with the aim to reduce the brand’s carbon footprint over the next few years



3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):

Since use of recycled content is not permitted in direct food packaging, your Company is not using the same. However, your Company is exploring opportunities to use recycled plastic content in secondary and tertiary packaging as the regulation evolves.

Indicate Input Material	Recycled or used input material to total material	
	FY 2022	FY 2021
Not Applicable	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

	FY 2022			FY 2021		
	Re-Used	Recycled	Safety Disposed	Re-Used	Recycled	Safety Disposed
Plastics (Including Packaging)	0	4,911.3	18,476	0	4,682.14	18,917.86
E-Waste	0	33.89	0	0	41.63	0
Hazardous Waste	0	48.43	89.39	0	96.2	44.76
Other Waste	2,087.5	26,549.8	31,149.8	1,528.1	27,612.32	28,405.02

During 2022, your Company collected and responsibly managed approximately 23,300 tonnes of plastic waste across 35 States/UTs. Of the approximately 23,300 tonnes of plastic waste collected, approximately 4,911 tonnes were managed through recycling. 100% of the pre-consumer plastic packaging waste goes into recycling.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

Principle 3

Employee Wellbeing: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1.a. Details of measures for the well-being of employees:

Your Company continues to focus on employee well-being underscoring the importance of mental wellbeing by establishing a Mental Health First Aider Network, and by making inclusive policy changes such as introducing mental health benefits as part of health insurance. There have been regular virtual sessions focusing on overall physical well-being apart from a revised leave policy that understands and promotes the importance of wellness leaves & self-care leaves.

Category	% of Employee covered by										
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,721	2,721	100%	2,721	100%			2,721	100%	2,721	100%
Female	859	859	100%	859	100%	859	100%			859	100%
Total	3,580	3,580	100%	3,580	100%					3,580	100%
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

The well-being of other than permanent employees is managed through contractual terms and conditions including social security benefits and obligations.

b. Details of measures for the well-being of workers:

All contractual workers engaged by your Company are provided all the social security benefits as per the prescribed laws applicable in the locations where such contractual workers are deployed.

Category	% of Workers covered by										
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	4,346	4,346	100%	4,346	100%			4,346	100%	4,346	100%
Female	191	191	100%	191	100%	191	100%			191	100%
Total	4,537	4,537	100%	4,537	100%					4,537	100%
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

The well-being of other than permanent workers is managed through contractual terms and conditions including social security benefits and obligations.

2. Details of retirement benefits, for FY 2022 and FY 2021:

Your Company makes contributions to Provident Fund (PF), Employee State Insurance (ESI), National Pension System (NPS) etc. for eligible employees and these contributions are charged to statement of profit and loss on accrual basis. Liability for defined benefit plans i.e. gratuity and 'unfunded pension plan' is determined based on the actuarial valuation carried out by an independent actuary as at the year-end. As these liabilities are relatively long term in nature, the actuarial assumptions take into account the requirements of the relevant Ind AS coupled with a long-term view of the underlying variables / trends, wherever required.

Benefits	FY 2022			FY 2021		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI	-	6%	Y	-	8%	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces:

Are the premises/offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Yes, your Company’s premises/offices are accessible to people with disabilities, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Diversity & Inclusion is an integral part of your Company’s culture, based on its core values of respect and it is one of the ways we bring our purpose to life. One important aspect of inclusion is inclusion by design and hence your Company started this journey a few years ago by ensuring accessible restrooms and ramps. Your design .9 (of the)7.2newlyis novaarted (Head O/offiny)1.6 (ty ensone)1.2thaart are accessible to

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Grievance redressal procedure in brief:

Your Company's Grievance Redressal Procedure is available to employees and workers. Your Company is committed to a strong compliance culture, as reflected in the Nestlé Corporate Business Principles. It is ensured that your Company is managed in line with principles, policies adopted and through internal reporting. Employees, suppliers, and stakeholders are encouraged to report practices or actions believed to be inappropriate or illegal, and all complaints are investigated with impartiality, prohibiting retaliation. Breaches are immediately stopped, and appropriate response measures implemented. Your Company sensitizes all the employees and expects them to be aware of non-compliant or illegal activities occurring in their work environment, especially those related to Nestlé Code of Business Conduct

Your Company's "Speak Up" platform covers all employees, permanent as well as other stakeholders. It covers the suppliers, vendors and other external stakeholders. Grievance Redressal protocol is established to investigate such matters and submit the report including appropriately responding to the complainant. Issues can also be brought to HR/reporting manager and are taken up accordingly. Any complaint regarding sexual harassment is covered under the PoSH Act 2013 and the internal policy in adherence to that.

7. Membership of employees and worker in association(s) or Unions recognised by the Company:

Your Company believes that all employees are important stakeholders and it is imperative to build a culture of mutual trust and respect, interdependence, and meaningful engagement. This approach helps in building, strengthening and sustaining harmonious employee relations across the organisation. Your Company believes that in respecting the dignity of the individual and the freedom of employees to lawfully organise themselves into interest groups, independent of supervision by the management. It is ensured that employees are not discriminated against for exercising this freedom in a lawful manner and consistent with the Company's core values.

Category	FY 2022			FY 2021		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	3,580	0	0%	3,505	0	0%
- Male	2,721	0	0%	2,644	0	0%
- Female	859	0	0%	861	0	0%
Total Permanent Workers	4,537	4,319	95%	4,550	4,337	95%
- Male	4,346	4,243	98%	4,339	4,255	98%
- Female	191	70	37%	211	82	39%

8. Details of training given to employees and workers:

Your Company has a range of communication and training sessions to drive key focus areas in implementation of safety roadmap. Effective and timely communication - both of successes and of incidents - is important for engaging the employees and for creating a learning culture within the organisation, in which opportunities and good practices are not only shared but also acted upon, both at the local and country level. The approach is being continuously evolved to align with new ways of working being introduced through other continuous improvement programs such as Nestlé continuous excellence (NCE) and Total Productive Maintenance (TPM).

For your Company, skill upgradation of employees remains one of the key focus areas. In 2022, your Company strengthened and democratized learning to empower employees via the launch of LinkedIn Learning which is the largest limitless, learning landscape introduced in the Company. 10,000+ courses, certifications with top institutes, constantly-evolving content, no-limits on courses and seats etc. Most importantly, all features have been made available to all employees. Your Company bolstered relationship based development through launch of formal mentoring with a network of in-house subject matter experts to help strong talent groom for senior roles or adjust/navigate current role better. Mentees get a chance to interact in a structured format with key leadership and develop from their experiences. For building future ready leaders, the 'Force for Great Leadership' was launched, a seminal intervention with key leadership across your Company. Your Company continued supporting leadership transitions through structured learning interventions designed in-house using blended learning approach, backed by technology and data.

Category	FY 2022					FY 2021				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
- Male	2,721	2,721	100%	2,639	97%	2,644	2,644	100%	2,427	91%
- Female	859	859	100%	838	98%	861	861	100%	704	90%
Total	3,580	3,580	100%	3,477	97%	3,505	3,505	100%	3,131	90%
Workers										
- Male	4,346	3,023	70%	2,114	49%	4,339	2,701	62%	3,039	70%
- Female	191	153	80%	23	12%	211	177	84%	192	91%
Total	4,537	3,176	70%	2,137	47%	4,550	2,878	63%	3,231	71%

9. Details of performance and career development reviews of employees and workers:

Your Company manages employee performance and development guided by the 'People Development and Performance' cycle steps. Employees are expected to manage their own development and take the ultimate responsibility for it and are empowered to be on the driver seat, supported by People Leaders and HR.

Category	FY 2022			FY 2021		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
- Male	2,721	2,721	100%	2,644	2,644	100%
- Female	859	859	100%	861	861	100%
Total	3,580	3,580	100%	3,505	3,505	100%
Workers						
- Male	4,346	3,494	80%	3,533	3,526	99%
- Female	191	185	97%	163	163	100%
Total	4,537	3,679	81%	3,696	3,689	99%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the Company? If yes, the coverage such system?

Yes, your Company has implemented ISO 45001:2018 Occupational Health and Safety Management System.

Your Company believes that sustainable success can be reached only through people. No other asset in your Company is as important as the people who contribute with their work to the culture and business results. Therefore, your Company devotes adequate energy and attention to protect employees, contractors and any other people involved with the company along the value chain, including suppliers, customers and the public.

Your Company integrates Safety and Health in the management of the business in such a way that all activities are considered with a perspective of prevention of all types of accidents and protection of the people at work.

The purpose of an OH&S management system is to provide a framework for managing OH&S risks and opportunities, which includes prevention of work-related injury and ill health to workers and to provide safe and healthy workplaces by eliminating hazards and minimize OH&S risks by taking effective preventive and protective measures. Your Company's sites (including 9 manufacturing locations, four branch offices, NBS services, registered office and Head office Gurugram) are covered under the scope of the ISO 45001: 2018 certification.

b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the Company?

Your Company is constantly improving the performance by designing and adapting processes, work practices and systems in the direction of better ergonomics and greater safety. Your Company bases the improvement on the monitoring of safety and

10. Contractor Field safety audits and
11. Functional compliance assessments

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks:

Yes. Your Company believes that accidents are preventable and therefore “one accident is one too many”. Your Company integrates Safety and Health in the management of our business in such a way that all activities are considered with a perspective of prevention of all types of accidents and protection of the people at work. To advance a strong safety culture that effectively prevents accidents, your Company is committed to perform systematic identification of hazards and to manage them with appropriate risk assessments and subsequent actions to minimize danger.

Emergency and contingency plans are established to deal with residual risks. This approach also minimizes threats to the business, protecting the shareholders’ interests. Your Company’s ‘Occupational Safety and Health Management System’ is based on the concept of continuous improvement where we improve constantly our performance by designing and adapting processes, work practices and systems in the direction of better ergonomics and greater safety. Your Company bases the improvement on the monitoring of safety and health performance as well as on the analysis of incidents that produce injuries and of workplace activities whose cumulative effects may lead to illnesses.

1. Behaviour Feedback Sessions (BFS): Primary focus on identification of unsafe conditions and behaviours and one to one coaching to improve behaviors. The BFS forms are available in both English & local languages.
2. GEMBA: Gemba is the Japanese term “genchi genbutsu” that is perceived to be comparable to management by walking around. Your Company has systems in place for regular safety tours by top management to the workplace. Primary focus while doing Gemba is on identification of unsafe conditions (through safety walks). However, this complements the process of BFS and identified unsafe behaviours are counselled on the spot.
3. Safety Committee Meetings: The Safety Committee provides a forum for employees and management to work together to solve health and safety problems. The Safety Committee consists of equal numbers of management representatives and workers.
4. “Speak up” platform for raising concerns;
5. Periodic audits/assessments;
6. Participation in campaigns;
7. Participation in incident investigations; and
8. Daily operations review/weekly operations review meetings.

d. Do the employees/worker of the Company have access to non-occupational medical and healthcare services?

Yes, the employees/workers of your Company have access to non-occupational medical and healthcare services. They are insured under the Group Health Insurance Policy (GHIP). A digital medical assistance app is also provided to all eligible employees and their family members.

11. Details of safety related incidents:

Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures to prevent recurrence. The learnings from all accidents are disseminated across the organisation, and a formal compliance is also obtained.

Safety Incident/ No	Category	FY 2022	FY 2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.72	0.61
	Workers	0.33	0.28
Total recordable work-related injuries	Employees	15	14
	Workers	11	9
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

12. Describe the measures taken by the Company to ensure a safe and healthy work place:

Your Company is committed to enhancing the safety, health and well-being of employees. Health risks of your Company's employees are assessed in order to build strategic, targeted and evidence-based interventions. Following are some of the measures and practices that are being followed by your Company for ensuring a Safe and Healthy workplace for its employees:

1. Certifying all sites with ISO 45001:2018;
2. CARE certification (with elements of SA 8000 certification);
3. Zurich Risk Assessment (Risk management by accredited third parties);
4. Functional Compliance Assessment for safety management system;
5. Internal and Market level site assessments;
6. Ensuring safety in capital investment projects;
7. Management of high hazard tasks;
8. Contractor Management Program;
9. Robust Machinery Safety Programme;
10. Total Performance Management;
11. Life saving rules and Safety Campaigns;
12. Early management by ensuring optimum workplace design;
13. Robust management of Covid protocols;
14. Task specific trainings and coaching; and
15. Online Quizzes during Fire Safety Week.

13. Number of complaints on the following made by employees and workers:

Your Company endeavors to provide the safest workplace to all its employees and contractors. Multiple avenues are available to the employees to lodge complaints on health and safety matters such as open access to internal email network, works committee, safety committee and townhalls conducted at regular intervals.

	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Health and safety practices	Nil			Nil		
Working Conditions	Nil			Nil		

14. Assessments for the year:

Your Company’s manufacturing locations are covered under the ISO 45001:2018 specifies requirements for an occupational health and safety (OH&S) management system. ISO 14001:2015 specifies requirements for an environmental management system and ISO 9001:2015 specifies requirements for quality management system. Compliance to safe working conditions is an essential aspect of Safety, Health and Environment (SHE) management system. In addition, all the factories undergo periodic Environment, Health & Safety audits at the Business/Functional level as well as Corporate, to verify compliance with Standards and Corporate Guidelines.

	% of your Plants and Offices that were Assessed (by the Company or Statutory Authorities or Third Parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions:

Below are some of the examples highlighting corrective actions to address safety-related incidents.

Significant Risk - Man-Machine interface on site – Due to high movement of the vehicles (Trucks, Tankers, Forklifts) and people inside the factory, many shared areas are created. Shared areas are those in which vehicles and pedestrians could both be present at the same location at the same time, thereby creating a collision risk.

Solution: Facility risk assessments are carried out to identify shared areas and identify the controls by following Hierarchy of Safety control as per OSHA e.g., Elimination, Substitution, Engineering, Administrative and PPEs. Furthermore, the defined actions are implemented.

Significant Risk- Management of large capital investment projects.

Solution: In any large project, safety is of paramount importance. Your Company introduced world class scaffolding (ring lock type) to ensure that the civil work could be carried out in a safe manner. Method statements were made for all non-routine high hazard tasks and implemented to mitigate any risks. Dedicated safety professionals were hired to ensure strict implementation of the S&H protocols.

Significant Risk- Driving for business purpose, since the employee must travel for the workplace using their own vehicles / public transports / by company provided vehicles.

Solution: Your Company has ensured all the company provided vehicles are meeting the safety requirements as per the Nestlé safety policies. Employees undergo defensive driving training as a process of their onboarding. Also, all field based employees are trained on “Expect the unexpected” modules to anticipate the risks of public roads.

Significant health risk – Covid-19 management – The onset of pandemic posed a big risk to the health of all stakeholders at site (employees, contractors, third party distribution centres etc.).

Solution: This was mitigated by implementing a robust Business Continuity Plan (BCP) for Covid-19 management which focused on 4 pillars of temperature screening, sanitization, hand and respiratory hygiene and social distancing. Special quarantine leave was created and your Company launched a slew of programs for employee support during Covid, which included medical support (access to International SOS, Isolation centers, vaccination support, oxygen concentrators), financial support (salary advance, staff loan, loss of life benefits, to provide education and medical related support to the employee’s family in case of employee’s demise) and also wellness support (yoga classes, nutritional guidance and employee assistance program with psychologist services).

Leadership Indicators

1. Does the Company extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers?

Yes. In the unfortunate event of the death of an employee including workers, your Company extends financial support to family members of the employee. Under the Loss of Life Benefit, the next of kin of the employee is eligible to receive employee's two years' Base Salary. Besides there is additional support extended in terms of compensatory package under the Group Accident Insurance Coverage and education and hospitalization support under Neshield Policy.

2. Provide the measures undertaken by the Company to ensure that statutory dues have been deducted and deposited by the value chain partners:

Your Company ensures that statutory dues as payable by service providers for their employees are deposited on time and in full, through a process of periodic audits and controls. Your Company has multiple systems in place to ensure compliance to various statutory requirements. For the factories and branches, your Company has agreements in place specifying statutory compliance to be ensured by service providers. Besides this, as an additional measure, balancing is provided by Internal Controls, Internal Audit check-list and internal audits conducted basis defined frequency. Similarly, for the distribution centers and co-manufacturers, statutory dues are specified in the agreements as per applicable statutes.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill health/ fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022	FY 2021	FY 2022	FY 2021
Employees	0	0	0	0
Workers	1	0	0	0

4. Does the Company provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes, your Company provides transition assistance to facilitate continued employability in specific cases basis defined applicability criteria through an external service provider. The offering covers different aspects and provides access to resources such as coach/consultant/online tools.

5. Details on assessment of value chain partners on health and safety practices and working conditions:

Your Company is committed to continuously raise awareness of supply chain members to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption, occupational health, safety and environment.

Nestlé Responsible Sourcing Standard enshrines your Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. The standard upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights, and is shared and accepted by all supply chain partners and service providers.

Your Company has a robust process of evaluating its Suppliers and Service Providers before engaging with them, proactively making them aware of its expectations/ requirements, and seeking commitment for compliance through contractual agreements. Your Company verifies the compliance with the standard periodically through external audits and assessment mechanisms of international standards.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	73%
Working Conditions	73%

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners:

Your Company has a structured framework in place with clear process to monitor and close observations and actions as per the Responsible Sourcing (RS) audit conducted by external agencies/ third party service providers. As per recommendations from your Company’s globally shortlisted audit agencies, the suppliers are strongly advised to close all observations in the assessments and take corrective actions as appropriate within a time bound manner, which would be monitored by the Company in a structured manner. There have been instances where supplier partners have shared the improvements in their safe practices basis the audits/assessments, which helped to mitigate fire safety hazards at their factory and also helped increase awareness in the neighborhood industrial belt.

Principle 4

Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the Company:

Your Company’s stakeholder network consists of the people your Company’s operations impact and those who influence your Company’s activities. Your Company identifies the stakeholders based on the scope of the activities and the need of organization. Stakeholder meetings, workshops and other events help us deepen dialogue and develop our understanding of important societal and environmental issues and regulatory challenges. The interaction helps teams build their capabilities, facilitates collective action and promotes trust and mutual respect. The engagement approach takes into consideration that each stakeholder group is unique and has a distinctive set of priorities. Feedback and insights from stakeholder engagements helps validate the Company’s performance and shape new perspectives on the challenges and opportunities.

2. List stakeholder groups identified as key for your Company and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including Key topics and concerns raised during such engagement
Consumers	No	Websites, Advertisements, Email	As and when required	Your Company engages with consumers for awareness about the products, recipes and nutrition information, ingredients and any other information relevant for consumers.
Farmers	Yes	Email, SMS, Meetings	As and when required	Your Company engages with dairy farmers, coffee farmers, spice farmers and other farmers who form a part of the value chain directly or indirectly for training/awareness on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including Key topics and concerns raised during such engagement
Distributors & trade partners, Suppliers	No	Email, SMS, Meetings	As and when required	Your Company engages and receives co-operation and unstinted support from the distributors, retailers, stockist, suppliers and others associated with the Company as its trading partners.
Trade Unions	No	Email, SMS, Meetings	As and when required	Your Company engages with trade unions for collective bargaining to ensure smooth operations at the manufacturing facilities and cordial relations with workers.
Government bodies	No	Email, SMS, Meetings	As and when required	Your Company engages with Government and Food Authorities to establish science-based regulations for protecting the health of consumers and development of other best practices in areas of food processing.
Industry associations	No	Email, SMS, Meetings	As and when required	Your Company engages with industry and professional associations for promoting industry positions – that are aligned with Nestlé’s viewpoints / proposals with external stakeholders/ policy makers. Topics include Food Regulations, Environment, Plastic Packaging, Governance, Compliance, Corporate Laws, and other Societal activities.
Academia experts	No	Email, SMS, Meetings	As and when required	Your Company engages with academia experts that helps in getting specialist knowledge on the subject which helps in innovation & renovation of products.
NGOs	No	Email, SMS, Meetings	As and when required	Your Company engages with NGOs to implement the CSR projects under the umbrella of Nutrition, WASH, enhancing livelihood, environment and rural development, disaster management including Covid-19 relief. Key topics include on-ground implementation, deliverables of the projects, budget utilization and adherence to the CSR policy, Covid-19 precautionary measures etc.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:

Your Company firmly believes that stakeholder engagement is critical to deepen dialogue and develop our understanding of important business and societal issues. Your Company is part of various platforms where stakeholders engage on issues

pertaining to the economic, environmental & social topics. The relevant information is shared with the Board of Directors of your Company regularly.

The Board of Directors, through the CSR Committee and Risk Management and Sustainability Initiatives Committee, reviews, monitors and provides strategic direction to the Company's social responsibility obligations and other societal and sustainability practices.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the Company:

Engaging stakeholders on important issues lies at the heart of how your Company does business. Your Company engages with relevant stakeholder platforms that are used to seek relevant expertise and support to address environment and social topics.

Your Company has put in place systems and procedures to identify, prioritize and address the needs and concerns of its stakeholders across businesses in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogue with all stakeholders across businesses, identify concerns and their resolution in an equitable and transparent manner.

Select examples of how stakeholder inputs have been incorporated into your Company's policies and activities are presented below:

- **Consumers:** Consumers are your Company's core stakeholders. Various tech-enabled avenues have been constructed to constantly receive feedback and ideas from these stakeholders.
- **Communities:** Your Company continues to increase access to basic sanitation facilities, for girl students in schools across all its factory locations which has had a direct impact on the attendance of girls in schools. While the scope of the sanitation projects was largely for girl students, your Company recently expanded the scope to include disabled people based on the requests received from the communities.
- **Industry:** Your Company is committed to achieving 100% Extended Producer Responsibility (EPR) compliance as per the Plastic Waste Management (PWM) Rules 2016 and amendments. Ministry of Environment, Forest and Climate Change (MOEFCC) notified the ban on non-recyclable multilayered packaging in 2018, that would have significantly impacted the product packaging. Through the industry consortium and stakeholder consultation, your Company in collaboration with other industry members showcased that if multi-layer packaging is properly collected and managed can be energy recoverable. This collaboration within industries supported EPR implementation framework.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups:

Your Company is strongly committed to address the emerging needs of the community. For instance, we committed to the nation's fight against Covid-19 by giving every possible support to the communities, authorities and frontline workers, reaching out to stakeholder groups across different locations. Your Company supported cooked meal feeding programs and distribution of essential groceries for vulnerable communities by partnering with leading NGOs. It also aided the purchase of medical equipment. It contributed ready-to-drink beverages and food products to the frontline warriors across the country, as a recognition of their efforts for keeping the nation safe. In collaboration with NGO partners, your Company also brought about innovations in its ongoing community initiatives to adapt to the rapidly evolving external environment. Recognizing the need for oxygen support for COVID-19 patients, your Company set up oxygen plants near five of its factories in Punjab (Moga), Himachal Pradesh (Tahliwal), Uttarakhand (Pantnagar), Gujarat (Sanand) and Karnataka (Nanjangud).

Your Company also transformed its on-going CSR programmes (digitization), navigating new realities and working tirelessly to ease the suffering and ensuring no beneficiary of our societal initiatives is left behind.

Your Company's key societal initiatives including Project Jagriti and Nestlé Healthy Kids Programme continued to focus on creating an enabling environment for the best health outcomes in the vulnerable/marginalized communities, involving the health care system and stakeholders from the community. Project 'Serve Safe Food' continued to enhance livelihoods of street food vendors by providing them training on food safety and hygiene. Your Company's environment initiative titled 'Hilldaari' continued empowering waste workers by providing them training on how to collect waste with minimum contact, ensure proper sanitation, new ways of collecting and disposing waste such as establishing 4-part segregation (dry waste, wet waste, domestic bio-medical waste and hazardous waste) for collection and proper disposal of waste. Waste workers were also trained to use smartphones and digital monitoring apps, and how to avail relevant government schemes.

Your Company works with farmers in providing training on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.

Principle 5

Human Rights: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the Company:

Category	FY 2022			FY 2021		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Employees						
Permanent	3,580	3,435	96%	3,505	3,128	89%
Other than permanent	299	120	40%	182	182	100%
Total Employees	3,879	3,555	92%	3,687	3,310	90%
Workers						
Permanent	4,537	1,675	37%	4,550	2,906	64%
Other than permanent	6,617	2,784	42%	6,763	5,197	77%
Total Workers	11,154	4,459	40%	11,313	8,103	72%

2. Details of minimum wages paid to employees and workers:

Category	FY 2022					FY 2021				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2,721	NA	NA	2,721	100%	2,644	NA	NA	2,644	100%
Female	859	NA	NA	859	100%	861	NA	NA	861	100%
Other Than Permanent										
Male	224	NA	NA	224	100%	152	NA	NA	152	100%

Category	FY 2022					FY 2021				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Female	75	NA	NA	75	100%	30	NA	NA	30	100%
Workers										
Permanent										
Male	4,346	NA	NA	4,346	100%	4,339	NA	NA	4,339	100%
Female	191	NA	NA	191	100%	211	NA	NA	211	100%
Other Than Permanent										
Male	5,956	NA	NA	5,956	100%	6,093	NA	NA	6,093	100%
Female	661	NA	NA	661	100%	670	NA	NA	670	100%

3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)*	3	79,751,463	-	-
Key Managerial Personnel (KMP)**	1	14,980,271	-	-
Employees other than BoD and KMP	2,717	1,651,559	859	1,284,021
Workers	4,346	852,850	191	275,164

* Board of Directors comprise of three Executive Directors.

** KMP other than Executive Directors.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes. Your Company has a focal point responsible for addressing human rights impacts or issues caused or contributed to by the business that may be raised by internal employees or contractors and caused or contributed to by the business. Your Company's *Speak Up* System allows employees/ contractors to report any human rights issue by filing a report on web portal or by calling the hotline operated by an independent third party. Nestlé *Code of Business Conduct* prohibits retaliation against employees who make reports in good faith. Every complaint is investigated thoroughly and remedial actions are taken if required. The Compliance Officer is the focal point responsible for addressing human rights concerns reported.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

All the grievances related to human rights issue outside the *Speak Up* system, whether received through letter, email, social media are captured in the case management system provided within the *Speak Up* system and are redressed and reported accordingly. It covers your Company's suppliers, vendors and any other external stakeholders. Grievance Redressal protocol is established to investigate such matters and submit the report including responding to the complainant. Issues can also be brought to HR/reporting manager and are taken up accordingly.

All employees are trained on the awareness of *Nestlé Corporate Business Principles*. CARE Auditors and internal audit department regularly audits the practices against these systems. When assessing your Company's internal control systems,

the external auditors consider how the Corporate Business Principles fit into the overall corporate governance framework of your Company. Significant findings and recommendations are reported to the Audit committee by the Compliance Officer.

Nestlé *Code of Business Conduct* prohibits retaliation against employees who make reports in good faith. Every complaint is investigated thoroughly and remedial actions are taken, where required.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	-	1	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

Your Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. Your Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Internal Committee has been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment case are part of Grievance Redressal Process and PoSH Policy. The principles of the process ensure that there is no victimization. All investigations are carried out in a fair and unbiased manner. Your Company prohibits retaliation against any employee for such complaints made in good faith, while it also protects the rights of the incriminated person. Under the Policy, the Head of Human Resource shall be the person to whom any complaints can be made and in exceptional or appropriate cases, the Managing Director can be directly accessed.

As part of the policy measures of interim relief are defined to prevent any adverse consequences to the complainant, which are as below:

During pendency of the investigation, on a request made by the complainant, the Investigating Committee/ Individual may recommend to the HR/Reporting Manager/ Functional or Business Head as the case may be:

- Assessment of complainant’s work performance by another superior or suspension of assessment.
- Change the reporting of the complainant to any other superior.
- Grant leave to the aggrieved complainant
- Grant such other relief as may be appropriate

Regular awareness and training sessions are conducted to ensure that the employees are fully aware of the aspects of sexual harassment and of the redressal mechanism.



8. Do human rights requirements form part of your business agreements and contracts?

Yes. Due diligence is at the heart of Nestlé’s human rights framework. As an enabler to the Human Rights at Nestlé, your Company has created an enabling pillar of Policies and Control Systems which are leveraged to ensure human rights are embedded throughout the organization. It is ensured that the human rights framework is actively communicated internally and externally through mandatory trainings for the employees/contractors internally and inclusion of human rights clauses in the supplier agreements and contracts. This is further substantiated by facilitating the use of “Speak Up” platform where such issues can be raised by employees or contractors.

9. Assessments for the year:

	% of your Plants and Offices that were Assessed (by Entity or Statutory Authorities or Third Parties)
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at Workplace	100%
Wages	100%
Others- please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above:

Please refer to response to Question 9 of Principle 5 under essential indicators:

Basis various assessments conducted at defined frequency, relevant risks are identified and addressed through comprehensive action plans. The action plans are reviewed periodically at a unit as well as function level. No specific corrective actions were required to be taken during the year 2022. However, as part of preventive measure, regular awareness and training sessions were conducted during the year to ensure that employees are fully aware of the aspects of child labour, forced/involuntary labor, sexual harassment, discrimination at workplace, wage and work inequality and mechanism to report any concerns or suspected or actual violation of any of such matters.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints:

Your Company has established a mechanism for addressing grievances and the same has been disseminated to all concerned stakeholders / custodians. *Speak Up* is one such platform available to all employees and external stakeholders including Third Party Resources, Contractors, Vendors, Suppliers, etc. which is operated by an independent third party which also allows complainants to choose to be anonymous and protects confidentiality.

2. Details of the scope and coverage of any human rights due diligence conducted:

The Nestlé CARE programme (Compliance Assessment of Human Resources, Occupational Health & Safety, Environment and Business Integrity) verifies, through independent auditors, that your Company’s operations comply with the globally defined Nestlé Employee Relations Policy and the social and environmental aspects of the Nestlé Corporate Business Principles and that of local legislations. There is a defined frequency to conduct CARE audit every 3 years and the entire spectrum of human rights is covered.

3. Is the premise/office of the Company accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. Diversity & Inclusion is an integral part of your Company’s culture, based on its core values of respect and it is one of the ways we bring our purpose to life. One important aspect of inclusion is inclusion by design and hence your Company



started this journey a few years ago by ensuring accessible restrooms and ramps. Your company is continuously working towards improving infrastructure for eliminating barriers to accessibility.

Your Company has aligned the design of the newly renovated Head Office to ensure that the premises are accessible to everyone. All manufacturing locations have undergone accessibility audits in 2022 based on the guidelines of the Rights of Persons with Disabilities Act, 2016. Keeping in mind the accessibility assessment reports, work is in progress across all the factories for improving infrastructure for eliminating barriers to accessibility.

4. Details on assessment of value chain partners for Human Rights:

Your Company is committed to continuously raise awareness of supply chain members to comply with applicable laws and

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Your Company monitors the total energy consumption as part of assessment of its operational efficiencies and there was no independent assessment/ evaluation/assurance that was carried out by an external agency in 2022.

2. Does the Company have any sites/ facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

Not Applicable

3. Provide details of the following disclosures related to water:

In 2022, your Company's total water intake was 2.8 million kilo litres.

Parameter	FY 2022	FY 2021
Water withdrawal by source [in kiloliters]		
[i] Surface water	742,999	738,657
[ii] Groundwater	1,909,408	2,085,860
[iii] Third party water	147,825	0
[iv] Seawater/desalinated water	0	0
[v] Others	0	0
Total volume of water withdrawal [in kiloliters] i + ii + iii + iv + v	2,800,232	2,824,517
Total volume of water consumption [in kiloliters]	2,800,232	2,824,517
Water intensity per rupee of turnover [Water consumed/turnover] *kiloliters/mio INR	16.68	19.26
Water intensity (optional) – the relevant metric may be selected by the Company	4.69	4.99

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

During 2022, your Company's water intake saw a decrease of 0.9%, despite a 5.4% increase in production volumes. Your Company has invested in 2 factories (Tahliwal, Ponda) for recycling of treated effluent to reduce the ground water withdrawal.

Your Company monitors water consumption and reduction as part of its operational efficiencies and sustainability initiatives and there was no independent assessment/ evaluation/assurance that was carried out by an external agency in 2022.

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Your Company has nine factories and seven factories are zero discharge factories, consuming all the treated effluent within factory for its need of process or land maintenance. All the factories are making efforts to recycle the treated process water to reduce the ground water withdrawal. During 2022, seven water saving projects were executed which resulted in a water savings of 148,654 m3/year. The specific water consumption reduced from 4.99 m3/ton to 4.69 m3/ton (reduction of 5.9 %).

5. Please provide details of air emissions (other than GHG emissions) by the Company:

Parameter	Please Specify Unit	FY 2022	FY 2021
NO _x	kgSO _x e	319,726	324,613
SO _x	kgSO _x e	1,427,963	1,545,586
Particulate Matter (PM)	NA	NA	NA
Persistent Organic Pollutants (POP)	NA	NA	NA
Volatile Organic Compounds (VOC)	NA	NA	NA
Hazardous Air Pollutants (HAP)	NA	NA	NA
Others please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes, your Company monitors stack emission at all factories by certified agency of the state. The samples are withdrawn by these agencies at regular intervals and the results are conforming to legal requirements.

There was no independent assessment/ evaluation/assurance that was carried out by an external agency in 2022.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Please Specify Unit	FY 2022	FY 2021
Total Scope 1 emissions [Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ if available]	tCO ₂ e	192,678	206,379
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ if available)	tCO ₂ e	1,571	112,879
Total Scope 1 and Scope 2 emissions per rupee of turnover	kgCO ₂ e/mio INR	1,157	2,214
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the Company	kgCO ₂ e/t	325	564

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

During 2022, your Company's GHG emissions (Scope 1 + Scope 2) saw a decrease of 39.2%, despite a 5.4% increase in production volumes. Your Company has internal tool to monitor the GHG emission based on consumption of various fuels and power.

There was no independent assessment/ evaluation/assurance that was carried out by an external agency in 2022.

7. Does the Company have any project related to reducing Green House Gas emission? If Yes, then provide details.

Your Company stresses upon measures for the conservation and optimal utilization of green-house gas emissions in all the areas of operations, including those for energy generation and effective usage of sources/ equipment used for generation. Within your Company's manufacturing locations, there are continuous efforts to improve operational efficiencies, minimizing consumption of natural resources and reducing energy & CO₂ emissions while maximizing production volumes.

As a result, during 2022, the specific energy consumption reduced from 6.63 GJ/ton to 6.59 GJ/ton (reduction of 0.7 %) and specific GHG emission reduced from 564 KgCO₂eq per ton to 325 KgCO₂eq per ton (reduction of 39.2 %)

During 2022, total 17 Energy and GHG reduction projects were initiated in your Company's manufacturing locations that will result in annualized savings of 130,180 tons CO₂ (saving of 40 % of total GHG emissions) & shall be fully realized in the coming years. Following are the significant projects executed in 2022:

- Purchase of green electricity through Renewable Energy Certificates (REC) at all factories
- Energy efficient air compressor at factory located in Bicholim Factory (Goa)
- Flash steam recovery and upgradation of boiler burners at Samalkha factory (Haryana)

8. Provide details related to waste management by the Company:

Parameter	FY 2022	FY 2021
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2,237	2,309
E-waste (B)	44	51
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	14	31
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	36	87
Other Non-hazardous waste generated (H)	56,431	55,185
Total [A+B + C + D + E + F + G + H]	58,762	57,664
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	26,631	27,756
(ii) Reused	2,088	1,526
(iii) Other recovery operations	30,044	28,382
Total	58,763	57,664
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

There was no independent assessment/ evaluation/assurance that was carried out by an external agency in 2022.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste:

Your Company manages and disposes all the waste and by products in a legally approved manner meeting all the requirements. There are continuous efforts to maximize recycling and reusing of waste with zero waste going for either landfill or incineration without energy recovery. All the manufacturing locations of your Company are zero waste for disposal.

During 2022, ~58,762 tons of waste was generated across factories. The waste generated is segregated at source and sent to common collection point from where it is sent for disposal. Following are the practices we have adopted for disposal of waste:

- Bottom and fly ash from solid fuel boilers is used for brick manufacturing.
- Food Waste, Organic Process waste (Noodles, Chocolate waste, process Floor Sweep waste) is used as animal feed.
- Sludge generated from wastewater treatment and HPP plant operations is used to make manure.

10. If the Company has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details:

S. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

Your Company's existing operations/offices comply with applicable environmental regulations and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Boards.

11. Details of environmental impact assessments of projects undertaken by the Company based on applicable Laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
Not Applicable					

12. Is the Company compliant with the applicable environmental Law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:

Your Company's existing operations/offices comply with applicable environmental regulations and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Boards.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

In 2022, your Company's manufacturing facilities consumed 3,931 Terra Joules [TJ] of energy. During 2022, the total absolute energy consumption saw an increase of 4.7%, against volume growth of 5.4%.

Parameter	FY 2022	FY 2021
From renewable sources		
Total electricity consumption (A)	757,833	106,749
Total fuel consumption (B)	570,184	269,573
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A + B + C)	1,328,018	376,322
From non-renewable sources		
Total electricity consumption (D)	8,160	586,468
Total fuel consumption (E)	2,595,546	2,792,521
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D + E + F)	2,603,706	3,378,989

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Your Company monitors the above parameters for its operational efficiencies and sustainability initiatives and there was no independent assessment/ evaluation/assurance that was carried out by an external agency in 2022.

2. Provide the following details related to water discharged:

Parameter	FY 2022	FY 2021
Water discharge by destination and level of treatment (in kiloliters)	-	-
(i) To Surface water	-	-
-No treatment	-	-
-With treatment - please specify level of treatment	426,193	497,879
(ii) To Groundwater	-	-
-No treatment	-	-
-With treatment - please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	71,757	52,274
(v) Others	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
Total water discharged [in kiloliters]	497,950	550,153

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Your Company monitors the above parameters for its operational efficiencies and sustainability initiatives and there was no independent assessment/ evaluation/assurance that was carried out by an external agency in 2022.

Parameter	Moga		Samalkha		Nanjangud	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Total volume of water withdrawal (in kiloliters)	636,098	759,031	413,430	394,242	655,483	648,333
Total volume of water consumption (in kiloliters)	636,098	759,031	413,430	394,242	655,483	648,333
Water intensity per rupee of turnover (Water consumed / turnover)						
Water intensity (optional) – the relevant metric may be selected by the Company	5.48	6.27	6.29	6.18	9.30	8.16
Water discharge by destination and level of treatment [in kiloliters]						
(i) Into Surface water						
-No treatment						
-With treatment - please specify level of treatment	426,193	497,879	0	0	0	0
(iii) Into Groundwater						
-No treatment						
-With treatment - please specify level of treatment	0	0	0	0	0	0
[iii] Into Seawater						
-No treatment						
-With treatment - please specify level of treatment	0	0	0	0	0	0
[iv] Sent to third parties						
-No treatment						
-With treatment - please specify level of treatment	0	0	0	0	0	0
(Others)						
-No treatment						
-With treatment - please specify level of treatment	0	0	0	0	0	0
Total water discharged [in kiloliters]	426,193	497,879	0	0	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Your Company monitors the above data for its operational efficiencies and sustainable operations and there was no independent assessment/ evaluation/assurance that was carried out by an external agency in 2022.

4. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2022	FY 2021
Total Scope 3 emissions [Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available]	Kilo tonnes of CO ₂ equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the Company		NA	NA

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the Company on biodiversity in such areas along with prevention and remediation activities. (Refer response in above Essential Indicator 10):

Not Applicable.

6. If the Company has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives:

Your Company has undertaken a number of initiatives, and also deployed innovative technologies across its operations for improving resource efficiency and minimizing environmental impact.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	RO Polisher for Effluent Treatment Plant (ETP) treated Water at Ponda and Tahliwal factory	A Polishing step is added after the ETP treated Water to enable the reuse of this water as cooling tower makeup.	Savings of 73,000 M3 water
2	Reducing the freshwater consumption at Moga factory	Reducing the freshwater consumption through following initiatives: - Increase use of recycled water for cleaning activities in utility areas; - Reduce losses of fresh water by replacing of old underground pipelines.	Savings of 48,335 M3 water
3	Purchase of green electricity at all factories	Purchase of green electricity through REC.	Savings of 128,520 Tons of CO2
4	Flash steam recovery at Samalkha factory	Recovery of full heat energy from condensate with reengineering of condensate network.	Savings of 11,197 GJ and 629 Tons of CO2

7. Does the Company have a business continuity and disaster management plan?

Yes, Company has a Business Continuity Plan (BCP) and Crisis Management Plan (CMP) designed to address the threat of disruptions to business activities or processes.

Business Continuity Planning validates the adequacy of the existing systems and processes to prevent and recover from potential threats. It ensures continuity of delivery of products or services at pre-defined acceptable levels following a disruptive incident. Comprehensive Business Continuity Plans have been made covering all facets of operations and are being tested periodically.

A detailed Business Impact Analysis (BIA) has been carried out considering various risk / threat business or otherwise including IT threats. The Risk assessment and mitigating actions plans are reviewed periodically to ensure necessary actions are in place to mitigate the risks. Your Company has BCP put in places in the critical part of its operations to ensure the operations runs smoothly.

Your Company has a Crisis Management Plan (CMP) which provides guidance to the Crisis Committee to manage crisis. The CMP addresses four stages of issue and crisis management:

Prepare: involves ensuring that relevant teams have all the personnel, resources, and tools in place to manage issues and crises quickly and easily if and when they occur

Prevent: an ongoing process through which issues are monitored, identified, and prioritized

Manage: outlines suggested steps during a crisis to ensure that all stakeholders have the necessary information required; and undertake the necessary actions to achieve a successful conclusion

Improve: teams critically review the handling of the crisis and look at areas for improvement.

During 2022, as part of governance, the Risk Management and Sustainability Initiatives (RMSI) Committee reviews the BCPs and CMPs designed for different business activities and deep dives into BCPs and CMPs of some business activities to ensure efficiencies.

Your Company regularly conducts appropriate trainings for teams involved in crisis management which is useful in correctly managing issues and preventing crises from occurring.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the Company. What mitigation or adaptation measures have been taken by the Company in this regard:

Your Company has *Responsible Sourcing Standard* that enshrines the unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. It is shared and accepted by all supply chain partners and service providers.

Your Company, with its diverse and expanding portfolio of businesses, prioritizes embedding sustainability and building resilience in the supply chain as part of its sustainability vision. A robust process of evaluating the Suppliers and Service Providers is followed before engaging with them, proactively making them aware of the expectations/ requirements, and seeking commitment for compliance through contractual agreements. Your Company reserves the right to verify compliance with this standard at any time through appropriate audit and assessment mechanisms.

In addition to working with farmers/suppliers for ingredients sourced through sustainable agriculture practices like regenerative agriculture, working towards sustainable manufacturing, packaging in the 9 factories, your Company is also working towards sustainable logistics. The focus was on reduction in wastage, through alternative mode of transportation such as railways, usage of alternate fuel and optimizing vehicle capacity utilization. It has converted 100% fleets from diesel to CNG to deliver Delhi & Haryana customers and also introduced electric vehicles to strengthen sustainable logistics. Your Company increased usage of bigger size vehicles from 5.9% in 2019 to 10.2% in 2022, increased usage of railways from 0% in 2019 to 6% in 2022 and increased vehicle payload utilization from 90.3% in 2019 to 94% in 2022."

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Your Company's 73% value chain partners were assessed for environmental impacts. Your Company is guided by *Responsible Sourcing Standard* and policy on *Environmental Sustainability* that outlines its commitment to high standards on environment and provides the necessary framework to address the direct environmental impacts of Company's own operations as well as progressively extend the efforts to its supply chain.

Your Company's key value chain partners like third party manufacturers are encouraged to adopt practices detailed under International Standards such as ISO 14001, ISO 45001, ISO 9001, OHSAS 18001 and your Company's Environmental sustainability policy. Contract manufacturing agreements provide for compliance with accepted standards on issues related to environment, human rights and labour practices, and third party manufacturers are periodically assessed to ensure compliance.

Farmers constitute a major portion of the value chain, and accordingly your Company has deployed large scale programmes to address the environmental impacts across its key agri value chains. The Company is committed to increase responsibly sourced ingredients such as fresh milk, palm oil, cocoa, wheat, spices, rice and green coffee.

Principle 7

Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1.a. Number of affiliations with trade and industry chambers/associations:

Your Company's stakeholder network consists of the people whom the Company's operations impact and those who influence the activities. Stakeholder meetings, workshops and other events help deepen dialogue and develop Nestlé's understanding of important environmental, regulatory and societal issues. The interaction helps the teams build their capabilities, facilitates collective action, and promotes trust and mutual respect. Your Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance the interests of diverse stakeholders. Your Company works with major industry chambers/associations and professional bodies that are engaged in policy advocacy as well as various other forums. During the year, your Company had active affiliations with 6 such trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to:

S. No.	Name of the trade and industry chambers/Associations	Reach of trade and industry chambers/associations (State/National)
1	The Associated Chambers of Commerce (ASSOCHAM)	National
2	All India Food Processors Association (AIFPA)	National
3	Confederation of Indian Industry (CII)	National
4	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
5	PHD Chamber of Commerce and Industry (PHDCCI)	National
6	WeCare	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

Your Company has not engaged in any anti-competitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the Company:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain?	Frequency of review by Board (Annually/ Half yearly/ Quarterly/ Others - please specify)	Web Link, if available
1	Your Company works on public health agendas such as foods high in fat, salt and sugar (HFSS) and front of pack labelling (FOPL) with government /regulatory authorities taking into consideration interests of consumers	Your Company engaged with food authorities, industry associations for development of balanced regulations. The Company's engagement with relevant authorities is guided by the values of commitment, integrity, and transparency.	Yes	As and when required	https://fssai.gov.in/upload/uploadfiles/files/Draft_Notification_HFSS_20_09_2022.pdf
2	Your Company works on Plastic Waste Management agenda that includes compliance to the regulations (Plastic Waste Management Rules, 2016), EPR implementation strategies and sustainable packaging	Your Company engaged with government authorities (MoEFCC, & CPCB) and industry associations for development of balanced regulations. The Company's engagement with relevant authorities is guided by the values of commitment, integrity, and transparency.	Yes	As and when required	https://moef.gov.in

Principle 8

Inclusive Growth: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable Laws, in the current financial year:

Your Company in line with the provisions of the Companies Corporate Social Responsibility Policy Rules, conducted impact assessment through an independent agency in financial year 2022 for the applicable projects.

Your Company's flagship initiative 'Nestlé Healthy Kids Programme' that has been developed with a focus to raise nutrition awareness among adolescents was assessed for Social Impact Assessment (SIA). The impact assessment study was carried by an external agency - Samhita Social Ventures Pvt. Limited in 2022. The impact assessment was done in Bihar (Patna) and Gujarat (Ahmedabad) where adolescents were assessed on awareness on importance of health, hygiene & sanitation, waste management and gender. The various focus areas included knowledge on anemia, vitamin A, thyroid, types of food, functions of food, personal hygiene practices, waste management, gender neutral practices etc. A mixed method approach was followed for data collection wherein researchers collected and analyzed both quantitative and qualitative data within the study. Interviews, group discussion and data analysis were done for the control vs intervention group. The social impact

assessment demonstrated positive impact for all the indicators assessed for example -

- Food and nutrients (functions of food, anemia etc.)
- Physical activity (benefits of play etc.)
- Personal hygiene (importance of handwashing, good sanitation practices etc.)
- Gender equality
- Waste management

The complete report is available at your Company's website.

S. No.	Name and details of Project	SIA Notification No.	Whether conducted by external agency	Results communicated in public domain	Relevant Weblink
1	Nestlé Healthy Kids Programme	-	Yes	No	https://www.nestle.in

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company:

S. No.	Name of Project for which R&R is ongoing	State	District	No. Of Project Affected Families (PAFs)	%age of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community:

Creating Shared Value (CSV) is fundamental to how your Company does business. Your Company believes that it will be successful in the long term by creating value for both shareholders and for society. Value creation is only possible with a solid foundation of compliance and a culture of respect, as well as a firm commitment to environmental and social sustainability.

Your Company's societal initiatives are structured in a way to get feedback on the interventions and also understand if communities have any views, issues, complaints and grievances related to these interventions. Your Company's NGO partners/implementing partners for its societal initiatives also have a grievance redressal system in place through which the complaints/feedback from the communities is taken into consideration. During 2022, no grievances were brought to your Company's notice by the NGO partners. Your Company has provided a *Speak Up* platform, an independent third party operated platform where any stakeholder can lodge their grievances. All grievances are recorded, investigated and reported under the Speak up system.

Detailed and structured community engagements are planned periodically to revisit the changing needs of the community and the emerging priorities feed into designing and re-designing of ongoing and new programmes.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Your Company follows business practices that follow inclusive approach and enable the small farmers/local communities and vulnerable groups to be part of our sustainability journey. This is clearly visible in your Company's spend progression of last two years from micro/medium enterprises and neighborhood communities.

	FY 2022	FY 2021
Directly sourced from MSMEs/small producers	24%	17.5%
Sourced directly from within the district and neighboring districts	36%	36%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

No negative social impact was identified in the Social Impact Assessment done by an external agency during the year 2022 for Nestlé Healthy Kids Programme, under Companies Corporate Social Responsibility Policy Rules, 2014.

2. Provide the following information on CSR projects undertaken by your Company in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (in INR)
Andhra Pradesh	Visakhapatnam	The total amount spent is part of the Annual Action Plan for the year and the breakup is provided in the Annual Report on CSR activities of the Company provided under Annexure-2 of the Annual Report.
Bihar	Muzaffarpur, Khagaria, Jamui	
Haryana	Mewat	
Himachal Pradesh	Chamba	
Jharkhand	Ranchi, Sahibganj	
Kerala	Wayanad	
Karnataka	Raichur, Gadag	
Madhya Pradesh	Vidisha, Khandwa	
Maharashtra	Gadchiroli	
Mizoram	Mamit	
Odisha	Kalahandi, Balangir	
Punjab	Moga, Ferozpur	
Rajasthan	Dhaulpur, Karauli	
Tamil Nadu	Ramanathapuram, Virudhnagar	
Uttarakhand	Udham Singh Nagar	
Uttar Pradesh	Varanasi	

3.a. Do you have preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups?

While there is no preferential procurement policy, your Company follows business practices that enable the small farmers to be part of our sustainability journey. As your Company is primarily agri-based company, 40% of Company's spend value are sourced from small farmers.

Your Company works with farming communities to ensure sustainable production in the long-term. Your Company touches the lives of many farmers and practices a strong preference for local procurement of raw materials. In addition to collecting milk and implementing the Nestlé milk district model successfully to ensure a stable livelihood for local dairy farmers, your Company supports the development of milk farmers by assisting them to improve milk productivity and quality through technical assistance, providing veterinary services, medicines at no profit basis and promotion of sustainable agricultural practices.

As part of the NESCAFÉ Plan, your Company trains coffee farmers to develop their agricultural practices in terms of quality, productivity and sustainability while supporting them in obtaining 4C (Common Code for the Coffee Community) certification for better coffee prices. The NESCAFÉ Plan sets out to bring about a positive and sustained change in:

- The livelihood of coffee farmers and their families.
- The sustainable management of landscapes linked to the value chain.
- Enhanced biodiversity in coffee farms with intercropping.

The NESCAFÉ Plan has three platforms, connecting to farmers, connecting to communities and connecting to the planet, with the objective of ensuring the future of high quality coffee, to remain available and affordable today and in the future.

Your Company regularly reaches out to coffee farmers through trainings, technical assistance, medical camp and soil test activities.

As a part of The MAGGI Spice Plan, your Company sources 8 key spices from suppliers with “Backward Integration Programs” (BIP) in place (farmer monitoring, focused on practices to ensure Maximum Residue Limit (MRL) compliance-food safety). Supplier BIP includes field extension support for Integrated Pest Management (IPM) programmes of participating farmers e.g., daily/ weekly visits to farmer fields and data gathering. This provides a good foundation for effective action. Your Company suppliers are key partners in developing responsibly sourced supply chains of spices. Your Company has a dedicated supplier development team that works through the Nestlé – Farmer – Supplier model to create sustainable local sourcing.

The team’s objectives include less reliance on imports, supporting sustainable quality and creating a wider, more flexible supply base. During 2022, your Company supported more than 51 suppliers through technical assistance, introduced about 30 suppliers for various raw materials. The supplier development team also works on developing local vendors through technical assistance to meet the desired quality/ regulatory norms for supply to other Nestlé markets.

b. From which marginalised/vulnerable groups do you procure?

Your Company’s Responsible Sourcing Standard describes the requirements and ways of working that are applied together with the suppliers to ensure the sustainable long-term supply of materials and services to Nestlé. Your Company is committed to collaborate with farmers to make them more sustainable and help build their adaptive capacity and resilience to emerging risks like climate change and water stress and other extreme weather events. It is also working towards raising awareness and work with farmers on crop quality, safety, protection, integrity and traceability, as applicable.

Your Company is committed to increase responsibly sourced ingredients such as fresh milk, palm oil, cocoa, wheat, spices, rice and green coffee.

c. What percentage of total procurement (by value) does it constitute?

Your Company engages with farmers and suppliers under MSME category. Being an agri-input based Company, 40% of the sourcing value is directly / indirectly providing livelihood to farmers. Within that, your Company’s direct engagement with dairy and coffee farmers is substantial as enumerated below

- 100,000+ dairy farmers are engaged (20% of the spend of total factories)
- 200,000+ wheat farmers engaged indirectly
- 3,000+ rice and sugarcane farmers
- 3,500+ coffee farmers
- 1250+ spice growers
- 24% of the raw and packaging material spend is sourced from MSME suppliers.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your Company (in the current financial year), based on traditional knowledge:

Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Not applicable.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project/Programme	Number of Persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Nestlé Healthy Kids Programme (adolescents and parents)	187,000	100%
2	Project Jagriti (direct and indirect)	1,300,000	100%
3	Water	150,000	100%
4	Sanitation	30,000	100%
5	Serve Safe Food	15,500	100%
6	Project Jigyasa	2,000	100%
7	Project Hilldaari	640	100%
8	Project Vriddhi	6,000	100%
9	Covid-19 and disaster management (cooked meals and approximately meals cooked out of the grocery kits distributed)	16,300,000	100%

Your Company's key societal initiatives focus on beneficiaries belonging to vulnerable and marginalized groups, hence almost entire coverage numbers qualify to be included under 'beneficiaries from vulnerable and marginalized groups'.

Your Company operates around the mantra of creating Shared Value and is mindful of the needs of the communities around it. It not only strives to be sustainable with the community but also works to make a positive difference and create maximum value for the society. Your Company has analyzed the value chain and determined that the areas of greatest potential for joint value optimisation with society are Nutrition, Water, Education, Livelihood, Environment and Rural Development. The beneficiaries of societal initiatives from the communities belong to the under privileged sections of the society.

Principle 9

Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

Your Company has a well-established consumer care and response management system in place to support our consumers with queries, feedback or concerns that they may have. The 24*7 consumer care set up ensures that your Company is not just meeting the consumer needs at the moment, but also delighting them by building authentic relationships that stand the test of time. Your Company understands that consumers may have different needs, and therefore your Company has created specialized desks with specifically trained people who can manage these requirements related to the products & services. Consumers can reach out at anytime via their preferred channels – phone, email, chat, social media, WhatsApp or website for assistance.

Your Company has a global consumer contact management policy in place that helps to deliver a consistent consumer experience across our service channels and geography. Your Company focuses on new technologies, integration and standardization for a delightful consumer experience.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

All the products of your Company contain relevant information as required under applicable laws.

	As a %age of total turnover
Environmental & social parameters relevant to the product	NA
Safe & Responsible Usage	100%
Recycling and /or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022		Remarks	FY 2021		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	No such complaint received during 2022	0	0	No such complaint received during 2021
Advertising	1	0	Observation of the Advertising Standards Council of India was in favour of your Company	0	0	No such complaint received during 2021
Cyber-security	0	0	No such complaint received during 2022	0	0	No such complaint received during 2021
Delivery of essential services	0	0	No such complaint received during 2022	0	0	No such complaint received during 2021
Restrictive Trade Practices	0	0	No such complaint received during 2022	0	0	No such complaint received during 2021
Unfair Trade Practices	0	0	No such complaint received during 2022	0	0	No such complaint received during 2021
Other*	5,338	0	-	4,608	0	-

* It includes all consumer queries, product related information & complaints, and services, received through phone, emails, chats, social media or website or Speak Up platform.

4. Details of instances of product recalls on account of safety issues:

Number of Voluntary recalls	Reason for Voluntary recall	Number of Forced recalls	Reason for Forced recall
Nil	Not Applicable	Nil	Not Applicable

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy.

Yes, your Company has a cyber security framework in place. In the ever evolving cyber threat landscape, your Company has framework in place that allows the organization to identify, manage & monitor risk based IT controls to protect information and systems. The 'Cyber Security Risk Framework' provides a common set of cyber risk areas to be used across the Nestlé group. Your Company has implemented Information Security Management System that helps to identify, mitigate, monitor and manage a risk and controls in cyber space against cyber-attacks, threats and vulnerabilities.

Your Company respects the privacy of individuals and is committed to protect the personal data of its consumers, employees, clients, service providers and other stakeholders. There is a comprehensive plan across all markets where Nestlé companies are incorporated. Some of such activities are as follows:

- The Nestlé Privacy Program and maturity self-assessment
- Privacy Impact Assessment as part of the privacy-by-design principle
- Compulsory Data Privacy iLearn module for employees
- Vendor Privacy Risk Assessment as part of the due diligence
- Data Ethics as part of the Nestlé Responsible Sourcing Standard
- Regular internal and external audits

Your Company is committed to the ethical use of data based on its Corporate Business Principles: (i) Environmental and Social Wellbeing, (ii) Transparency, (iii) Diversity, Non-Discrimination and Fairness, (iv) Privacy and Security, (v) Accountability and (vi) Technical Robustness. Your Company's commitment to data ethics is reflected in the Nestlé Data Ethics Framework.

Your Company continues to play our part in helping to protect the personal data of our consumers, employees and business partners through monitoring new data protection and privacy laws in India, by way of collective actions and engagement with all relevant stakeholders to improve our standards. It takes an active role in the development of the regulations, policies and programs that are needed to match global standards on Data Privacy. Your Company provides awareness and training sessions to the employees from time to time.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services:

No penalty or action taken by any authority on safety of products/services around issues relating to advertising, cybersecurity and data privacy. Your Company follows global standards and industry best practices to deal with cyber security and data privacy. Your Company is fully complying to IT Act, Rules and guidelines thereof; data privacy governance basis existing case laws, guidelines and directions provided from time to time by varied authorities and are in preparedness to adopt to local legislations as were proposed under the Data Protection Bill. Further, cyber incidents reporting as directed by CERT-IN are in place for the organization.

Leadership Indicators

1. Channels/ platforms where information on products and services of the Company can be accessed (provide web link, if available):

Your Company has websites, e-retailers and on ground distribution channels (traditional & Modern trade). Active websites are listed in below table:

Products/Initiative	Link
Corporate Website	nestle.in
Brand Website	Nescafe.com/in
Brand Website	ceregrow.in
Brand Website	nestle-cereals.com/in
Brand Website	nangrow.in
Brand Website	nestleprofessional.in
Brand Website	purina.in
Brand Website	maggi.in
Brand Website	enescafe.in



Products/Initiative	Link
Brand Website	resourcehighprotein.in
Brand Website	milkmaid.in
Brand Website	nestlehealthscience.in
Direct To Consumer Website	Mynestle.in
Corporate Website (Service)	Asknestle.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

Your Company has a 24*7 consumer service helpline to help inform and educate our consumer on any query or feedback that they may have. All businesses of your Company comply with the regulations and relevant voluntary codes concerning marketing communications, including advertising and promotion. Your Company’s communications are aimed at enabling consumers to make informed decisions. Your Company also makes efforts to educate consumers on responsible usage of its products and services.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

Your Company has necessary mechanisms in place to inform consumers if any major discontinuation happens which includes information dissemination through website, publications and social media accounts.

4. Does the Company display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your Company carry out any survey with regard to consumer satisfaction relating to the major products /services of the Company, significant locations of operation of the Company or the Company as a whole?

Yes, your Company provides additional information to help with consumer education and share nutrient profile and other aspects of the product for the benefit of the consumers. While there are mandatory requirements laid down by law to display product related information, your Company takes steps to provide additional information keeping consumer satisfaction and engagement as primary focus. For example, the Guideline Daily Amount (GDA) labelling system is present on front-of-pack of label which provides guidance on the daily energy intake and key defined nutrients to enable consumer to make informed choice at the time of purchase. Additionally, portion guidance is also included on labels to guide consumer on overall responsible consumption of the product as a part of their balanced lifestyle i.e. along with other foods. Your Company also includes “Do not litter” logo as a part of our social responsibility on the packs, to educate consumers. Furthermore, there are wrappers that carry information stating “Designed to be recyclable” to enable a responsible consumer and promote segregation at source.

Your Company continuously carries out consumer surveys to understand consumer feedback, product satisfaction and preference while measuring consumer response and satisfaction regularly through your Company’s continuous and periodic tracking studies, covering close to 85,000 consumers in 2022 through a random sampling approach among target consumers.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil.

b. Percentage of data breaches involving personally identifiable information of customers

Nil.

On behalf of the Board of Directors

Date : 16th February 2023
Place : Gurugram

Suresh Narayanan
Chairman and Managing Director