



Nestlé Good food, Good life

No Deforestation Progress

2020 Progress to assessing our purchases of key forest-risk commodities as deforestation-free

Background: In 2010, Nestlé committed to deforestation-free supply chains. Our *Responsible Sourcing Standard* is the tool that we use to operationalize our commitment.

Scope: Direct supplies of palm oil, pulp and paper¹, soya, meat² and sugar.

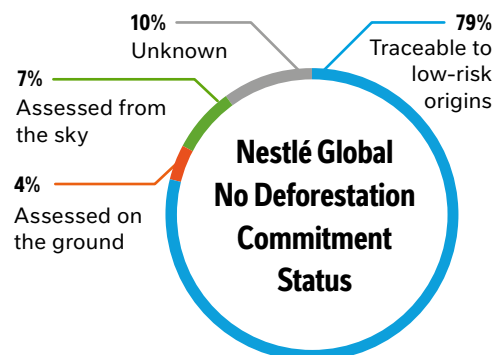
These commodities account for over four million kilotons sourced annually by Nestlé. They are considered to have the highest impact on deforestation and conversion of natural ecosystems, and are therefore the priorities for Nestlé to tackle. Other commodities, such as cocoa and coffee, may also be problematic in some origins, and are addressed on a country-by-country basis.

Our objective is to ensure that the raw materials that we buy do not originate from:

- Areas converted from High Carbon Stock (HCS) forests and habitat such as peatland, wetlands, savannas.
- Areas converted from natural ecosystems.
- Peatlands of any depth, except where farming practices protect peat.
- IUCN protected areas categories I-IV.
- UNESCO World Heritage Sites and wetlands on the [Ramsar List](#).

Cut-off dates:

- Palm oil, pulp and paper, sugar, meat: December 31, 2015.
- Soya: Aligned to sectoral cut-off dates where they exist (e.g. Amazon Soy Moratorium). When no sectoral cut-off date exists, we apply December 31, 2015 as a cut-off date.



**90% assessed as deforestation free
4.3 million tonnes**

Our approach: To implement our no-deforestation commitment, we apply a risk-based approach. We map our supply chains to know where the raw materials that we buy come from. In at-risk origins, we take steps to verify that our purchases are not contributing to deforestation or conversion of natural habitats.

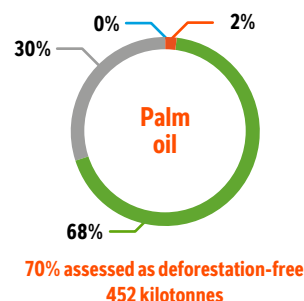
Based on this approach, the following volumes are **assessed as deforestation-free**:

● **Traceable to low-risk origin** = Volumes have been traced back to regions classified as at low risk of deforestation using tools like Maplecroft. The traceability exercise is carried out in collaboration with our partners (e.g. Earthworm Foundation and Proforest) or using technology (e.g. SupplyShift).

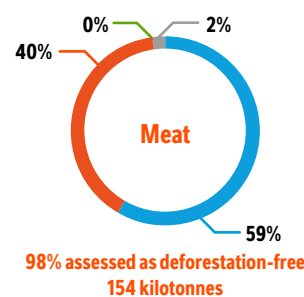
● **Assessed on the ground** = Volumes have been assessed through on-the-ground assessments, including by HCSA & HCV assessments, by our partners (e.g. Earthworm Foundation, Proforest, SGS) and/or through certification such as RTRS and Proterra (soya), FSC and PEFC (paper), and RSPO (palm oil). Only segregated volumes are accepted as deforestation-free.

● **Assessed from the sky** = Volumes have been assessed through satellite monitoring of production sites (farms, mills or supply area) in our supply chain identified through a traceability exercise.

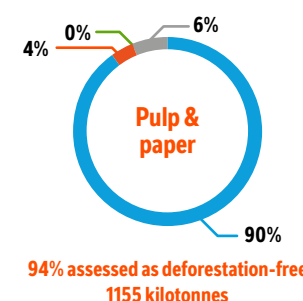
● **Unknown** = Not traced or being traced but not yet deforestation-free.



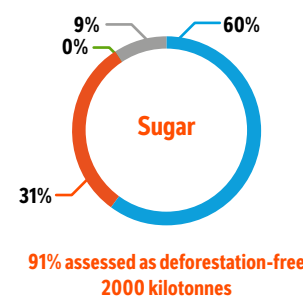
**70% assessed as deforestation-free
452 kilotonnes**



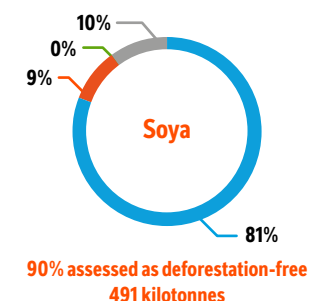
**98% assessed as deforestation-free
154 kilotonnes**



**94% assessed as deforestation-free
1155 kilotonnes**



**91% assessed as deforestation-free
2000 kilotonnes**



**90% assessed as deforestation-free
491 kilotonnes**

Toward a Forest Positive Strategy

Forests are key to fighting climate change and achieving our zero net emissions commitment. They also provide livelihoods to millions of people around the world.

Up to 2020, our focus has been on addressing deforestation in our key forest-risk commodities supply chains. Building on our 10-year experience, we are moving toward a Forest Positive Strategy, where we will work not only to actively conserve and restore forests but also to promote sustainable livelihoods and respect human rights.

Our strategy, to be published in 2021, will comprise three pillars:

1. Achieve and maintain **100% assessed as deforestation-free supply chains**.

2. **Proactively conserve forests:** assessing where there is risk of future deforestation, forest degradation or land conflicts, and taking a forward-looking approach to ensure active **long-term conservation** of forests and respect for community and indigenous land rights in our supply chain.

3. **Investing in sustainable landscapes:** investing in conservation, restoration and multi-stakeholder sustainable land use planning to ensure our raw materials originate from sustainable landscapes where production and forest protection work in harmony while human rights are respected.

We will also continue to engage the industry and other stakeholders to work together to address specific data gaps and improve supply chain transparency, including traceability and how to best address customary forests and community rights.

¹ Includes recycled volumes that are traceable to mill and assessed as low risk.

² Meat by-products as well as meats other than beef and pork are excluded from the scope of the commitment.