

Our progress toward deforestation-free primary supply chains

Background

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

Objectives

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

- Areas converted from High Carbon Stock forests and habitat such as peatland, wetlands and savannas
- Areas converted from natural ecosystems
- Peatlands of any depth, except where farming practices protect peat
- International Union for Conservation of Nature-protected areas categories I-IV
- UNESCO World Heritage Sites and wetlands on the Ramsar List

Cut-off dates

- Meat, palm oil, pulp and paper, sugar: 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

Our approach

To implement our no-deforestation commitment, we take 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 such as 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 High Carbon Stock Approach and High Conservation Value assessments, by our partners (e.g. Earthworm Foundation, Proforest, SGS) and/or through certification such as Roundtable on Responsible Soy and Proterra (soya), Forestry and Stewardship Council and PEFC (paper) and Roundtable on Sustainable 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.

