

# Consumer Goods Forum's Forest Positive Coalition

## 2022 Progress Report

Published: 1 September 2022

### INTRODUCTION

As a Board member of the Consumer Goods Forum (CGF), Nestlé is actively involved in different Coalitions, including the [Forest Positive Coalition](#), which is committed to leveraging collective action and accelerating systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains (palm oil, pulp & paper, soy and beef).

In addition to being an active member of CGF's Forest Positive Coalition, Nestlé co-leads the Soy working group and the Communication & Engagement working group.

As a Coalition member, we have been contributing to the development of commodity roadmaps that include a set of targets, an action plan for achieving them, and a set of key performance indicators (KPIs). We are also participating in four Coalition-wide working groups that aim to drive the transformational change needed to achieve the Coalition's goals:

- Supplier & trader engagement
- Government & stakeholder engagement
- Production landscapes
- Transparency & accountability

This document serves as a repository of the Coalition's 2022 reporting requirements as set out by the Coalition's Transparency & Accountability Working Group. It covers the 2021 financial year, unless stated otherwise.

## COALITION-WIDE REPORTING

### Forest Positive strategy and operational plan

Forests are key to preserving biodiversity, fighting climate change, and achieving our commitment [to zero net emissions by 2050](#). They also provide livelihoods to millions of people around the world. We are determined not only to help protect standing forests but also to contribute to restoring degraded ones.

In 2010, Nestlé was one of the first companies to make a commitment to end deforestation in our supply chain. This commitment is operationalized in our [Responsible Sourcing Standard](#), which sets out non-negotiable requirements that we ask our suppliers, their employees, agents and subcontractors to respect and to adhere to at all times when conducting business with us.

We are working towards deforestation-free supply chains through a risk-based approach. We map our supply chains to identify where our raw materials come from. In at-risk sourcing origins, we take steps to assess that our sourcing is not contributing to deforestation or the conversion of natural habitats.

Based on this approach, volumes are assessed as deforestation-free when they are:

- **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, Control Union 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) 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.

As of end of 2021, [97.2 percent of the key forest-risk commodities](#) that we source (palm oil, pulp & paper, meat, soy and sugar) were assessed as deforestation-free. This was reviewed by EY for consistency.

In June 2021, we published our [Forest Positive Strategy](#), which explains how our strategy is moving beyond managing deforestation-risks in our forest-risk commodity supply chains to targeting a positive impact on the critical landscapes we source from.

Our strategy focuses on three pillars:

- i. Deforestation-free supply chains*
- ii. Long-term forest conservation and restoration in our supply chains*
- iii. Sustainable landscapes*

Our operational plan is laid out below:

Nestlé's Forest Positive Strategy Pillar	Actions
<b>Pillar 1: Deforestation Free Supply Chains</b>	<ul style="list-style-type: none"> <li>• We are working toward deforestation-free palm oil, sugar, soy, meat, and pulp and paper supply chains by end of 2022.</li> <li>• We are working toward deforestation-free supply chains for coffee and cocoa by end of 2025.</li> </ul>
<b>Pillar 2: Long-term forest conservation and restoration in our supply chains</b>	<ul style="list-style-type: none"> <li>• We aim to complete global, cross commodity forest footprints by end of 2023</li> <li>• We aim to plant 200 million trees in our sourcing origins by end of 2030.</li> </ul>
<b>Pillar 3: Sustainable landscapes</b>	<ul style="list-style-type: none"> <li>• We aim to develop a landscape due diligence framework by the end of 2022.</li> <li>• We aim to develop a Sustainable Landscape strategy by end of 2023.</li> <li>• We aim to support at least 15 landscape initiatives in key sourcing origins by end of 2023.</li> </ul>
<b>Enabler: Respect for Indigenous people &amp; local communities' land rights</b>	<ul style="list-style-type: none"> <li>• We aim to develop and publish an Indigenous Peoples and Local Communities' land rights action plan by end of 2022, as part of our Human Rights Framework and Roadmap.</li> </ul>
<b>Enabler: Reporting &amp; Transparency</b>	<ul style="list-style-type: none"> <li>• We aim to report annually on progress made in implementing our Forest Positive strategy through our Creating Shared Value and Sustainability report.</li> </ul>
<b>Enabler: Advocacy &amp; Engagement</b>	<p>We will continue to advocate for more engagement with producers and producer countries, strengthened supply chain transparency and due diligence requirements, increased international collaboration and direct finance and investment towards more sustainable supply chains through ongoing policy processes in the European Union, in the UK, in the US and COP 27.</p>

### Supply chain disclosure

In 2019, Nestlé disclosed the list of suppliers alongside a variety of data of our priority raw materials that are part of our Responsible Sourcing program. This was the first disclosure of its kind in the industry and aimed at increasing transparency in the agri-food sector. This covers 95 percent of our company's annual sourcing of raw materials. Disclosures, including for palm oil, pulp & paper and soy, are available [here](#) and regularly updated.

### Landscape initiatives

As part of our Forest Positive strategy, we support landscape initiatives with the objective of helping to tackle the drivers of deforestation and conversion and contribute to sector-wide transformation.

To date we are supporting 12 landscape initiatives in palm oil, pulp & paper and soy, including nine that are prioritized under the CGF's Principles of Collective Action in Production Landscapes. These initiatives

aim to improve the livelihoods of local communities and safeguard human rights, address systemic issues to shared landscape-level goals, and develop shared landscape-level goals with other stakeholders. Please see annex 1 for more information on these landscape initiatives.

#### *Priority production landscapes identified*

We are currently refining our landscape strategy, including the methodology through which subnational landscapes will be prioritized for collective action through landscape and jurisdictional initiatives. This methodology focuses on both risks to forests and natural ecosystems as well as land and natural resources rights (LRR) risks – which are typically strongly place-based issues. In 2021, the forest risk prioritization was completed for all palm origins and in 2022 the LRR will be completed. This will be expanded to other commodities in 2023. This builds on Nestlé’s existing investments in production landscapes globally, selected based on entry points for engagement as well as known risks.

#### *Methodology used to identify priority production landscapes*

Current investments were identified based on landscapes that produce at least one of our forest-risk commodities. We have traced these commodities, and the systemic issues of their origins to define them as a priority landscape. This approach is being reviewed as part of the development of our landscape strategy. We will prioritize landscapes we support based on:

- 1) Identified risks and opportunities to standing forests and natural ecosystems
- 2) Land and natural resources risks
- 3) Volumes sourced
- 4) Opportunity to engage / enabling environment

#### **Government Engagement & Advocacy**

We also aim to support the development of an enabling environment that contributes to removing deforestation from commodity producing landscapes and drives collective action. We aim to use our thought leadership, stakeholder engagement and advocacy to do just that. This is why we are co-leading the Forest Positive Coalition’s Communication & Engagement Working Group.

As part of our government and engagement advocacy work, we have signed a number of public statements and position in 2021:

- A [Collective Position Paper](#) on EU Action to protect and restore the world’s Forests
- A [business leaders statement to support bold EU action to eliminate deforestation](#)
- A [joint position paper](#) with companies, NGOs and certification bodies in the cocoa sector

## COMMODITY-SPECIFIC REPORTING

### Palm oil

The scope of the palm oil reporting excludes palm oil derivatives<sup>1</sup>.

CGF Forest Positive Coalition Indicator	Nestlé KPI (FY 2021)
<b>Element 1 : Own supply chain</b>	
Percentage of volumes traceable to mill	97%
Percentage of volumes traceable to FFB sources	68%
Percentage of volumes assessed as deforestation-free	91% of our palm oil volumes were assessed as deforestation-free through one of the following verification methods: <ul style="list-style-type: none"> <li>- 83% assessed from the sky</li> <li>- 6% assessed on the ground</li> <li>- 1% traceable to low-risk origin</li> </ul>
Progress of mills toward NDPE	80% of our supply base was coming from mills and refineries with time bound Action Plans towards NDPE compliance, or coming from RSPO certified origins.
Percentage RSPO certified	71% of our 2021 palm oil volumes were RSPO certified with the following chains of custody: <ul style="list-style-type: none"> <li>- Segregated: 19.68%</li> <li>- Mass balance: 1,09%</li> <li>- Credits: 50%</li> </ul>
<b>Element 2: Suppliers and traders</b>	
Supplier list	<a href="https://www.nestle.com/supply-chain-disclosure-palm-oil.pdf">supply-chain-disclosure-palm-oil.pdf (nestle.com)</a>
Percentage of direct suppliers engaged and informed of the 'Forest Positive Suppliers' Commitment and 'Forest Positive Approach'	100% of our direct suppliers have been informed and engaged about our no deforestation requirements
Performance of direct suppliers against the elements of the Forest Positive Approach and	Our no deforestation assessment approach is part of the first pillar of our Forest Positive strategy. To be assessed as deforestation free, we use the following verification criteria: <ol style="list-style-type: none"> <li>a. On-the-ground assessments by non-governmental organization partners (HCSA/HCV assessments)</li> </ol>

<sup>1</sup> Today there is no standardized method to calculate the fraction of a derivative coming from palm oil industry (e.g. glycerin) so we don't have the ability to trace this material and assess its sustainability practices.

<p>changes over time including progress on delivery across entire palm oil business</p>	<p>b. Certified RSPO SG/IP origins  c. Traceable to plantations that are verified as deforestation free via satellite monitoring systems such as Starling  d. NDPE Implementation Reporting Framework (IRF) ‘Delivering’ volumes verified by a 3rd party</p> <p>Regarding the volumes coming from smallholders, we began using in 2021 a smallholder deforestation-free assessment methodology, a risk-based approach classifying areas that a mill sources from as low or high-risk of smallholder linked deforestation based on an analysis of small-scale forest loss trends (i.e. deforestation alerts below five hectares) in terrain suitable for palm oil cultivation and remaining forest area within a given region.</p> <p>For smallholders in high-risk origins, more granular data on the smallholders’ farm location (e.g. GPS coordinates) are collected, while in the case of low-risk origins, only data on the sub-district where smallholders are located are collected. The 1% traceable to low-risk origin (mentioned above) relates to this category.</p>								
<p><b>Element 3: Monitoring &amp; Reporting</b></p>									
<p>Summary of grievance process</p>	<p>See annex 2</p>								
<p>Summary of progress of grievance cases</p>	<p>In 2021, we received grievances related to deforestation and environmental degradation in connection to 78 companies. The status of these grievances as end of December 2021 was the following:</p> <table border="0"> <tr> <td>Investigating<sup>2</sup></td> <td>59</td> </tr> <tr> <td>Monitoring<sup>3</sup></td> <td>14</td> </tr> <tr> <td>Plan to suspend</td> <td>4</td> </tr> <tr> <td>Suspended</td> <td>1</td> </tr> </table>	Investigating <sup>2</sup>	59	Monitoring <sup>3</sup>	14	Plan to suspend	4	Suspended	1
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Monitoring <sup>3</sup>	14								
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Suspended	1								
<p>Coverage of deforestation &amp; peat monitoring</p>	<p>97% of our supply base is covered by deforestation and peat monitoring aligned with CGF Forest Positive monitoring minimum requirements.</p> <p>We use Starling satellite monitoring for in-depth analysis of every point of origin identified in our palm oil supply chain. In 2021, this included concession boundaries and 50km radius area around over 1,760 mills, to determine whether the origins were assessed as deforestation-free or whether further supplier engagement and investigation was needed. We worked with Earthworm Foundation to conduct in- depth supply chain engagement with our direct suppliers to investigate and address potential risks detected through Starling. More information on how we use Starling is available <a href="#">here</a>.</p>								

<sup>2</sup> Equivalent to Step 2 of CGF Forest Positive Coalition’s Monitoring and Reporting Framework (MRF).

<sup>3</sup> Equivalent to Step 3 of CGF Forest Positive Coalition’s MRF.

Progress towards tackling deforestation & peat grievances	<p>9% of our volumes have not yet been assessed as deforestation-free.</p> <p>This does not indicate origins are deforested, but rather reflect supply chains with insufficient transparency to allow for assessment. In some cases, producers are unwilling to share their farm locations, in the other cases, there are dealers in the supply chain who collect fruit from many producers but do not provide the origin information, and other times supply chains are very complex, comprised of many smallholder producers that add challenges to mapping. Work will continue to identify additional plantations connected to our supply chain.</p>
Progress towards tackling deforestation & peat grievances: % of deforestation & peat grievances where action taken in line with MRF steps and requirements	<p>We investigate all grievance cases that come in through our grievance management process to identify potential supply chain links and relevant suppliers to engage in order to develop corrective actions to address the issues raised. We monitor progress through resolution across all cases.</p> <p>In 2022, we started developing more detailed supplier guidance and minimum requirements for non-compliant suppliers including remediation and recovery planning, forest loss assessment and engagement with affected communities.</p>
<b>Element 4: Landscapes engagement</b>	
Number of landscape initiatives currently engaged in	We are currently engaged in seven landscape initiatives focusing on palm oil, including four that are part of the CGF Forest Positive Learning Portfolio of Landscape Initiatives. (See Annex 1)

**Pulp & Paper**

Scope of reporting excludes office paper, paper labels and flexibles (e.g. pouches, flow-wraps, etc.).

CGF Forest Positive Coalition Indicator	Nestlé KPI (FY 2021)
<b>Element 1 : Own supply chain</b>	
Percentage of recycled fiber	56.8%
Percentage of virgin fiber	43.2%
Percentage of virgin supply certified, and percentage per scheme and chain of custody model	<p>35.4% of our virgin fiber supply was certified with the following certification schemes and chain of custody:</p> <ul style="list-style-type: none"> <li>- FSC FM: 32.6%</li> <li>- FSC CW: 12.7%</li> <li>- PEFC FM &amp; CS: 0.1%</li> </ul>
Percentage of our pulp & paper assessed as deforestation-free	<p>98% of our pulp &amp; paper was assessed deforestation-free, including:</p> <ul style="list-style-type: none"> <li>- 94% traceable to low-risk origin</li> <li>- 4% assessed on the ground</li> </ul>

Percentage of supply from high-risk sources	2% of our pulp & paper volumes have not been assessed as deforestation-free or have not been traced back to country of harvest. As such, they can be considered as at-risk of deforestation.
Actions being taken for supply from high-risk sources	We're working toward a deforestation-free pulp & paper supply chain by end of 2022. To close the gap we are working with our direct suppliers to increase traceability, develop time-bound action plans and engage our upstream supply chain. We are also investing in on-the-ground projects. For more information, visit our <a href="#">website</a> .
<b>Element 2: Suppliers &amp; Traders</b>	
Supply chain disclosure	<a href="#">nestle-pulp-mill-transparency.pdf</a>
Proportion of suppliers informed about the Forest Positive Suppliers approach	100% of our direct suppliers are informed annually about our no deforestation commitment, which is part of Nestlé's Forest Positive strategy and a requirement of our Responsible Sourcing Standard. This is shared with the supplier as part of our traceability exercise.
Number or proportion of suppliers identified as priority for engagement, and % engaged	We then engage directly with suppliers that are selected as priority suppliers. We define priority suppliers as suppliers that are sourcing from at-risk origins.
<b>Element 3: Landscape engagement</b>	
Number of landscape initiatives currently engaged in	We are currently engaged in three pulp & paper landscape initiatives, which are all part of the CGF Forest Positive's Learning Portfolio of Landscape Initiatives. (See Annex 1)

**Soy**

Scope of reporting currently excludes soybean oil and lecithin volumes (reporting to start in 2023) as well as soy embedded in other animal-based products.

For embedded soy, we have developed a [methodology for estimating our soy footprint](#) and assessing deforestation and conversion risks.

CGF Forest Positive Coalition Indicator	Nestlé KPI Direct Soy	Nestlé KPI Embedded Soy
<b>Element 1 : Own supply chain</b>		
Percentage of soy with known origin	98% - this has been assessed as deforestation and conversion (DCF) free.	The origin itself of the embedded soy is still unknown. However, as a very first step we have identified the soy embedded in the products we buy, by calculating the soy footprint and estimating the exposure to high-risk origins.

Percentage from high-risk origins or unknown origins	<p>20%</p> <ul style="list-style-type: none"> <li>- 2% is unknown: not traced or being traced and not yet assessed as deforestation-free.</li> <li>- 18% is coming from high-risk origins and assessed on the ground as deforestation-free</li> </ul>	32% (326,176.57 MT) of the soybean equivalent volume was exposed to high-risk origins in priority countries (Brazil, Argentina and Paraguay).
Percentage of deforestation and conversion free (DCF) supply from high-risk areas	18%	See our <a href="#">Our approach to Deforestation &amp; Conversion risks for embedded soy</a>
Progress on ensuring soy is conversion-free for high-risk origins	<p>Nestlé has been taking the following steps to work toward deforestation and conversion-free (DCF):</p> <ol style="list-style-type: none"> <li>1. Incorporation of DCF criteria into the RFP Tender, a tool through which buyers negotiate future purchases with suppliers</li> <li>2. Close support to Procurement team to ensure DCF purchases only</li> <li>3. Engagement with suppliers to present Nestlé's commitments and provide guidance on DCF criteria as well as request evidence to confirm DCF volumes</li> <li>4. Analysis of evidence provided by suppliers to confirm DCF volumes, with the support from our partner Proforest.</li> </ol>	
<b>Element 2 : Suppliers &amp; Traders engagement</b>		
Supply chain disclosure	<a href="#">20200604 2019 Supply Chain Disclosure - SOY.xlsx (nestle.com)</a>	NA
Summary of Forest Positive Approach for suppliers and traders	<p>Our Theory of Change for soy is centered on engaging key suppliers to build capacity, improve policies, cascade implementation, and demonstrate compliance within and beyond our supply chain.</p> <p>Nestlé are building on the CGF's Forest Positive Guidance to Suppliers, to ensure that our suppliers work towards compliance with the 5 key elements of the Forest Positive Approach listed within the CGF Soy Roadmap, as well as Nestlé's own additional requirements and overarching commitments.</p>	
	As part of our 2022 workplan, we have developed a supplier engagement approach to engage with suppliers who represent 100%	In 2019 we started engaging animal protein suppliers in Brazil, undertaking an initial assessment of their sustainability awareness and

	<p>of Nestlé’s direct soy supply chain risk (e.g. sourcing from high deforestation and conversion risk countries such as Brazil, Paraguay and Argentina).</p> <p>Scorecards will be used to assess supplier performance and to monitor and report on continual improvement towards compliance with both the CGF FPC asks and Nestlé requirements. Nestlé Tier one suppliers assessed comprise 24% of Nestlé’s 2021 volumes. In addition, these suppliers have also been engaged collectively or individually to communicate the Forest Positive Approach and its implementation. These includes SCF members such as ADM, Bunge, Cargill, Louis Dreyfus and also CJ Selecta. One to one engagement is planned for the end of 2022.</p>	<p>performance. Based on this assessment, in 2021 we prioritized and provided capacity building activities<sup>4</sup> to nine poultry, pork and beef suppliers that together represent 4.2% of our volume sourced in Brazil in 2020 that was exposed to high deforestation and conversion risk origins.</p> <p>Additionally, in early 2022 we supported one of the suppliers that participated in the training to review their sustainable policy, develop a deforestation/conversion-free commitment and an implementation plan. We are planning to expand both the capacity building and the Embedded Soy Pilot to more suppliers in 2022, as well as keep supporting this supplier to improve their traceability and achieve their commitment.</p>
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**Element 4: Landscape engagement**

<p>Number of landscape initiatives currently engaged in</p>	<p>We are currently engaged in two landscape initiatives, which are part of the CGF Forest Positive’s Learning Portfolio of Landscape Initiatives. (See Annex 1)</p> <p>In addition, we are also supporting two different production-level interventions in the Chaco and the Cerrado biomes. More information is available <a href="#">here</a>.</p>
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**Beef**

Meat by-products are excluded from the scope of our no deforestation work.

<p><b>CGF Forest Positive Coalition Indicator</b></p>	<p><b>Nestlé KPI (FY 2021)</b></p>
<p><b>Element 1 : Own supply chain</b></p>	
<p>% with known origin</p>	<p>99% of our meat volumes are traceable to low-risk origins and have been assessed as deforestation-free.</p>

<sup>4</sup> Based on [The Soy Toolkit](#) and [The Beef Toolkit](#) training materials.

Progress on ensuring beef is free from deforestation, conversion and conflict for high-risk areas	0.09% of our total in-scope animal sourced ingredients are cattle products sourced from Brazil. We do not currently have traceability of these volumes into specific biomes. However, we have engaged multiple suppliers on how to establish and implement responsible sourcing commitments for beef. Upon completion of the process, the suppliers will be expected to report volumes of at-risk ingredients in the Nestlé supply chain.
Supply chain disclosure	<a href="#">nestle-supply-chain-disclosure-meat-tier1.pdf</a> <a href="#">nestle-supply-chain-disclosure-meat-upstream.pdf</a>
<b>Element 2: Suppliers and Traders</b>	
T1 suppliers to whom the Forest Positive Approach and its implementation have been communicated	Eight suppliers were engaged through a dedicated partner pilot program. One has progressed to the point of implementing additional internal controls aligned with CGF Forest Positive standards.
Performance of meatpackers against Forest Positive Approach including progress on delivery across entire operations	Change in performance at this time is evaluated using number of suppliers engaged with our partner-led training and support program to build guidelines and internal capacity to meet responsible sourcing standards and due diligence.
<b>Element 4: Landscape engagement</b>	
We are currently not involved in any beef landscape initiative. For more information about the on-the-ground activities we support in our meat supply chain, visit our <a href="#">webpage</a> .	

**For more information, please visit:**

- [Forest Positive Strategy](#)
- [Nestlé Responsible Sourcing Standard](#)
- [Supply chain disclosure documents](#)
- [2020 No Deforestation Progress report](#)
- [Responsible sourcing of palm oil](#) and [Palm oil Transparency Dashboard](#)
- [Responsible sourcing of Pulp & Paper](#)
- [Responsible sourcing of Soya](#)
- [Responsible sourcing of Meat](#)

## Annex 1: List of landscapes

Area for Priority Transformation	
<b>Location</b>	Aceh, Indonesia, Aceh (Aceh Tamiang, Aceh Selatan, Subulussalam, and Aceh Singkil)
<b>Partner</b>	Earthworm Foundation
<b>Commodity</b>	Palm oil
<b>Timeline of engagement</b>	2021-2025
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	Mars, Hershey, Musim Mas, Reckitt, ADM, The Clorox Company, Vandermoortele, Fuji Oil, Colgate, Avril, Bunge, Givaudan, Subulussalam District Government, National Land Agency, PT Asdal Prima Lestari, Pr Laot Bangko, KUD Sadakata, Aceh Singkil Land College
<b>Specific actions or projects that are supported</b>	<p><b>Forest protection and restoration</b> Aim: Contribute to reducing deforestation rate and transforming the supply chain by the installation of monitoring, traceability, and No Deforestation No Peat No Exploitation (NDPE) monitoring and verification systems through satellite monitoring, high carbon stock (HCS) and high conservation value assessments.</p> <p><b>Resilient farmers</b> Aim: Helping farmers to adopt Good Agricultural and Best Management Practices (GAP).</p>
<b>Linkages to shared landscape-level goals developed through multi-stakeholder process</b> (in case cases where the landscape level initiative has defined goals that are different from or additional to the elements of the CGF Forest Positive strategy)	<p><b>Work and families</b> Aim: Addressing plantation labor issues and improving farmers working conditions via activities with companies and the government.</p> <p><b>Community rights</b> Aim: Developing participatory land use and land tenure; promoting conflict resolution</p> <p><b>Stakeholder support, capacity building</b> Aim: Securing government's support and building capacity.</p>
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Restoration and rehabilitation of deforested areas and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> <li>• Addressing plantation labor issues and improving farmers working conditions</li> <li>• Securing government support and building capacity</li> </ul>

	<ul style="list-style-type: none"> <li>Promoting community rights</li> </ul>
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<b>Sabah Landscapes Program</b>	
<b>Location</b>	Malaysia, Sabah (Beluran, Telupid, Tongod, Kinabatangan, and parts of Lahad Datu).
<b>Partner</b>	Earthworm Foundation
<b>Commodity</b>	Palm oil
<b>Timeline of engagement</b>	2021-2025
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	Reckitt, PZ Cussons, ADM, Groupe Rocher, Givaudan, Colgate, Nestlé, IJM Plantation Berhad, Malaysian Palm Oil Board, Sabah Wildlife Department, Seratu Atai, MEGES Nature Farm Enterprise, Agrovet Citra Trading.
<b>Specific actions or projects that are supported</b>	<p><b>Forest protection and restoration, supply chain transformation</b>  Aim: Reducing deforestation by companies and communities, including no new land clearings for palm oil development and protection elephant range through Human-Elephant Conflict (HEC) mitigation activities  Aim: Help palm oil mills have action plans to address NDPE issues and are traceable to plantations.</p> <p><b>Resilient farmers</b>  Aim: Implementing smallholder inclusiveness in companies through good agricultural practices, income diversification, sustainability and conservation initiatives.</p>
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>Conservation and sustainable management of forests and natural ecosystems</li> <li>Restoration and rehabilitation of deforested areas and natural ecosystems</li> <li>Positive and lasting inclusion and resilience of farmers and local communities</li> <li>Sustainable partnership development</li> <li>Addressing plantation labor issues and improving farmers working conditions</li> <li>Securing government support and building capacity</li> </ul>
<b>Linkages to shared landscape-level goals developed through multi-stakeholder process</b> (in case cases where the landscape level initiative has defined goals that are different from or additional to the elements of the CGF Forest Positive strategy)	<p><b>Work and families</b>  Aim: Improving welfare and working conditions for workers, ensuring the well-being of children and young persons.</p> <p><b>Stakeholder support, capacity building</b>  Aim: Formalizing collaboration with government agencies.</p>

<b>The Southern Central Forest Spine (CFS) Landscape</b>	
<b>Location</b>	Malaysia, Pahang (Rompin, Pekan, Kota Tinggi and Segamat).
<b>Partner</b>	Earthworm Foundation
<b>Commodity</b>	Palm oil
<b>Timeline of engagement</b>	2021-2025
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	Ferrero, Hershey, Cargill, Fuji Oil, IOI Group, Malaysian Palm Oil Board, Malaysian Palm Oil Certification Council, MEME.
<b>Specific actions or projects that are supported</b>	<p><b>Forest protection and restoration, supply chain transformation</b>  Aim: Reducing deforestation by companies and local communities, including no new land clearing for palm oil development, improving the spatial monitoring and management of key corridors and reducing human-wildlife conflict.  Aim: Helping palm oil mills have action plans to address NDPE issues and are traceable to plantations.</p> <p><b>Resilient farmers</b>  Aim: Implementing smallholder inclusiveness in companies, improving smallholder farmers' livelihoods through training in good agricultural practices, income diversification, sustainability, and conservation.</p>
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Restoration and rehabilitation of deforested areas and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> <li>• Addressing plantation labor issues and improving farmers working conditions</li> <li>• Securing government support and building capacity</li> </ul>
<b>Linkages to shared landscape-level goals developed through multi-stakeholder process</b> (in case cases where the landscape level initiative has defined goals that are different from or additional to the elements of the CGF Forest Positive strategy)	<p><b>Work and families</b>  Aim: Improving welfare and working conditions for migrant workers through raising awareness of companies on forced and child labor and worker voice tool.</p> <p><b>Community rights</b>  Aim: Improving land tenure rights and promoting inclusivity of indigenous communities in the landscape area.</p>

	<b>Stakeholder support, capacity building</b> Aim: Formalizing collaboration with government agencies.
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Sungai Linau	
<b>Location</b>	Sungai Linau, Riau, Indonesia
<b>Partner</b>	Proforest
<b>Commodity</b>	Palm oil
<b>Timeline of engagement</b>	2022
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	Pepsico, Cargill, IFF, Musim Mas, APP, YMI (Local CSO), Daemeter, BRGM, FGMC
<b>Specific actions or projects that are supported</b>	<ul style="list-style-type: none"> <li>• Support implementation of community-based land use development</li> <li>• Protection of HCV and HCS forest in the long term</li> <li>• GHG emissions reduction through forest &amp; peat protection</li> <li>• Support and strengthen village members' livelihoods</li> <li>• Scale-up to the wider landscape</li> </ul>
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> </ul>

Riau Peat	
<b>Location</b>	Riau, Indonesia
<b>Partner</b>	Winrock
<b>Commodity</b>	Palm oil
<b>Timeline of engagement</b>	2021-2022
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	APP, Sodexo, Siak NGOs forum (Friends of Siak/Sedagho Siak), CORE, Riau University, CIFOR
<b>Specific actions or projects that are supported</b>	<p>The initiative aims to support the sustainable peatland management of land reallocated to local communities as part of Indonesia's agrarian reform program called the TORA, with the aim of:</p> <ul style="list-style-type: none"> <li>- Having a positive impact on the quality of the environment in the 4000ha the TORA area covers and its surrounding.</li> </ul>

	<ul style="list-style-type: none"> <li>- Help improve the income for approx. 4000 farmers in the area.</li> <li>- Develop and promote alternative commodity production that are wetland friendly to contribute to the food security of the local area.</li> </ul>
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> </ul>

<b>Holistic palm project</b>	
<b>Location</b>	Chiapas, Mexico
<b>Partner</b>	Proforest
<b>Commodity</b>	Palm oil
<b>Timeline of engagement</b>	Since 2018
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	Pepsico, Cargill, FemexPalma, Oleopalma, RSPO
<b>Specific actions or projects that are supported</b>	<p>This initiative supports the sustainable development of the Mexican palm oil sector through:</p> <ul style="list-style-type: none"> <li>• Smallholder inclusion</li> <li>• Strengthening and provision of training on sustainability issues</li> <li>• Promotion of NDPE</li> </ul>
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> </ul>

<b>Smallholder hub</b>	
<b>Location</b>	Aceh, Indonesia
<b>Partner</b>	Musim Mas
<b>Commodity</b>	Palm oil
<b>Timeline of engagement</b>	From 2021
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	AAK
<b>Specific actions or projects that are supported</b>	<p>This initiative aims to support smallholder livelihoods and address deforestation risks in Aceh around the Leuser Ecosystem. Training will be provided to 40 village extension officers on good agricultural practices and NDPE. The officers will then train and upskill oil palm</p>

	smallholders in their assigned areas. The program will help smallholders increase yields and earnings from their existing farmland and reduce the risk of encroachment into protected areas.
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> </ul>

<b>Dvinsky Landscape Initiative (DLI)</b>	
<b>Location</b>	Dvinsky landscape, Russia
<b>Partner</b>	Earthworm Foundation
<b>Commodity</b>	Pulp & Paper
<b>Timeline of engagement</b>	2019-2025
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	Mars, private forestry companies (e.g. Titan, APPM), local communities, local government
<b>Specific actions or projects that are supported</b>	<p>Aim: Finding balance between production and protection of environment (IFL, Carbon) and social values through the following activities</p> <ul style="list-style-type: none"> <li>- Developing ecological network: Reindeer monitoring. The project aims to develop migration routes of Wild Forest Reindeer (WRD) using satellite imagery. THs will be used to map how migration routes overlap with current landscape, production and protection boundaries and engage with different stakeholders.</li> <li>- Developing local economy: resource center creation. Execution of strategic planning session on local economy and human well-being with federal stakeholders. Develop incubation of local initiatives on ecotourism and environmental entrepreneurship through development of resources center.</li> <li>- Launch of Dvinsky landscape and engagement with landscape stakeholders.</li> </ul>
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Restoration and rehabilitation of deforested areas and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> <li>• Addressing plantation labor issues and improving farmers working conditions</li> <li>• Securing government support and building capacity</li> </ul>
<b>Linkages to shared landscape-level goals developed through multi-stakeholder</b>	<b>Stakeholder support, capacity building</b>

<b>process</b> (in case where the landscape level initiative has defined goals that are different from or additional to the elements of the CGF Forest Positive strategy)	Aim: Strengthened partnerships with several partners, including WWF, FSC and local government
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<b>Riau landscape</b>	
<b>Location</b>	Riau, Indonesia
<b>Partner</b>	Earthworm Foundation
<b>Commodity</b>	Pulp & Paper
<b>Timeline of engagement</b>	2021-2025
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	Private companies (downstream brands & upstream suppliers) and local communities
<b>Specific actions or projects that are supported</b>	<p>Aim: Balancing production, forest conservation, sustainable livelihoods and good social &amp; labor practices at scale</p> <ul style="list-style-type: none"> <li>- Collective Action Plan was submitted to the Siak district government for approval that will form the basis of activities on sustainable development in the district going forward.</li> <li>- Pelalawan district government, EF, the Indonesian Community Mapping Network (JKPP - Jaringan Kerja Pemetaan Partisipatif), and the CORE consortium (consisting of Proforest, Rainforest Alliance, and Daemeter) agreed to collaborate on mapping smallholder plantations inside forest status areas in Pelalawan district</li> <li>- farmer's cooperatives to scale up the business capacity and start preparing for replanting old oil palm plantations. The cooperatives represent 2,650 farmers with 5,300 hectares of oil palm plantation.</li> <li>- Good Agricultural Practices (GAP) training &amp; technical assistance to the Bratajaya Cooperative to implement GAPs</li> <li>- Promoting ecotourism to protect 200 ha of customary forest in the buffer zone of the Giam Siak Kecil Bioserve</li> <li>- Participatory Land Use Planning (PLUP) process and agreement to conserve 42,222 hectares</li> <li>- Raise awareness of farm workers on workers' rights, occupational health and safety, and child labor.</li> </ul>

<p><b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b></p>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Restoration and rehabilitation of deforested areas and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> <li>• Addressing plantation labor issues and improving farmers working conditions</li> <li>• Securing government support and building capacity</li> </ul>
<p><b>Linkages to shared landscape-level goals developed through multi-stakeholder process</b> (in case where the landscape level initiative has defined goals that are different from or additional to the elements of the CGF Forest Positive strategy)</p>	<p><b>Stakeholder support &amp; capacity building</b></p> <ul style="list-style-type: none"> <li>- 4 collective action plans in the target districts implemented. Target districts: Bengkalis, Siak, Pelalawan and Indragiri Hulu</li> <li>- NDPE considerations formally embedded in district spatial plans and development regulations</li> <li>- 5,000 stakeholders engaged and utilizing data and/or learnings generated.</li> <li>- Forest Protection &amp; Restoration</li> <li>- 362.030 ha indicative forest cover under protection and with formal management plans</li> </ul> <p><b>Community Rights</b></p> <ul style="list-style-type: none"> <li>- 30 forest-dependent communities with stronger land tenure and security</li> <li>- 10 at-risk communities with established effective conflict resolution systems</li> <li>- Resilient Farmers</li> <li>- 3,000 farmers adopt Good Agricultural and Best Management Practices</li> <li>- 3 farmers business units empowered to produce, manage, and market sustainable products (indirect impact 3,200 people)</li> </ul> <p><b>Workers &amp; Families</b></p> <ul style="list-style-type: none"> <li>- 1,500 workers facilitated with improved working conditions (indirect number: 8,500 workers)</li> </ul>

<b>Empowering Community based Restoration in Nahuelbuta</b>	
<p><b>Location</b></p>	<p>Nahuelbuta, Chile</p>
<p><b>Partner</b></p>	<p>WWF Chile and NGO Arca Sur</p>
<p><b>Commodity</b></p>	<p>Pulp and paper</p>
<p><b>Timeline of engagement</b></p>	<p>2022</p>
<p><b>Type of engagement</b></p>	<p>Disbursed financial support</p>
<p><b>Other partners involved</b></p>	<p>Arauco SA and CMPC</p>

<b>Specific actions or projects that are supported</b>	Strengthen community-based enterprises that conduct and support landscape restoration and provide sustainable livelihood for vulnerable communities in contribution to the goal of 7,000 ha under restoration in Nahuelbuta defined by the Nahuelbuta Restoration Council.
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Restoration and rehabilitation of deforested areas and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> </ul>

<b>Low-carbon regenerative commodity production in the Cerrado biome: Fostering adoption of integrated agricultural production systems</b>	
<b>Location</b>	Cerrado, Tocantins state
<b>Partner</b>	Conservation International Brazil (CI)
<b>Commodity</b>	Soy
<b>Timeline of engagement</b>	2022-2023
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	Metro AG, Carrefour
<b>Specific actions or projects that are supported</b>	<p>Positive inclusion of farmers and communities through:</p> <p>1) <i>Capacity building for Low-Carbon production</i> Capacity-building for a low-carbon, regenerative production model, through rural extension services to support the adoption of the Integrated Crop-Livestock-Forest (ICLF) production model. This will be co-implemented with Embrapa (Brazilian Agricultural Research Corporation) and supported by the ICLF Network.</p> <p>2) <i>Creating incentives through improved access to credit</i> Raising awareness among farmers of existing credit mechanisms and building capacity to access those credit lines, by promoting trainings to staff within local financial institutions and disseminating information on climate finance opportunities within the productive sector.</p>
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> </ul>

<b>Sustainable Landscapes in Mato Grosso: Local solutions to improve governance and forest positive impacts</b>	
<b>Location</b>	Cerrado, Mato Grosse state, Brazil
<b>Partner</b>	Instituto de Pesquisa Ambiental da Amazônia (IPAM)

<b>Commodity</b>	Soy
<b>Timeline of engagement</b>	2021-2022
<b>Type of engagement</b>	Disbursed financial support
<b>Other partners involved</b>	Jerónimo Martins
<b>Specific actions or projects that are supported</b>	<p>Overall aim: To create the conditions for a Regional PCI (produce, conserve, include) initiative with local governance and specific goals, combined with a potential to upscale financial incentives for forest protection in private lands.</p> <ol style="list-style-type: none"> <li>1. Regional PCI (Governance model)</li> <li>2. Identification and deep dive in native vegetation assets in the study region</li> </ol> <p>The PCI sets jurisdictional targets with 2030 goals to increase the sustainable production of commodities, conserve forests and include family farmers and indigenous people.</p>
<b>How the actions intend to address systemic issues and contribute to delivering forest positive goals</b>	<ul style="list-style-type: none"> <li>• Conservation and sustainable management of forests and natural ecosystems</li> <li>• Positive and lasting inclusion and resilience of farmers and local communities</li> <li>• Sustainable partnership development</li> </ul>

## ANNEX 2

### Summary of our grievance process for palm oil

The foundation of our grievance process is our palm oil supply chain traceability data. Assessing and addressing risks related to NDPE starts with knowing where the palm oil we source comes from. As such, we are working toward increasing traceability to plantation, in addition to aiming to obtain concession maps.

The second step is the monitoring our palm oil supply chain for deforestation risks via Starling satellite imagery. With Starling, we monitor 50km radius' around mills, or the specific origins where we do have full TTP with concession maps. More information on how we use Starling can be found on our [Transparency Dashboard](#).

We also assess our suppliers against our [Responsible Sourcing Standard](#). When gaps are found our suppliers are asked to develop robust, time-bound action plans. These action plans lay out the steps to bring these supply chains into alignment with our Standard.

The below describes our grievance process for palm oil:

Step	Actions taken
1. Receipt of grievance	<p>Grievance is received, logged in our grievance trackers and receipt acknowledged to the complainant (where appropriate).</p> <p>Note: Grievances may be received through '<a href="#">Speak Up</a>', our non-compliance reporting system, directly through non-governmental organizations, individuals or other stakeholders contacting us or through <a href="#">Starling</a> satellite monitoring system alerts.</p>
2. Determination of nature of grievance and relationship to Nestlé's supply chain	<ol style="list-style-type: none"><li>Grievance is reviewed to ensure that it is in scope (i.e. related to Nestlé Responsible Sourcing Standard and relevant policies)</li><li>Supply chain mapping is reviewed to determine link to Nestlé's supply chain</li><li>If grievance is in scope and the link to Nestlé's supply chain is confirmed, we will proceed to step 3. If grievance is not in scope nor connected to our supply chain, we will close the case (and notify complainant where appropriate)</li></ol>
3. Investigation of the grievance	<ol style="list-style-type: none"><li>If the grievance is related to a direct supplier, Nestlé will lead the investigation together with its partner.</li><li>If the grievance is related to a supplier that does not directly supply to Nestlé, we will work through our direct supplier to understand whether the grievance is known, what is its status and whether the direct supplier needs to take additional investigative steps.</li></ol>

	<p>c. If the grievance is confirmed, we move to step 4. If the investigation is discarded, the case is closed and the result of the investigation is communicated to the complainant (where appropriate).</p>
<p>4. Take action</p>	<p>a. If the grievance is confirmed, actions or remediation that are needed will be agreed with the supplier and communicated to the complainant (where appropriate).</p> <p>b. If there is no willingness to engage, the supplier is suspended.</p> <p>Note: in the case that deforestation inside a concession we source from is confirmed, we <a href="#">suspend and then engage</a> the supplier. The supplier will remain suspended until a Stop Work Order, Forest Clearance Moratorium, NDPE policy, and remediation plans are in place.</p>
<p>5. Engagement and Monitoring</p>	<p>a. Nestlé will monitor that the actions agreed are being taken within the agreed timeframe and will continue to engage with (or through) its direct supplier.</p> <p>b. If the agreed actions are not taken or completed, the supplier is suspended.</p> <p>c. When agreed actions and remediation are completed, the case is closed and the grievance tracker is updated accordingly.</p>