Nestlé - Forests 2023



F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Nestlé is a food and beverage company with a global presence. We have around 275,000 employees, more than 2,000 brands, and sales in 188 countries. Creating Shared Value is at the heart of Nestlé's approach to achieving our purpose: to unlock the power of food to enhance quality of life for everyone, today and for generations to come. That's why we are taking action to advance regenerative food systems at scale. This means supporting the development of food systems that help protect, renew and restore the environment, improve the livelihoods of farmers and enhance the resilience and well-being of farming communities.

Our actions include committing to achieve net zero greenhouse gas emissions by 2050, which is outlined in our Net Zero Roadmap that includes tangible, time-bound targets to reduce emissions, within and beyond our operations. This work is also supported by our Forest Positive strategy, which builds on our decade-long work to end deforestation in our supply chains. Forest Positive is our strategy to move beyond managing deforestation risks in our supply chain to targeting a positive impact on our broader sourcing landscapes. This includes growing 200 million trees by 2030.

We are signatories of the Ellen MacArthur Foundation Global Commitment on packaging, aiming to make our above 95% of our packaging designed for recycling and to reduce our use of virgin plastics by one-third by 2025. With regards to our work on water, our Nestlé Waters business will advance the regeneration of the water cycle to help create a positive water impact everywhere our waters business operates by 2025. Across Nestlé, we will continue to work to achieve water resource management throughout our operations and agricultural supply chains.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2022	December 31 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response. CHF

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products

Commodity disclosure Disclosing

Stage of the value chain Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Explanation if not disclosing

<Not Applicable>

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain Manufacturing

Are you disclosing information on embedded commodities? No. because we have no embedded commodities

Explanation if not disclosing

<Not Applicable>

Cattle products

Commodity disclosure Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Explanation if not disclosing

<Not Applicable>

Soy

Commodity disclosure

Disclosing

Stage of the value chain Manufacturing

Are you disclosing information on embedded commodities? No, but we do have embedded commodities

Explanation if not disclosing <Not Applicable>

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Stage of the value chain

<Not Applicable>

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing <Not Applicable>

Other - Cocoa

Commodity disclosure

Disclosing

Stage of the value chain

Processing Manufacturing

Are you disclosing information on embedded commodities?

No, but we do have embedded commodities

Explanation if not disclosing

<Not Applicable>

Other - Coffee

Commodity disclosure Disclosing

Stage of the value chain

Processing Manufacturing

Are you disclosing information on embedded commodities? No, because we have no embedded commodities

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Explanation if not disclosing <Not Applicable>

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported Financial control

F0.6

(F0.6) Select the countries/areas in which you operate.

Algeria Angola Argentina Australia Bahrain Bangladesh Belgium Bolivia (Plurinational State of) Brazil Bulgaria Cameroon Canada Chile China Colombia Côte d'Ivoire Cuba Czechia Denmark Dominican Republic Ecuador Egypt Finland France Germany Ghana Greece Guatemala Hong Kong SAR, China Hungary India Indonesia Iran (Islamic Republic of) Ireland Israel Italy Japan Jordan Kenya Lebanon Malaysia Mexico Morocco Myanmar Netherlands New Zealand Nicaragua Nigeria Pakistan Panama Papua New Guinea Peru Philippines Poland Portugal Qatar Romania Russian Federation Saudi Arabia Senegal Serbia Singapore Slovakia South Africa Spain Sri Lanka Sweden Switzerland Thailand Trinidad and Tobago Tunisia Turkey Ukraine United Arab Emirates United Kingdom of Great Britain and Northern Ireland United States of America Uruguay Venezuela (Bolivarian Republic of) Viet Nam

Zimbabwe

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure? Yes

F0.7a

(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Forest risk commodity

Timber products

Value chain stage Direct operations

Exclusion

Business activity

Description of exclusion

We don't include office paper in our scope related to Timber products, only paper that is used in our packaging, such as Solidboard, Microflute, Corrugated, wet-glue labels in Europe and the USA, and beverage cartons. This currently represents around 95% of total paper-based products that we buy.

% of volume excluded

1-5%

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

The following are out of scope for our pulp and paper commitment. They represent an estimated 5% of our pulp & paper usage:

- Paper for office or marketing is considered not relevant based on the low volumes compared to our packaging.
- Paper labels (for jars, cans or bottles) are not managed by our global Nestlé Procurement team but by our local teams we do not have traceability for these.
- Flexibles (e.g. pouches, flow-wraps etc.) are considered not relevant based on low volumes compared to our packaging.

Forest risk commodity

Cattle products

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

Meat by-products for use in pet care products are excluded from our response.

% of volume excluded

Don't know

Potential for forests-related risk

No potential

Please explain

We exclude meat by-products for pet care products for the following reason: livestock are raised for their primary products (meat), not for the by-products. If the primary product were not in demand, the animals would not be reared and the risk of deforestation would not exist. Deforestation should be attributed to the primary product, just as GHG footprint is mainly allocated to the primary product and by-product use is viewed as the beneficial consumption of what would otherwise be wasted.

Forest risk commodity

Palm oil

Value chain stage Supply chain

Exclusion Specific product line(s)

Description of exclusion Palm oil derivatives

% of volume excluded

1-5%

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

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.

Forest risk commodity

Soy

Exclusion

Business activity

Description of exclusion

Embedded soy in animal products is disclosed only as narrative. We plan to include lecithin and soybean oil in our next reporting cycle.

% of volume excluded

71-80%

Potential for forests-related risk

Potential for forests-related risk, evaluated, but not disclosing to CDP

Please explain

Soy oil and lecithin represent 6% of total soy consumption. These sources have potential to be linked to deforestation and conversion and are included in DCF scope for 2023. Total Soybean Embedded in Product Categories accounts for 64.7% of total soy consumption. Potential for Forest-related risk for these embedded volumes is being assessed.

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	CH 003 886 335 0

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Using as input into product manufacturing

Form of commodity

Primary packaging Secondary packaging Tertiary packaging

Source

Contracted suppliers (processors) Contracted suppliers (manufacturers)

Country/Area of origin

Argentina Australia Austria Belgium Bosnia & Herzegovina Brazil Bulgaria Canada Chile China Colombia Croatia Czechia Denmark Estonia Fiji Finland France Germany Hungary Indonesia Japan Latvia Lithuania Malaysia New Zealand Norway Poland Portugal Republic of Korea Russian Federation Slovakia Slovenia South Africa Spain Sweden Switzerland Thailand Ukraine United Kingdom of Great Britain and Northern Ireland United States of America Uruguay Viet Nam

% of procurement spend 1-5%

Comment

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

Refined palm oil

Source

Contracted suppliers (processors) Contracted suppliers (manufacturers)

Country/Area of origin

Brazil Cambodia Cameroon Colombia Costa Rica Côte d'Ivoire Dominican Republic Ecuador Ghana Guatemala Honduras India Indonesia Madagascar Malaysia Mexico Nicaragua Nigeria Panama Papua New Guinea Peru Philippines Solomon Islands Sri Lanka Thailand

% of procurement spend 1-5%

Comment

Cattle products

Activity

Using as input into product manufacturing

Form of commodity

Beef

By-products (e.g. glycerin, gelatin)

Source

Contracted suppliers (processors) Contracted suppliers (manufacturers)

Country/Area of origin

Australia Austria Brazil Canada Chile China Colombia Czechia Finland France Germany Italy Japan Mexico Netherlands New Zealand Panama Poland Portugal Slovakia Spain Sweden Switzerland United Kingdom of Great Britain and Northern Ireland United States of America Uruguay

% of procurement spend

<1%

Comment

By-products for pet care products are excluded from our response, whereas by-products such as meat extract for our Maggi brand and collagen for some of our Nestlé Health Science brands are included.

Soy

Activity

Using as input into product manufacturing

Form of commodity

Whole soy beans Soy bean oil Soy bean meal Soy derivatives

Source

Contracted suppliers (processors) Contracted suppliers (manufacturers)

Country/Area of origin

Argentina Austria Bolivia (Plurinational State of) Brazil Cambodia Canada China Croatia Czechia France Hungary Italy Nigeria Paraguay Romania Russian Federation Thailand Ukraine United States of America Uruguay Unknown origin

% of procurement spend

1-5%

Comment

Unknown origin refers to soy sourced within Europe but not from a defined country.

Other - Cocoa

Activity

Using as input into product manufacturing

Form of commodity

Other, please specify (cocoa beans; cocoa butter; cocoa powder; cocoa liquor)

Source

Trader/broker/commodity market Contracted suppliers (processors) Contracted suppliers (manufacturers) Other, please specify (cooperatives and farmer groups)

Country/Area of origin

Brazil Cameroon Côte d'Ivoire Ecuador Ghana Indonesia Mexico Venezuela (Bolivarian Republic of)

% of procurement spend

6-10%

Comment

Other - Coffee

Activity

Using as input into product manufacturing

Form of commodity

Other, please specify (green coffee beans)

Source

Contracted suppliers (processors) Other, please specify (Farmer group / Cooperative / mill)

Country/Area of origin

Brazil Burundi China Colombia Costa Rica Côte d'Ivoire Cuba Democratic Republic of the Congo Dominican Republic Ecuador El Salvador Ethiopia Guatemala Honduras India Indonesia Jamaica Kenya Lao People's Democratic Republic Malawi Mexico Myanmar Nicaragua Papua New Guinea Peru Philippines Puerto Rico Rwanda Thailand Uganda United Republic of Tanzania United States of America Viet Nam Zambia Zimbabwe

% of procurement spend

11-20%

Comment

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	51-60%	Calculated based on the percentage of total net sales of products containing this material in their packaging in 2022.
Palm oil	11-20%	Calculated based on the percentage of total net sales of products containing this material in 2022.
Cattle products	11-20%	Calculated based on the percentage of total net sales of products containing this material in 2022.
Soy	11-20%	Calculated based on the percentage of total net sales of products containing this material in 2022.
Other - Rubber	<not applicable=""></not>	<not applicable=""></not>
Other - Cocoa	6-10%	Calculated based on the percentage of total net sales of products containing this material in 2022.
Other - Coffee	21-30%	Calculated based on the percentage of total net sales of products containing this material in 2022.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	Consumption data available, disclosing
Other - Rubber	<not applicable=""></not>
Other - Cocoa	Consumption data available, disclosing
Other - Coffee	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity Timber products

Data type

Consumption data

Commodity production/ consumption volume 1165

Metric for commodity production/ consumption volume

Other, please specify (kilotonnes)

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

99.9

Please explain

We take a risk-based approach to implementing our no-deforestation commitment. We start by mapping our supply chains to identify the origins of our raw materials. We then take steps to assess that our sourcing is not contributing to deforestation. Our cut-off date is December 31, 2015 for all commodities we report on.

Raw materials are assessed as deforestation-free when they can be traced either to low-risk origins or have been assessed as deforestation-free either from the sky or from the ground. For pulp & paper:

- Traceable to low-risk origin means that volumes are either from recycled sources or have been traced back to a country of harvest classified as at low risk of deforestation using Earthworm Foundation's Country Risk Matrix for forest products. The traceability exercise is carried out in collaboration with Earthworm Foundation.

- Assessed on the ground means that 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 the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC).

- Assessed from the sky means that volumes have been assessed through satellite monitoring of harvesting sites in our supply chain identified through traceability.

- Unknown means that volumes have not been traced yet or being traced but are not yet assessed as deforestation-free.

In 2022, 99.9% of the pulp and paper we purchased was assessed as deforestation-free, including:

• 99.6% traceable to low-risk origins (including recycled))

0.3% assessed on the ground

• 0.1% was classified as unknown.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume 445

Metric for commodity production/ consumption volume

Other, please specify (kilotonnes)

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

95.6

Please explain

We take a risk-based approach to implementing our no-deforestation commitment. We start by mapping our supply chains to identify the origins of our raw materials. We then take steps to assess that our sourcing is not contributing to deforestation. Our cut-off date is December 31, 2015 for all commodities we report on.

Raw materials are assessed as deforestation-free when they can be traced either to low-risk origins or have been assessed as deforestation-free either from the sky or from the ground.

Traceable to low-risk origin means that 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. Peterson S.A.).

Assessed on the ground means that 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 the Roundtable on Sustainable Palm Oil. Only segregated volumes are accepted as deforestation-free.

Assessed from the sky means that volumes have been assessed through satellite monitoring of production sites (farms, mills or supply area) in our supply chain identified through traceability.

Unknown means that volumes have not been traced yet or being traced but not yet assessed as deforestation-free.

In 2022, 95.6% of the palm oil we purchased was assessed as deforestation-free, including:

• 89% assessed from the sky

· 6% assessed on the ground

• 1% traceable to low-risk origins

• 4% was classified as unknown.

Forest risk commodity

Cattle products

Data type

Consumption data

Commodity production/ consumption volume

157

Metric for commodity production/ consumption volume

Other, please specify (kilotonnes)

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

99.9

Please explain

We take a risk-based approach to implementing our no-deforestation commitment. We start by mapping our supply chains to identify the origins of our raw materials. We then take steps to assess that our sourcing is not contributing to deforestation. Our cut-off date is December 31, 2015 for all commodities we report on.

Raw materials are assessed as deforestation-free when they can be traced either to low-risk origins or have been assessed as deforestation-free either from the sky or from the ground.

We have been publishing the percentage of volumes of our key forest-risk commodities assessed as deforestation for a number of years by method of verification.

Traceable to low-risk origin means that 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).

Unknown means that volumes have not been traced yet or being traced but not yet assessed as deforestation-free. In 2022, 99.9% of the meat we purchased was assessed as deforestation-free through traceability to low-risk origins. 0.1% was classified as unknown.

Forest risk commodity

Soy

Data type

Consumption data

Commodity production/ consumption volume 509

Metric for commodity production/ consumption volume

Other, please specify (kilotonnes)

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free 99.3

Please explain

We take a risk-based approach to implementing our no-deforestation and conversion commitment. We start by mapping our supply chains to identify the origins of our raw materials. We then take steps to assess that our sourcing is not contributing to deforestation or conversion. For soy, we align 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.

Soy is assessed as deforestation and conversion-free when they meet one of the following conditions:

(i) soy volume is traceable to low-risk origins (countries other than Brazil, Argentina and Paraguay and, within these countries, biomes other than Cerrado and Amazon in Brazil and Gran Chaco in Argentina and Paraguay);

(ii) soy volume is certified as DCF by accepted standards (Proterra segregated, RTRS segregated or mass balance, ISCC mass balance, 2BSvs mass balance); or (iii) assessed as DCF by farm-level monitoring system (Amazon Soy Moratorium accepted for soy produced in Brazilian Amazon biome and other DCF systems, including the ones based on GIS analysis, can be accepted if their criteria are aligned with Nestle's commitment and they are verified).

Volumes can only be classified as DCF if the conditions are verified by our partner Proforest.

For low-risk origins, suppliers need to present a traceability certificate that contains the volume to which the certificate refers to, the origin of soy (and that origin needs to be low risk), the description of traceability system used (e.g. link to a public document) and third-party verification of traceability system is recommended. For DCF certified soy, suppliers need to provide certificates that include identification of the organization and the customer (e.g. name, address etc.), date when the document was issued, description of the product, volume certified. For Amazon Soy Moratorium (AMS), supplier must be or provide evidence that sourced the volume is from an AMS signatory, provide a certificate of origin as evidence of volumes from the Amazon biome and Final Audit Report and GTS (Soy Working Group, in Portuguese) declaration of compliance. For other DCF systems, suppliers need to provide declaration of volume compliant, methodology that includes traceability, risk classification and criteria to determine compliance and a certificate of third-party verification of system.

Forest risk commodity

Other - Cocoa

Data type

Consumption data

Commodity production/ consumption volume 370

Metric for commodity production/ consumption volume

Other, please specify (Kilotonnes)

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free? No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

<Not Applicable>

Please explain

We plan to start publishing our deforestation-free percentage for cocoa for 2023 in 2024.

Forest risk commodity

Other - Coffee

Data type

Consumption data

Commodity production/ consumption volume

967

Metric for commodity production/ consumption volume

Other, please specify (kilotonnes)

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free? No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

<Not Applicable>

Please explain

We plan to start publishing our deforestation-free percentage for coffee for 2023 in 2024.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion 99.6 % of DCF production/consumption volume verified through monitoring systems 0.3 % of DCF production/consumption volume physically certified 0 % of non-DCF production/consumption volume from unknown origin <Not Applicable> % of non-DCF production/consumption volume traceable only as far as country level <Not Applicable> % of non-DCF production/consumption volume traceable only as far as sub-national area <Not Applicable> % of non-DCF production/consumption volume traceable only as far as processing facility level <Not Applicable> % of non-DCF production/consumption volume traceable to production unit level <Not Applicable> Total percentage of production/consumption volume reported (DCF) [auto-calculated] 99.9 Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)] <Not Applicable> Timber products - Non DCF % of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion <Not Applicable> % of DCF production/consumption volume verified through monitoring systems <Not Applicable> % of DCF production/consumption volume physically certified <Not Applicable> % of non-DCF production/consumption volume from unknown origin 0.1 % of non-DCF production/consumption volume traceable only as far as country level 0 % of non-DCF production/consumption volume traceable only as far as sub-national area 0 % of non-DCF production/consumption volume traceable only as far as processing facility level 0 % of non-DCF production/consumption volume traceable to production unit level 0 Total percentage of production/consumption volume reported (DCF) [auto-calculated] <Not Applicable> Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)] 0.1

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion 1 % of DCF production/consumption volume verified through monitoring systems 95 % of DCF production/consumption volume physically certified 0 % of non-DCF production/consumption volume from unknown origin <Not Applicable> % of non-DCF production/consumption volume traceable only as far as country level <Not Applicable> % of non-DCF production/consumption volume traceable only as far as sub-national area <Not Applicable> % of non-DCF production/consumption volume traceable only as far as processing facility level <Not Applicable> % of non-DCF production/consumption volume traceable to production unit level <Not Applicable> Total percentage of production/consumption volume reported (DCF) [auto-calculated] 96 Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)] <Not Applicable> Palm oil – Non DCF % of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion <Not Applicable> % of DCF production/consumption volume verified through monitoring systems <Not Applicable> % of DCF production/consumption volume physically certified <Not Applicable> % of non-DCF production/consumption volume from unknown origin 1 % of non-DCF production/consumption volume traceable only as far as country level 0 % of non-DCF production/consumption volume traceable only as far as sub-national area 0 % of non-DCF production/consumption volume traceable only as far as processing facility level 3 % of non-DCF production/consumption volume traceable to production unit level 0 Total percentage of production/consumption volume reported (DCF) [auto-calculated] <Not Applicable> Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)] 4

Cattle – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion 99.9 % of DCF production/consumption volume verified through monitoring systems 0 % of DCF production/consumption volume physically certified 0 % of non-DCF production/consumption volume from unknown origin <Not Applicable> % of non-DCF production/consumption volume traceable only as far as country level <Not Applicable> % of non-DCF production/consumption volume traceable only as far as sub-national area <Not Applicable> % of non-DCF production/consumption volume traceable only as far as processing facility level <Not Applicable> % of non-DCF production/consumption volume traceable to production unit level <Not Applicable> Total percentage of production/consumption volume reported (DCF) [auto-calculated] 99.9 Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)] <Not Applicable> Cattle - Non DCF % of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion <Not Applicable> % of DCF production/consumption volume verified through monitoring systems <Not Applicable> % of DCF production/consumption volume physically certified <Not Applicable> % of non-DCF production/consumption volume from unknown origin 0.1 % of non-DCF production/consumption volume traceable only as far as country level 0 % of non-DCF production/consumption volume traceable only as far as sub-national area 0 % of non-DCF production/consumption volume traceable only as far as processing facility level 0 % of non-DCF production/consumption volume traceable to production unit level 0 Total percentage of production/consumption volume reported (DCF) [auto-calculated] <Not Applicable> Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)] 0.1

Soy – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion 87 % of DCF production/consumption volume verified through monitoring systems 12 % of DCF production/consumption volume physically certified 0 % of non-DCF production/consumption volume from unknown origin <Not Applicable> % of non-DCF production/consumption volume traceable only as far as country level <Not Applicable> % of non-DCF production/consumption volume traceable only as far as sub-national area <Not Applicable> % of non-DCF production/consumption volume traceable only as far as processing facility level <Not Applicable> % of non-DCF production/consumption volume traceable to production unit level <Not Applicable> Total percentage of production/consumption volume reported (DCF) [auto-calculated] 99 Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)] <Not Applicable> Soy – Non DCF % of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion <Not Applicable> % of DCF production/consumption volume verified through monitoring systems <Not Applicable> % of DCF production/consumption volume physically certified <Not Applicable> % of non-DCF production/consumption volume from unknown origin % of non-DCF production/consumption volume traceable only as far as country level 0 % of non-DCF production/consumption volume traceable only as far as sub-national area 0 % of non-DCF production/consumption volume traceable only as far as processing facility level 0 % of non-DCF production/consumption volume traceable to production unit level 0 Total percentage of production/consumption volume reported (DCF) [auto-calculated] <Not Applicable> Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)] 1 Cocoa - DCF % of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion % of DCF production/consumption volume verified through monitoring systems % of DCF production/consumption volume physically certified % of non-DCF production/consumption volume from unknown origin <Not Applicable> % of non-DCF production/consumption volume traceable only as far as country level <Not Applicable> % of non-DCF production/consumption volume traceable only as far as sub-national area <Not Applicable> % of non-DCF production/consumption volume traceable only as far as processing facility level <Not Applicable> % of non-DCF production/consumption volume traceable to production unit level <Not Applicable> Total percentage of production/consumption volume reported (DCF) [auto-calculated] Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)] <Not Applicable>

CDP

Cocoa – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion <Not Applicable>

% of DCF production/consumption volume verified through monitoring systems <Not Applicable>

% of DCF production/consumption volume physically certified <Not Applicable>

% of non-DCF production/consumption volume from unknown origin

% of non-DCF production/consumption volume traceable only as far as country level

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (DCF) [auto-calculated] <Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

Coffee - DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

% of DCF production/consumption volume verified through monitoring systems

% of DCF production/consumption volume physically certified

% of non-DCF production/consumption volume from unknown origin <Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level <Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area <Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level <Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level <Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

<Not Applicable>

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion <Not Applicable>

% of DCF production/consumption volume verified through monitoring systems <Not Applicable>

% of DCF production/consumption volume physically certified <Not Applicable>

% of non-DCF production/consumption volume from unknown origin

% of non-DCF production/consumption volume traceable only as far as country level

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (DCF) [auto-calculated] <Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity Timber products

Country/Area of origin Australia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Western Australia, Tasmania, Victoria, NSW, South Australia)

% of total production/consumption volume

2.8

Please explain

We know the % volume of virgin fiber from the annual traceability exercise where our suppliers provide traceability data in combination with our procurement data. We receive country of origin information and, where possible, regional information from pulp & paper mills through traceability data sent to us by suppliers.

Forest risk commodity

Timber products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Buenos Aires, Santa Fe, Entre Ríos, Misiones, Corrientes)

% of total production/consumption volume

0.1

Please explain

We know the % volume of virgin fiber from the annual traceability exercise where our suppliers provide traceability data in combination with our procurement data. We receive country of origin information and, where possible, regional information from pulp & paper mills through traceability data sent to us by suppliers.

Forest risk commodity

Timber products

Country/Area of origin Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Amapa, see please explain for full list)

% of total production/consumption volume

9.9

Please explain

We know the % volume of virgin fiber from the annual traceability exercise where our suppliers provide traceability data in combination with our procurement data. We receive country of origin information and, where possible, regional information from pulp & paper mills through traceability data sent to us by suppliers. The full list of states or equivalent jurisdictions sourced from in Brazil is: Amapa, Aracruz-Espirit Santo, Bahia, Barra do Choça, Belmonte, Campos Novos - SC, Cruz Machado - PR, Divisópolis, Encruzilhada, Espírito Santo, Eunápolis, Grão Mogol, GUAIBA, Guaratinga, Inácio Martins - PR, Itabela, Itagimirim, Itiruçu, Mallet - PR, Maracás, Maranhao, Mascote, Mato Grosso do Sul, Minas Gerais, Montezuma, Para, Paraná, Pedra Azul, Porto Seguro, Rio Grande do Sul, Santa Catarina, Santa Cruz Cabrália, São João do Paraíso, São Paulo, Suzano, Tocantins, Tremedal, Turmalina, Vargem Grande do Rio Pardo, Vitória da Conquista

Forest risk commodity

Timber products

Country/Area of origin

Colombia

0.5

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Caldas, Cauca, Eje cafetero, Quindío, Risaralda, Valle, Valle del Cauca)

% of total production/consumption volume

Please explain

We know the % volume of virgin fiber from the annual traceability exercise where our suppliers provide traceability data in combination with our procurement data. We receive country of origin information and, where possible, regional information from pulp & paper mills through traceability data sent to us by suppliers.

Forest risk commodity

Timber products

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (South Sumatra, Kalimantan Tengah)

% of total production/consumption volume

0.04

Please explain

We know the % volume of virgin fiber from the annual traceability exercise where our suppliers provide traceability data in combination with our procurement data. We receive country of origin information and, where possible, regional information from pulp & paper mills through traceability data sent to us by suppliers.

Forest risk commodity

Timber products

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sabah, Sarawak)

% of total production/consumption volume

Please explain

0.01

We know the % volume of virgin fiber from the annual traceability exercise where our suppliers provide traceability data in combination with our procurement data. We receive country of origin information and, where possible, regional information from pulp & paper mills through traceability data sent to us by suppliers.

Forest risk commodity

Timber products

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Samut Prakan, Kanchanaburi, Prachinburi, Eastern and Northeast Thailand)

% of total production/consumption volume

0.2

Please explain

We know the % volume of virgin fiber from the annual traceability exercise where our suppliers provide traceability data in combination with our procurement data. We receive country of origin information and, where possible, regional information from pulp & paper mills through traceability data sent to us by suppliers.

Forest risk commodity

Timber products

Country/Area of origin

Viet Nam

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Binh Thuan, see please explain for full list)

% of total production/consumption volume

0.3

Please explain

We know the % volume of virgin fiber from the annual traceability exercise where our suppliers provide traceability data in combination with our procurement data. We receive country of origin information and, where possible, regional information from pulp & paper mills through traceability data sent to us by suppliers. The full list of states or equivalent jurisdictions sourced from in Vietnam is: Binh Thuan, Da Nang, Dak Lak, Dak Nong, Ha Tinh, Khanh Hoa, Lam Dong, Nghe An, Phu Yen, Quang Binh, Quang Nam, Quang Ngai, Quang Ngih, Quang Tri, Thanh Hoa, Thua Thien Hue, Ba Ria, Vung Tau, Bac Trung Bo, Binh Dinh, DakLak, DakNong, Hoa Binh, Nghe, Phu Tho, riabun Tau, Thien Hue

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction <Not Applicable>

<not Applicable.

% of total production/consumption volume

Please explain

86

We source 86% of our pulp and paper from other countries. These include: Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Chile, China, Croatia, Czech Republic, Denmark, Estonia, Fiji, Finland, France, Germany, Hungary, Japan, Korea, Latvia, Lithuania, Luxembourg, New Zealand, Norway, Poland, Portugal, Russia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Ukraine, UK, Uruguay, USA. Among those our biggest sourcing country is USA with 45% of total sourcing volume. We know the % volume of virgin fiber from the annual traceability exercise where our suppliers provide traceability data in combination with our procurement data. We receive country of origin information and, where possible, regional information from pulp & paper mills through traceability data sent to us by suppliers.

Forest risk commodity

Timber products

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

0.3

Please explain

Just 0.3% of our known virgin fiber is currently untraceable. Improving our traceability continued to be a priority in 2022. We do this through the online platform Supply Shift, which allows us to connect with suppliers more efficiently and to gain improved traceability information to the mill and then to the country and region of origin of the raw material.

Forest risk commodity

Soy

Country/Area of origin Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Córdoba, Santa Fe, San Luis, La Pampa, Salta, Entre Rios, Santiago del Estero)

% of total production/consumption volume 3.9

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. Our traceability is to the crush site or country of origin. This includes soy coming from the Gran Chaco biome, covering part of Argentina and Paraguay, together with the Brazilian Amazon and Cerrado biomes as the regions prioritized for our work on natural capital. Traceability is the first step towards achieving our no deforestation commitments and helps inform the next steps. We combine traceability with a risk-based approach, meaning that in high-risk countries (Brazil, Argentina and Paraguay) we gather traceability information to the region (biome) of origin and in high-risk biomes (Amazon and Cerrado in Brazil and Chaco in Argentina) we verify the municipalities (or equivalent jurisdiction) of origin in the process of ensuring the sourcing of conversion-free soy. As soy is a global commodity and an annual crop, it has multi-tier supply chains which can be dynamic year on year. Establishing regular transparency beyond crush sites and back to farming areas is a challenge. We are currently working to improve our traceability in soy. We have joined industry and multi-stakeholder working groups that aim to support the key soy value chain stakeholders in monitoring the soy origins in high-risk countries regarding deforestation and conversion of high ecosystemic value land. Several approaches are looked at from an industry point of view that can foster transparency from upstream to downstream stages of the value chain.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Mato Grosso, Paraná, Minas Gerais, Goiás, Tocantins)

% of total production/consumption volume

7.2

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. Our traceability is to the crush site or country of origin. This includes soy coming from the Gran Chaco biome, covering part of Argentina and Paraguay, together with the Brazilian Amazon and Cerrado biomes as the regions prioritized for our work on natural capital. Traceability is the first step towards achieving our no deforestation commitments and helps inform the next steps. We combine traceability with a risk-based approach, meaning that in high-risk countries (Brazil, Argentina and Paraguay) we gather traceability information to the region (biome) of origin and in high-risk biomes (Amazon and Cerrado in Brazil and Chaco in Argentina) we verify the municipalities (or equivalent jurisdiction) of origin in the process of ensuring the sourcing of conversion-free soy. As soy is a global commodity and an annual crop, it has multi-tier supply chains which can be dynamic year on year. Establishing regular transparency beyond crush sites and back to farming areas is a challenge. We are currently working to improve our traceability in soy. We have joined industry and multi-stakeholder groups working that aim to support the key soy value chain stakeholders in monitoring the soy origins in high-risk countries regarding deforestation and conversion of high ecosystemic value land. Several approaches are looked at from an industry point of view that can foster transparency from upstream to downstream stages of the value chain.

Forest risk commodity

Soy

Country/Area of origin

Bolivia (Plurinational State of)

State or equivalent jurisdiction

% of total production/consumption volume

0.01

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. Our traceability is to the crush site or country of origin depending on the risk level for deforestation or conversion of other ecosystems with high conservancy value related to soy production. The methodology focuses on subnational traceability for priority countries (Brazil, Argentina and Paraguay), but subnational origin information is raised whenever available to improve overall supply chain traceability.

Forest risk commodity

Soy

Country/Area of origin

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Kaduna state)

% of total production/consumption volume

1.1

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. Our traceability is to the crush site or country of origin depending on the risk level for deforestation or conversion of other ecosystems with high conservancy value related to soy production. The methodology focuses on subnational traceability for priority countries (Brazil, Argentina and Paraguay), but subnational origin information is raised whenever available to improve overall supply chain traceability.

Forest risk commodity

Soy

Country/Area of origin

Cambodia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Kampong Thom, Kampong Cham, Ratanakiri)

% of total production/consumption volume

Please explain

0.5

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. Our traceability is to the crush site or country of origin depending on the risk level for deforestation or conversion of other ecosystems with high conservancy value related to soy production. The methodology focuses on subnational traceability for priority countries (Brazil, Argentina and Paraguay), but subnational origin information is raised whenever available to improve overall supply chain traceability.

Forest risk commodity

Soy

Country/Area of origin

Paraguay

State or equivalent jurisdiction

Don't know

% of total production/consumption volume 0.01

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. Our traceability is to the crush site or country of origin. This includes soy coming from the Gran Chaco biome, covering part of Argentina and Paraguay, together with the Brazilian Amazon and Cerrado biomes as the regions prioritized for our work on natural capital. Traceability is the first step towards achieving our no deforestation commitments and helps inform the next steps. We combine traceability with a risk-based approach, meaning that in high-risk countries (Brazil, Argentina and Paraguay) we gather traceability information to the region (biome) of origin and in high-risk biomes (Amazon and Cerrado in Brazil and Chaco in Argentina) we verify the municipalities (or equivalent jurisdiction) of origin in the process of ensuring the sourcing of conversion-free soy. As soy is a global commodity and an annual crop, it has multi-tier supply chains which can be dynamic year on year. Establishing regular transparency beyond crush sites and back to farming areas is a challenge. We are currently working to improve our traceability in soy. We have joined industry and multi-stakeholder groups working that aim to support the key soy value chain stakeholders in monitoring the soy origins in high-risk countries regarding deforestation and conversion of high ecosystemic value land. Several approaches are looked at from an industry point of view that can foster transparency from upstream to downstream stages of the value chain.

Forest risk commodity

Soy

Country/Area of origin Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Chiangmai)

% of total production/consumption volume 0.01

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. Our traceability is to the crush site or country of origin depending on the risk level for deforestation or conversion of other ecosystems with high conservancy value related to soy production. The methodology focuses on subnational traceability for priority countries (Brazil, Argentina and Paraguay), but subnational origin information is raised whenever available to improve overall supply chain traceability.

Forest risk commodity

Soy

Country/Area of origin Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume 67.25

Please explain

67.25% of our direct soy sourcing comes from Austria, Canada, China, Croatia, Czech Republic, France, Hungary, Italy, Romania, Russia, Serbia, Slovakia, Ukraine, Uruguay, USA. We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity

Soy

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume 0.2

...

Please explain

Most of the soy we source is traceable back to crush site location/country of soy production origin. 0.2% of our soy volumes in DCF scope are currently not supply chain mapped (compared with 2% in 2021). Improving our traceability has been one of our key priorities since the beginning of 2020. One of the key actions to achieve this is engaging a larger set of suppliers to get them to map their supply chains and share with us country, region or municipality information regarding soy production origins in high-risk origins. We deployed in 2022 a global subnational supply chain mapping exercise to increase the granularity of our mapping across origins, even outside Brazil and Argentina. As soy is a global commodity and an annual crop, it has multi-tiers supply chains which can be dynamic year on year. Establishing regular transparency beyond crush sites and back to farming areas is a challenge. We are currently working to improve our traceability in soy and focusing our granularity on origins of high-risk of deforestation and conversion linked to the commodity. We have joined industry and multi-stakeholder working groups that aim to support the key soy value chain

stakeholders in monitoring the soy origins in the most high-risk countries for conversion of natural ecosystems. Several approaches are looked at from an industry point of view, they can foster transparency from upstream to downstream stages of the value chain. Our DCF scope now includes 100% of our direct soy volumes, meaning Nestlé is applying efforts in improving direct soy traceability coverage to 100%.

Forest risk commodity

Palm oil

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Para)

% of total production/consumption volume

1.1

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin

Cambodia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (KAOH KONG, SIHANOUK)

% of total production/consumption volume

0.01

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin

Cameroon

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Littoral)

% of total production/consumption volume

0.2

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Antioquia, Bolívar, Casanare, Cesar, Magdalena, Meta, Narino, Norte de Santander, Santander, Vichada)

% of total production/consumption volume

2.8

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin Côte d'Ivoire

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Bas-Sassandra, Comoé)

% of total production/consumption volume

0.8

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Country/Area of origin Ecuador

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Esmeraldas, Los Rios, Manabi, Santo Domingo de los Tsachilas, Sucumbios)

% of total production/consumption volume

1

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Alta Verapaz, Escuintla, Izabal, Peten, Quezaltenango)

% of total production/consumption volume

0.6

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin

Honduras

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Colon, Atlántida, Yoro)

% of total production/consumption volume

0.2

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin India

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Andhra Pradesh, Telangana)

% of total production/consumption volume

0.5

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Aceh, see Please explain for full list)

% of total production/consumption volume

40.3

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

In 2022 we sourced from the following states in Indonesia: Aceh, Bangka Belitung, Bangka-Belitung, Banten, Bengkulu, Central Kalimantan, Jambi, Kalimantan Barat, Kalimantan Selatan, Kalimantan Tengah, Kalimantan Timur, Kalimantan Utara, Kalimatan Timur, Kepulauan Riau, Lampung, North Sumatra, Papua Barat, Riau, South Kalimantan, South Sumatra, Sulawesi Barat, Sulawesi Selatan, Sulawesi Tengah, Sumatera Barat, Sumatera Selatan, Sumatera Utara

Forest risk commodity

Palm oil

Country/Area of origin Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Johor, Kapit, Kedah, Kelantan, Melaka, Negeri Sembilan, Pahang, Perak, Pulau Pinang, Sabah, Sarawak, Selangor, Terengganu)

% of total production/consumption volume

37.6

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin

Mexico

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Chiapas, Tabasco, Veracruz)

% of total production/consumption volume

3

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin Nigeria

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Edo, Rivers)

% of total production/consumption volume

2.3

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin Panama

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Chiriqui)

% of total production/consumption volume

0.2

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin

Papua New Guinea

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Milne Bay, Morobe, New Ireland, Oro, West New Britain)

% of total production/consumption volume

3.1

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin

Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Loreto, San Martín, Ucayali)

% of total production/consumption volume

2.3

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity

Palm oil

Country/Area of origin

Philippines

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (AGUSAN DEL SUR)

% of total production/consumption volume

0.3

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity

Palm oil

Country/Area of origin Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Chumphon, Krabi Nakhon Si Thammarat, Phatthalung, Prachuap Khiri Khan, Surat Thani, Trang)

% of total production/consumption volume

1.5

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data. We monitor the mills through Starling Satellite Monitoring and have the GPS coordinates of the mills at origin.

Forest risk commodity Palm oil

Country/Area of origin Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

0.1

Please explain

We also source some palm oil from Dominican Republic, Gabon, Ghana, Madagascar and Nicaragua

Forest risk commodity Palm oil

Country/Area of origin Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume 1.3

Please explain

These volumes are from Indonesia & Malaysia but are not yet traceable to the mill.

Forest risk commodity

Cattle products

Country/Area of origin Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (MG, SP, MT, PR, RS, GO, ES)

% of total production/consumption volume

0.17

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity Cattle products

Country/Area of origin Mexico

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sonora, Cuenca)

% of total production/consumption volume 0.1

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity

Cattle products

Country/Area of origin Australia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (NSW, WA, Tasmania)

% of total production/consumption volume

0.1

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

99.5

Please explain

We source 99% of our meat volumes from these countries: Austria, Canada, Chile, China, Colombia, Czech Republic, Finland, France, Germany, Italy, Japan, Netherlands, New Zealand, Panama, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, United Kingdom, United States, Uruguay. We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity

Cattle products

Country/Area of origin Unknown origin

State or equivalent jurisdiction <Not Applicable>

% of total production/consumption volume 0.1

Please explain These volumes are not traceable yet.

Forest risk commodity Other - Coffee

Country/Area of origin Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (South of Minas, Cerrado Mineiro, Espirito Santo, Bahia)

% of total production/consumption volume

23

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity Other - Coffee

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Antioquia, North Santander, Quindio, Valle, Caldas, Cundinamarca)

% of total production/consumption volume

6

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in

Forest risk commodity

Other - Coffee

Country/Area of origin

Côte d'Ivoire

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Dimbokro, Abengourou, Bongouanou, Gagnoa, Aboisso, Man, Danané, Agboville, Daloa, Divo, Issia, Vavoua, Biankouma, Guiglo, Adzopé, Bondoukou)

% of total production/consumption volume

2.7

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Acatenango, Fraijanes, Coban, San Marcos)

% of total production/consumption volume

Please explain

1

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Honduras

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Santa Barbara, Lempira, Ocotepeque, Olancho, El Paraiso, Yoro, Copan)

% of total production/consumption volume

1.9

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

India

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Kerala, Karnataka State)

% of total production/consumption volume

3.6

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Lampung, South Sumatra and Bengkulu)

% of total production/consumption volume

CDF

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Kenya

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Mt. Kenya, the Aberdare Range, Kisii, Nyanza, Bungoma, Nakuru, Kericho)

% of total production/consumption volume

0.6

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Lao People's Democratic Republic

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Bolaven Plateau)

% of total production/consumption volume

0.03

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Mexico

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Chiapas, Veracruz, Puebla, Oaxaca, Guerrero)

% of total production/consumption volume

7.9

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Nicaragua

0.9

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Matagalpa, Snueva Segovia, Jinotega)

% of total production/consumption volume

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Papua New Guinea

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Eastern Highland Province, the Western Highland Province, Simbu)

% of total production/consumption volume 0.1

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Junin, Cajamarca)

% of total production/consumption volume

1.3

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Philippines

0.3

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Mindanao (Sultan Kudarat and Bukidnon Province), South & North Luzon)

% of total production/consumption volume

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Chumphon, Ranong, Surat Thani Provinces)

% of total production/consumption volume

0.5

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Viet Nam

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Central Highlands - Dak Lak, Lam Dong, Gia Lai, Dak Nong, Kon Tum Provinces)

% of total production/consumption volume

38

Please explain

In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Coffee

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

Please explain

6.5

We also source some coffee from: Uganda, Rwanda, Ethiopia, El Salvador, Burundi, China, Costa Rica, Burundi, Cuba, Dominican Republic, Ecuador, Jamaica, Myanmar, Malawi, Puerto Rico, USA, RD Congo, Tanzania, Zambia, Zimbabwe. In 2022, 88% of our coffee was traceable to farmer group-level. As part of the Nescafé Plan, our coffee sustainability program, we work with our direct suppliers and certifiers to ensure traceability to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our suppliers maintain traceability up to their warehouse. The Nespresso AAA program allows Nespresso to trace green coffee back to individual farms and track the farms' progress in sustainable agriculture practices and farm management improvement.

Forest risk commodity

Other - Cocoa

Country/Area of origin Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Para, Bahia, Espirito Santo)

% of total production/consumption volume

6

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity

Other - Cocoa

Country/Area of origin

Cameroon

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Central Region)

% of total production/consumption volume

3

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity

Other - Cocoa

Country/Area of origin

Côte d'Ivoire

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Agneby, Sud Comoe, Nawa, Cavally, San Pedro, Belier, Gbokle, Loh-Dijiboua, Goh, Marahoue, Guemon, Haut Sassandra, IndenieDjuablin, La Me, Tonkpi,N'zi, bas Sassandra)

% of total production/consumption volume

67

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity

Other - Cocoa

Country/Area of origin

Ecuador

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Esmeraldas, Pichincha, Los Rios, Manabi, Canar, Bolivar, El Oro)

% of total production/consumption volume 8

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity Other - Cocoa

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sulawesi, Sumatra South)

% of total production/consumption volume

4

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity Other - Cocoa

Country/Area of origin

Mexico

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Tabasco, Chiapas, Veracruz)

% of total production/consumption volume 1

Please explain

We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

Forest risk commodity

Other - Cocoa

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

11

Please explain

We also source Cocoa from Ghana. We know the % volume from the annual traceability declarations that our suppliers provide in combination with our procurement data.

F1.5f

No

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

Data type <Not Applicable>

Volume produced/consumed <Not Applicable>

Metric

<Not Applicable>

Country/Area of origin <Not Applicable>

State or equivalent jurisdiction <Not Applicable>

% of total production/consumption volume <Not Applicable>

Does the source of your organization's biofuel material come from smallholders? <Not Applicable>

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts? Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity Palm oil

Impact driver type Reputational and markets

Primary impact driver Negative media coverage

CDP

Primary impact

Increased production costs

Description of impact

Stakeholder and media attention related to the sustainable production of palm oil remains high with NGOs campaigns and media articles about the topic, leading to continued interest from consumers and customers to know whether there is palm oil in the Nestlé products they buy (e.g. in our confectionery brands such as Kit Kat) and whether it has been produced sustainably. Most of the NGO campaigns have targeted the company rather than specific Nestlé brands and link mills in our supply chains to allegations of deforestation. However, we have seen some NGOs asking for information about forest-risk relating to specific brands. In addition, some consumers have written to us asking that we remove palm oil from our products based on their perceptions that palm oil is not sustainable. Some customers (e.g. in Australia and in Europe) are also asking for evidence that palm oil in the products that they put on shelf is sustainably sourced as a condition to sell our products. We also see more investor questions related to this topic. All of this can have a negative impact on the brand and we are addressing it by working together with our suppliers and partners to improve the sustainability of the palm oil that we source. This impact has not been substantive so far.

Primary response

Engagement with suppliers

Total financial impact

Description of response

So far detrimental impacts are associated with the incremental cost of switching to other origins or suppliers more aligned with sustainable practices that we demand from forest-based commodities. Actions taken in 2022:

- We continued to work with partners to engage suppliers to both improve traceability to mill (99%) and plantation (96%), improve compliance with our Responsible Sourcing Standard and collaborate on joint projects on the ground.

- We use Starling satellite monitoring to monitor our palm oil supply chain. We prioritize which suppliers to engage based on Starling data (number and size (ha) of deforestation alerts linked to our supply chain). As such, this may cover different sizes of suppliers and different geographies.

Outcomes: We increased our percentage of traceable palm oil to mill (99%) and to plantation (96%) and % of assessed deforestation-free palm oil (96%). In 2022, 71% of our palm oil was sourced from RSPO certified sources.

Forest risk commodity

Timber products

Impact driver type

Reputational and markets

Primary impact driver

Other reputational and market driver, please specify (Future availability of sustainable pulp & paper)

Primary impact

Increased production costs

Description of impact

We use pulp & paper for food packaging, wrapping and transport. Deforestation is a key challenge in some geographies where pulp & paper is produced. Following commitments made by many companies, including Nestlé, to reduce use of virgin plastics, demand for pulp is growing, incl. our own as some brands are switching to paper packaging (e.g. Nesquik). Most pulp is produced in North America, Europe, China and Japan, using fiber sourced from these countries and from further afield.

However, large investments are now being made in South America, Africa and Asia, attracted by lower production costs, shorter crop rotations in the tropics and in some cases the availability of natural forest fiber in temperate and boreal regions. Expansion is planned through new capacity or areas where new plantations are being developed. In these cases, the fiber does not enter our supply chain now, as it takes years to install capacity and establish these plantations. This poses a future risk for us as unsustainable practices may mean we won't be able to source from these locations in the future. If this is the case, it may lead to increased production costs. As such, this risk is not considered as substantive at the moment but could become so in the future. This is why we're proactively working to better understand where and how this expansion is happening and are engaging with our suppliers and leveraging our influence to ensure sustainable expansion.

Primary response

Engagement with suppliers

Total financial impact

Description of response

So far forest related detrimental impacts on pulp and paper are associated with the cost of assessing deforestation-free and good forest management practices. This is largely related to project and third-party assessment personnel costs, which is negligible vs. our spend.

We seek to ensure our Responsible Sourcing Standard is met prior to any increase in capacity or of new plantations. In 2020 we initiated a project in Sweden to understand the possible effect of mill expansion on forest resources, HCV/biodiversity and local communities in Vasterbotten landscape. In 2021, we organized stakeholder interviews to better understand concerns and techniques to address potential issues in the landscape. In 2022, we've been finalizing a report summarizing key findings on forest cover trends (over past 10 years), carbon, biodiversity and community well being. Initial results and discussions with stakeholders point toward prioritizing work on enhancing biodiversity values in key habitats in the landscape, as well as new ways to monitor and understand Sami cultural values to better plan use of the forest resource without conflict. We're involved in multistakeholder initiatives including CGF's Forest Positive Coalition and several landscape initiatives to help drive transformative change. We continue to share best practices and learnings with a broad range of stakeholders.

Impact to date: assessed deforestation free KPI improved to 99.9%, improved engagement with suppliers.

Forest risk commodity Cattle products

Impact driver type Reputational and markets

Primary impact driver Negative media coverage

Primary impact Brand damage

Description of impact

Stakeholder and media attention related to the sustainable production of meat (especially meat from Brazil) remains high with NGOs campaigns and media articles about the topic, leading to a continued interest from consumers and customers to know whether beef has contributed to deforestation or other unsustainable practices.

For example, in 2022 Nestle received a media inquiry about our use of a beef supplier with links to sensitive forest areas. The media outlet mentioned Nestle in negative coverage about the supplier. We responded that we phased out this supplier for our meat ingredients, and we have taken steps to help ensure that no meat ingredients coming from them enter our supply chain. To date, more than 99% of the volume of meat we source globally is assessed as deforestation-free.

Primary response

Greater traceability of forest-risk commodities

Total financial impact

Description of response

We have accelerated our traceability efforts for meat. We partner with suppliers to ensure the best monitoring tools are used. Our sourcing of meat in the Amazon is traceable and has not been linked to any deforestation. Note that we source limited volumes of meat from this region or other regions of deforestation risk. Following the media inquiry about a supplier with links to sensitive forest areas, a supply chain analysis showed that we had already ended our relationship with the supplier based on our own due diligence.

Impact to date: As a result of our due diligence, Nestlé avoided further negative media coverage about the supplier.

As a result of our work in our meat supply chain, we have increased the % of meat assessed as deforestation free to 99.9%.

Forest risk commodity Soy

Impact driver type Reputational and markets

Primary impact driver

Negative media coverage

Primary impact

Brand damage

Description of impact

As consumer demand for plant-based products is increasing (including for Nestlé Brands like Garden Gourmet and Sweet Earth), stakeholder and media attention related to the sustainable production of soy is also increasing. This is in particular the case for soy sourced from high value ecosystems, like the Cerrado in Brazil. There are ongoing NGO campaigns and media attention to industry sourcing in the Brazilian Cerrado, including the Nestlé footprint. We source soya products from numerous suppliers in many different countries, including Argentina, Brazil, Serbia and the US. Supply chains vary in length and complexity: making soya traceability challenging.

However, our sourcing from the Cerrado is relatively small, and therefore we qualify our risk exposure as low in this jurisdiction. As such, we estimate the brand damage risk potential as not substantive.

Primary response

Greater traceability of forest-risk commodities

Total financial impact

Description of response

So far forest related detrimental impacts are associated with the incremental cost of switching to other origins or suppliers more aligned with the sustainable practices that we demand from forest based commodities. This incremental cost is evaluated on soya to be approx. +2% premium. However we believe in engaging suppliers in high risk areas, rather than exiting these areas altogether, to help drive a positive impact on the ground.

Actions in 2022: To better address potential and future risks related to unsustainable sourcing of indirect soy, we continued to apply our own developed methodology to estimate our indirect footprint volume and linkage to high risk areas, increasing our understanding of our indirect exposure to risk origins. We use this insight to size the investment needed in transformation strategies in line with the Consumer Goods Forum Forest Positive Coalition soy roadmap, which include strategic supplier engagement, RTRS regional credits, landscape conservation and restoration initiatives, and financial investments).

Impact to date: increased % of soy assessed as deforestation free to 99.3%.

Forest risk commodity Other - Cocoa

Impact driver type Reputational and markets

Primary impact driver

Negative media coverage

Primary impact Brand damage

Description of impact

Stakeholder and media attention related to the sustainable production of cocoa remains high with NGOs campaigns and media articles about the topic ongoing, leading to a continued interest from consumers and customers to know where the cocoa in their products comes from and whether it is sustainable. Since we source a large part of our cocoa from countries at risk of deforestation due to agricultural expansion (e.g. Côte d'Ivoire and Ghana), this can be a potential reputational risk for our company or for our Confectionery brands, such as KitKat. For example, the annual Easter Egg scorecard by a group of NGOs uses pack shots of Kit Kat and Nesquik products to illustrate Nestlé's confectionery business. So far, the impact has of this type of communication has not been substantive.

Primary response

Greater traceability of forest-risk commodities

Total financial impact

Description of response

- We have committed to achieve full traceability and segregation of our cocoa products from origin to factory, on top of our commitment to source 100% of cocoa through the Nestlé Cocoa Plan by 2025.

- As part of our Cocoa & Forests Initiative action plan, we have mapped >125 000 farms in Côte d'Ivoire and Ghana, allowing us to work with suppliers to assess deforestation risk by comparing mapped farms to maps of national parks and classified forests. We distributed >1 million forest and fruit trees to farmers to drive agroforestry and regenerative agriculture, bringing the total to >3.3 million. We helped replant 366ha of Cavally Forest Reserve as part of a CHF2.5 million investment.

Phase two of this project was launched in June 2023. In Beki and Bossematié forests, a key wildlife corridor, we helped reforest 43ha and raise awareness among 5 000 farmers and their families. Our pilot for small-scale community and sacred forest conservation in Toa Zèo has protected and reforested several small woodlands and will be rolled out to multiple cocca-farming communities in partnership with the Ministry of Waters and Forests.

- We commissioned a risk assessment from Global Risk Assessment Services for Brazil, Ecuador, Mexico, and Venezuela, using satellite data from 2015-2020 covering 2 787 653km2. The data was compared with protected, at-risk, and high carbon stock areas. The results show that cocoa-related deforestation risk is mainly low and concentrated in specific areas.

Forest risk commodity Other - Coffee

Impact driver type Reputational and markets

Primary impact driver Negative media coverage

Primary impact

Brand damage

Description of impact

Stakeholder and media attention related to the sustainable production of coffee is increasing - although we would still qualify the potential risk as low and the reputational damage as non-significant. With two of the well most known coffee brands in our portfolio, Nescafé and Nespresso, we also believe that there are opportunities to address the potential risks through conservation projects and agroforestry. These projects are expected to also help us to meeting our net zero GHG emissions ambition by 2050 and provide consumers with information.

Primary response

Other, please specify (Responsible Sourcing supplies, Voluntary engagement in conservation projects (including reforestation, afforestation and ecosystem restoration)

Total financial impact

Description of response

Our response has been on different fronts: - from an operational point of view, we continue to increase the traceability and responsible sourcing of the coffee we use (88% back to a farmer group).

- From a collaboration perspective, we are part of the different coffee platforms, including the Global Coffee Challenge, Sustainable Coffee Challenge and the International Coffee Organization's Public-Private Taskforce.

- From a stakeholder engagement perspective, we have been doing a lot of work to engage with media, NGOs, customers and consumers on our actions towards

responsible sourcing of coffee.

- From a transparency point of view: we have disclosed our coffee supply chain.

Impact to date: our work on traceability will enable us to report the % coffee assessed as deforestation free for 2023, in 2024.

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Since a specified cutoff date, please specify year (31 Dec 2015)

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Due to data consensus issues and the difficulty with methodology and associated attribution, we do not disclose the hectares of know/estimated deforestation footprint. We contribute to data consensus and build up future capabilities by providing details on our monitor and management process.

We are using Starling satellite imagery to monitor our global Pulp & Paper supply chain within five focus countries – if potential deforestation alerts are detected within concession of pulp mill or supplying company, the alerts are validated with the supplier and the status of volume allocations is adjusted accordingly.

We have developed and scaled up a "Forest Footprint" exercise based on Starling data to allow us to assess future risks of deforestation in and around our supply chain. In some areas, the analysis includes multiples ingredients and industries, including palm oil, soy, pulp and paper, and coffee. We also consulted various experts on the methodology and results. These insights helped us refine the methodology, identify new data sources, and prioritize engagement with key suppliers. We intend to conduct more external stakeholder sessions to get additional feedback on the prioritization of results.

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint? Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years? Since a specified cutoff date, please specify year (31 Dec 2015)

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Due to data consensus issues and the difficulty with methodology and associated attribution, we do not disclose the hectares of know/estimated deforestation footprint. We contribute to data consensus and build up future capabilities by providing details on our monitor and management process.

We use the Starling Satellite Monitoring system for mapping supply chain sites, obtaining deforestation alerts, and assessing the deforestation-free status of sites.

We have developed and scaled up a "Forest Footprint" exercise based on Starling data to allow us to assess future risks of deforestation in and around our supply chain. In some areas, the analysis includes multiples ingredients and industries, including palm oil, soy, pulp and paper, and coffee. We also consulted various experts on the methodology and results. These insights helped us refine the methodology, identify new data sources, and prioritize engagement with key suppliers. We intend to conduct more external stakeholder sessions to get additional feedback on the prioritization of results.

Forest risk commodity

Cattle products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Since a specified cutoff date, please specify year (31 Dec 2015)

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Due to data consensus issues and the difficulty with methodology and associated attribution, we do not disclose the hectares of know/estimated deforestation footprint. We contribute to data consensus and build up future capabilities by providing details on our monitor and management process.

Meat volumes are considered deforestation-free when: 1. they are traceable to geographic locations that are determined to be at low- or no-risk for deforestation impacts from meat using relevant literature and/or global indexes of deforestation risk (such as the Maplecroft Deforestation Index), or 2. when suppliers' have been assessed to the farm level (representative sampling) by 3rd party certification/validation organizations such as SGS or Bureau Veritas, with aspects related to deforestation being audited. Suppliers that have not shown nonconformities are considered "verified on the ground" for deforestation.

Forest risk commodity

Soy

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify (Aligned to sectoral cut-off dates where they exist (e.g. Amazon Soy Moratorium). When no sectoral cut-off date exists, we apply 31st December 2015 as a cut-off date.)

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Due to data consensus issues and the difficulty with methodology and associated attribution, we do not disclose the hectares of know/estimated deforestation footprint. We contribute to data consensus and build up future capabilities by providing details on our monitor and management process.

To implement our no-deforestation commitment, we apply a risk-based approach. Overall, we map our supply chain to country where the raw materials that we buy come from. In at-risk countries, we take steps to verify that our purchases are not contributing to deforestation or conversion of natural habitats. Our approach for soy relies on traceability, being a crucial part of our methodology to assess if a specific volume is linked with deforestation as it enables us to prioritize our efforts on where our exposure to risk is higher. We focus our attention on high-risk origins to increase supply chain visibility with more granular information and to understand which mechanisms these suppliers have in place to ensure compliance with our commitments.

We have developed and scaled up a "Forest Footprint" exercise based on Starling data to allow us to assess future risks of deforestation in and around our supply chain. In some areas, the analysis includes multiples ingredients and industries, including palm oil, soy, pulp and paper, and coffee. We also consulted various experts on the methodology and results. These insights helped us refine the methodology, identify new data sources, and prioritize engagement with key suppliers. We intend to conduct more external stakeholder sessions to get additional feedback on the prioritization of results.

Forest risk commodity

Other - Cocoa

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify (In specific cases where we apply certification standards, we may apply cut-off dates set by the relevant scheme rules, for instance: Rainforest Alliance cut-off date: 1st Jan 2014. For Nestlé Cocoa Plan Verification: 31st December 2015)

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Due to data consensus issues and the difficulty with methodology and associated attribution, we do not disclose the hectares of know/estimated deforestation footprint. We contribute to data consensus and build up future capabilities by providing details on our monitor and management process.
Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify (In specific cases where we apply certification standards, we may apply cut-off dates set by the relevant scheme rules, for instance: 4C standard cut off date 31st December 2006 or Rainforest Alliance cut-off date: 31st December 2015.)

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Due to data consensus issues and the difficulty with methodology and associated attribution, we do not disclose the hectares of know/estimated deforestation footprint. We contribute to data consensus and build up future capabilities by providing details on our monitor and management process.

We have developed and scaled up a "Forest Footprint" exercise based on Starling data to allow us to assess future risks of deforestation in and around our supply chain. In some areas, the analysis includes multiples ingredients and industries, including palm oil, soy, pulp and paper and coffee. We also consulted various experts on the methodology and results. These insights helped us refine the methodology, identify new data sources, and prioritize engagement with key suppliers. We intend to conduct more external stakeholder sessions to get additional feedback on the prioritization of results.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment? Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods Starling

Issues considered

Availability of forest risk commodities Quality of forests risk commodities Impact of activity on the status of ecosystems and habitats Regulation Climate change Impact on water security Brand damage related to forests risk commodities Corruption Social impacts

Stakeholders considered

Customers Employees Investors Local communities NGOs Regulators Suppliers

Please explain

We use the following tools, among others:

Internal company methods:

- The Responsible Sourcing (RS) Program that covers our 14 most important raw materials, including pulp & paper. Based on our volume and spend breakdown we identify countries and Tier 1 suppliers to prioritize. For Pulp & Paper, we send suppliers an annual questionnaire to refresh traceability information in relation to direct suppliers, mills and country of harvest (COH). COH is particularly important in pulp since wood chips may come from another country than where the mill is located. A review of priority suppliers is made based on traceability / country risk and business importance. We combine our annual supply chain mapping with tools like industry intelligence, satellite monitoring and on-the-ground assessment to assess deforestation risks. We use this toolkit approach as we know that several tools combined are more beneficial to assess deforestation risks.

- We use the results and findings from the RS program at corporate level (Enterprise Risk assessment) and at operational level to determine priorities for action and what actions are needed.

- A corporate materiality assessment is carried out by external advisors every two years and includes engagement with third party stakeholders. The time frame reflects the risk assessment that took place as we developed our Net Zero Roadmap, which includes 2025, 2030 and 2050 commitments. Our work on our no-deforestation commitment is a key part of the roadmap. We are also expanding our approach to assess future risks of deforestation through a forest footprint exercise.

Starling: We use Starling satellite monitoring in pulp & paper because it helps us identify potential forest loss in our supply chain and understand whether this may result in deforestation and degradation of HCV forests. In 2019 we developed the base maps and in each year to 2022 we used this technology to analyze changes in forest cover across five priority landscapes. This increased visibility allows us to observe changes in real-time and has informed more targeted discussions with suppliers on forest cover change alerts and supported the development of interventions and solutions.

Palm oil

Value chain stage

Direct operations Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods Starling

Issues considered

Availability of forest risk commodities Quality of forests risk commodities Impact of activity on the status of ecosystems and habitats Regulation Climate change Impact on water security Brand damage related to forests risk commodities Corruption Social impacts

Stakeholders considered

Customers Employees Investors Local communities Suppliers

Please explain

We use the following tools to assess forest related risk, among others:

Internal company methods:

- The RS Program that covers 14 key raw materials including palm oil. Based on volume and spend, we identify countries and Tier-1 suppliers to prioritize. Supplier questionnaires are sent out annually to refresh our traceability information. A review of priority suppliers is made based on traceability / country risk and business importance. We combine our annual supply chain mapping with tools like satellite monitoring + on the ground assessment. We use this toolkit approach as we know that several tools combined are more beneficial to assess deforestation risks.

- We use the results and findings from the RS program at corporate level (Enterprise Risk assessment) and at operational level to determine priorities for action and what actions are needed.

- A corporate materiality assessment is carried out by external advisors every two years and includes engagement with third-party stakeholders to understand their expectations. The time frame reflects the risk assessment that took place as we developed our Net Zero Roadmap, which includes 2025, 2030 and 2050 commitments. Work on our no-deforestation commitment is a key part of the roadmap. We are also expanding our approach of assessing future deforestation risks through a Forest Footprint exercise. In 2022 we continued to refine our methodology based on five new geographies and raw material pilot assessments, including the potential impact of palm oil and sugar expansion in Mexico and testing new data sets to prioritize results on palm oil expansion risk in Kalimantan, Indonesia.

Starling:

We use Starling to monitor our global palm oil supply chain and identify potential deforestation cases and areas at risks, prioritize actions and inform our strategy. In 2022, thanks to Starling data we:

- Assessed 89% of our purchases of palm oil as deforestation-free globally (in addition 6% were assessed through certification or on the ground assessment and 1% was traceable to low-risk origin)

- Continued to include forest conservation elements in all our smallholder palm-oil projects (including new projects)

- Further developed our forest footprint methodology to assess future risks of deforestation.

Cattle products

Value chain stage

Direct operations Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered? 3 to 6 years

Tools and methods used

Internal company methods Other, please specify (Maplecroft)

Issues considered

Availability of forest risk commodities Quality of forests risk commodities Impact of activity on the status of ecosystems and habitats Regulation Climate change Impact on water security Brand damage related to forests risk commodities Corruption Social impacts

Stakeholders considered

Customers Employees Investors Local communities NGOs Regulators Suppliers

Please explain

We use these tools to assess forest-related risks:

- Internal company methods such as the Responsible Sourcing (RS) Program that covers our 14 most important raw materials, including cattle. Based on our volume and spend breakdown we identify countries and Tier-1 suppliers to prioritize. Supplier questionnaires are sent out annually to refresh our traceability information. A review of priority suppliers is then made based on traceability / country risk and business importance, together with our implementation partners. We combine our annual supply chain mapping exercise with tools like industry intelligence (e.g. Maplecroft) and on the ground assessment. We use this toolkit approach as we know that several tools need to be combined to efficiently assess deforestation risks. For livestock, suppliers provide traceability information back to the slaughter facilities that process the meat. This information is assessed against a country-level index of deforestation risk. Nestlé is also a member of the Consumer Goods Forum Beef Working Group to help address direct and indirect beef supply chains in Brazil and support the development of greater traceability in that country.

- We use the results and findings from the RS program at corporate level (Enterprise Risk assessment) and at operational level to determine priorities for action and what actions are needed.

- A corporate materiality assessment is carried out by external advisors every two years and includes engagement with third-party stakeholders to understand their expectations. The time frame reflects the risk assessment that took place as we developed our Net Zero Roadmap, which include 2025, 2030 and 2050 commitments. Our work on our deforestation-free commitment is a key part of the roadmap. We are expanding our approach to assess future risks of deforestation through a forest footprint exercise.

Case study: we regularly conduct a global traceability exercise together with our suppliers to trace back the volumes of meat to the slaughterhouse. We combined this with the Maplecroft deforestation risk index to assess what are the volumes at risk. Through this, we traced 99% of our meat volumes to low-risk origins. In 2022, we continued to work with our suppliers to increase capacity to trace beyond the slaughterhouse level.

Soy

Value chain stage

Direct operations Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

Unknown

Tools and methods used

Internal company methods External consultants

Issues considered

Availability of forest risk commodities Quality of forests risk commodities Impact of activity on the status of ecosystems and habitats Regulation Climate change Impact on water security Brand damage related to forests risk commodities Corruption Social impacts

Stakeholders considered

Customers Employees Investors Local communities NGOs Regulators Suppliers

Please explain

We use the following tools to assess forest related risk:

Internal company tools such as the Responsible Sourcing (RS) Program that covers our 14 most important raw materials, including soy. Based on volume and spend breakdown we identify countries and Tier-1 suppliers to prioritize. For soy, supply chain mapping questionnaires are sent to suppliers, all soy (under scope) is mapped to country of origin. For high-risk countries based on recent literature, soy origin needs to be mapped one level further, to identify the biome of origin. In biomes classified as high risk, soy needs to either be certified by a credible deforestation and conversion-free scheme; traceable to a municipality where risk of conversion to soy is monitored by credible traders' system and considered very low; or traceable to a farm where a credible monitoring system checked that no conversion to soy has happened.
 We use the results and findings from the RS program at corporate level (Enterprise Risk assessment) and at operational level to determine priorities for action and what actions are needed.

- A materiality assessment is carried out by external advisors every two years and includes engagement with third-party stakeholders to understand their expectations. The time frame reflects the risk assessment that took place as we developed our Net Zero Roadmap, which include 2025, 2030 and 2050 commitments. Our work on our deforestation-free commitment is a key part of the roadmap. We are expanding our approach to assess future risks of deforestation through a forest footprint exercise.
- External consultants: We developed a global risk-based approach to allow traceability to a level where risks can be better managed. To understand risk at subnational level, we develop country risk profiles and run spatial risk assessments using public info. In 2022, this helped identify our potential exposure to deforestation-free indicators and in the ability to geographically target risk mitigation investments (e.g. RTRS regional credits or future landscape initiatives).

Other - Cocoa

Value chain stage

Direct operations Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods Global Risk Assessment Services (GRAS)

Issues considered

Availability of forest risk commodities Quality of forests risk commodities Impact of activity on the status of ecosystems and habitats Regulation Climate change Impact on water security Brand damage related to forests risk commodities Corruption Social impacts

Stakeholders considered

Customers Employees Investors Local communities NGOs Regulators Suppliers

Please explain

We use these tools to assess forest-related risk:

Internal company methods such as the Responsible Sourcing (RS) Program that covers our 14 most important raw materials, including cocoa. Based on our volume and spend breakdown we identify countries and Tier-1 suppliers to prioritize. Supplier questionnaires are sent out annually to refresh our traceability information. A review of priority suppliers is then made based on traceability / country risk and business importance, together with our implementation partners. We combine our annual supply chain mapping exercise with tools like industry intelligence and on the ground assessment to assess deforestation risks and inform our no-deforestation strategy.
 We use the results and findings from the RS program at corporate level (Enterprise Risk assessment) and at operational level to determine priorities for action and what actions are needed.

- A corporate materiality assessment is carried out by external advisors every two years and includes engagement with third-party stakeholders to understand the expectations they have of Nestlé in terms of managing the risks and opportunities. The time frame reflects the risk assessment that took place as we developed our Net Zero Roadmap, which includes 2025, 2030 and 2050 commitments. Our work on our deforestation-free commitment is a key part of the roadmap.

Global Risk Assessment Services (GRAS). We commissioned a detailed risk assessment from Global Risk Assessment Services (GRAS) across four countries (Brazil, Ecuador, Mexico and Venezuela). The assessment used satellite data from 2015-2020 and covered 2 787 653km2. The data was compared with known protected and atrisk areas, as well as high carbon stock areas. GRAS used remote sensing data and geo-spatial datasets to investigate the total potential risk of deforestation (i.e. including deforestation risk of mining operations or urbanization). They then determined the agriculture-specific and cocoa-specific risks of deforestation. The results show that the risk of cocoa-related deforestation is mainly low and concentrated in specific areas, still. detailed mapping was provided to enable Nestlé to avoid sourcing from deforested areas.

Other - Coffee

Value chain stage

Direct operations Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods Global Risk Assessment Services (GRAS)

Issues considered

Availability of forest risk commodities Quality of forests risk commodities Impact of activity on the status of ecosystems and habitats Regulation Climate change Impact on water security Brand damage related to forests risk commodities Corruption Social impacts

Stakeholders considered

Customers Employees Investors Local communities NGOs Regulators Suppliers

Please explain

We use the following tools to assess forest-related risk within the company:

- Internal company tools such as the Responsible Sourcing (RS) Program that covers 14 key raw materials, including coffee. Based on volume and spend we identify countries and suppliers to prioritize.

- We use results from the RS program at corporate level (Enterprise Risk Assessment) and at operational level to determine priorities for action and what actions are needed.

- A corporate materiality analysis is carried out by external advisors every two years and includes engagement with third-party stakeholders to understand their expectations of Nestlé in terms of managing risks and opportunities.

The time frame reflects the risk assessment that took place as we developed our Net Zero Roadmap, which include 2025, 2030 and 2050 targets. Work on our deforestation-free commitment is a key part of the roadmap. We are in the process of expanding our approach to assess future deforestation risk through a forest footprint exercise that will overlay our sourcing areas, standing forests and peatlands in these areas and customary land rights.

- Global Risk Assessment Services (GRAS). We commissioned a detailed risk assessment of coffee-related deforestation risk from GRAS to gain greater visibility of the remaining non-RS coffee volumes. The assessment covered the main coffee growing region's sourcing regions of Colombia, Ethiopia, India, Indonesia, Mexico, Papua New Guinea, and the Philippines and used satellite data from 2015-2020 covering 889'775km2. The data was compared with protected, at-risk, and high carbon stock areas. GRAS used remote sensing data and geo-spatial datasets to investigate the total potential risk of deforestation (i.e. including from mining or urbanization). They then determined risks related to agriculture and coffee. The results show that coffee-related deforestation risk varies from country to country and looks to be concentrated in specific areas in each country. We obtained partial voluntary information of mill location and sourcing radius from conventional coffee suppliers to compare and assess deforestation risks of each mill sourcing area. This detailed mapping will enable Nestlé to avoid sourcing conventional coffee from high-risk areas.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have partially mapped the value chain	<not applicable=""></not>	<not applicable=""></not>
Palm oil Yes, we have partially mapped the value chain		<not applicable=""></not>	<not applicable=""></not>
Cattle products	Yes, we have partially mapped the value chain	<not applicable=""></not>	<not applicable=""></not>
Soy	Yes, we have partially mapped the value chain	<not applicable=""></not>	<not applicable=""></not>
Other - Rubber	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>
Other - Cocoa	Yes, we have partially mapped the value chain	<not applicable=""></not>	<not applicable=""></not>
Other - Coffee	Yes, we have partially mapped the value chain	<not applicable=""></not>	<not applicable=""></not>

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity Timber products

Scope of value chain mapping

Tier 1 suppliers Tier 2 suppliers Tier 3 suppliers

% of total suppliers covered within selected tier(s) 96

Description of mapping process and coverage

We work closely with suppliers to create a full picture of their supply chains and sourcing locations. This is repeated annually, at every tier in the supply chain. External partners and service providers, such as Earthworm Foundation help us achieve this. We also piloted technology like Supply Shift. Our global buyers in Malaysia, Panama and Switzerland track and monitor the origin of our pulp and paper via Supplier Traceability Declaration Documents used to collect supply chain data to country or region of harvest. We have started mapping and assessing upstream supply for recycled material in the same way as virgin pulp and paper in 2022. Recycled material is not considered as adding to deforestation.

We have mapped 100 percent of our Tier 1 suppliers. In addition, we have visibility on 98% of our supplies to the pulp mill.

We update our public supply chain disclosure periodically, if there are significant changes.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

nestle-pulp-mill-transparency.pdf nestle-pulp-converter-transparency.pdf

Forest risk commodity

Palm oil

Scope of value chain mapping

Tier 1 suppliers Tier 2 suppliers Tier 3 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

We work closely with our suppliers to create a full picture of their supply chains and sourcing locations. We repeat this exercise every year, at every tier in the supply chain with the help of external partners and service providers. Our global oils buyers based in Malaysia, Panama, and Switzerland track and monitor the origin of our palm oil via Supplier Traceability Declaration Documents used to collect supply chain data with our external partner Peterson SA. We request supply chain to the mill and plantation. We also ask for GPS coordinates of the mills as well as concession maps. When we don't have access to concession maps we used a 50km radius proxy and input all of this information in our Starling satellite monitoring system to continuously monitor our palm oil supply chain.

We have mapped 100 percent of our Tier 1 suppliers. In addition we have visibility over 99% of our volumes to the mill (Tier 3) and 96% to the plantation (Tier 4+).

We update our public supply chain disclosure periodically if there are significant changes.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional) nestle-supply-chain-disclosure-palm-oil.pdf

Forest risk commodity Cattle products

Scope of value chain mapping

Tier 1 suppliers Tier 2 suppliers Tier 3 suppliers

% of total suppliers covered within selected tier(s)

96

Description of mapping process and coverage

We work closely with suppliers to create a full picture of their supply chains and sourcing locations. We repeat this exercise every year, at every tier in the supply chain with the help of external partners and service providers, such as SGS. Our global buyers based in Malaysia, Panama, and Switzerland track and monitor the origin of our meat via supplier Traceability Declaration Documents used to collect supply chain data to country of harvest. Our supply chain mapping is conducting all the way to the slaughterhouse.

We have mapped 100% of our Tier 1 suppliers. In addition we have visibility over 98% of our volumes to the slaughterhouse (Tier 3).

We update our public supply chain disclosure periodically, if there are significant changes.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional) nestle-supply-chain-disclosure-meat-upstream.pdf nestle-supply-chain-disclosure-meat-tier1.pdf

CDP

Scope of value chain mapping

Tier 1 suppliers Tier 2 suppliers Tier 3 suppliers

% of total suppliers covered within selected tier(s) 99.3

Description of mapping process and coverage

We work closely with our soy suppliers to create a full picture of their supply chains and sourcing locations. We repeat this exercise every year, at every tier in the supply chain with the help of external partners and service providers, such as Proforest. Our global buyers based in Malaysia, Panama, and Switzerland track and monitor the origin of our soy via supplier Traceability Declaration Documents used to collect supply chain data to country of harvest.

We have mapped 100% of our direct soy Tier 1 suppliers. In addition, for the suppliers whose volumes are within DCF scope, we have visibility on 99.3% of their volumes to crush site, country, jurisdiction or producing farm.

As soy is a global commodity and an annual crop, it has multi-tier supply chains which can be dynamic year on year. Establishing regular transparency beyond crush sites and back to farming areas is a challenge. We are currently working to improve this and have joined industry and multi-stakeholder working groups who aim to support the key soy value chain stakeholders in monitoring the soy origins in the most high-risk countries regarding conversion of natural ecosystems. Several approaches are looked at from an industry point of view, they can foster transparency from upstream to downstream stages of the value chain.

We update our public supply chain disclosure periodically, if there are significant changes.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

nestle-supply-chain-disclosure-soya1.pdf

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

	Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1	Yes, we use a classification system	The methodology is based on classifying regions as low-risk for deforestation and conversion using tools like Maplecroft along with national and international public geospatial data sources (such as PRODES Amazon and PRODES Cerrado in Brazil, for soy) and relevant literature such as scientific papers and NGO reports. Regions that are not assessed as low-risk are considered high-risk and prioritized in DCF control strategies.	The risk classification is used to establish and apply DCF mechanisms. DCF solutions and acceptable pieces of evidence are selected based on the risk classification of the origin and the supplier's capacity to provide the solutions. For high-risk areas, the acceptable solutions are: i) volumes covered by an acceptable certification; ii) volumes covered by supplier's DCF control mechanism and 3rd party verified for compliance; iii) traceable to a specific area (jurisdiction or farm, for e.g.) verified as DCF remotely or on the ground. For low-risk areas, traceability evidence confirming that the volumes originate within these areas is requested.	

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Rubber	<not applicable=""></not>
Other - Cocoa	Yes
Other - Coffee	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

We run a materiality assessment with external stakeholders every two years. This helps us identify the economic, social and environmental risks that matter most to our business and our stakeholders. For each risk, the materiality assessment rates the degree of stakeholder concern as well as the potential business impact. Our materiality assessment is integrated into the Group's Enterprise Risk Management process to ensure that wider sustainability risks are incorporated into the risks and opportunities under consideration across the company.

The assessment has a four-level risk rating scale which enables us to categorize the level of impact of each risk:

- Internal stakeholders rate the impact of the risk on Nestlé's success as major, significant, moderate or negligible
- External stakeholders rate the level of importance of the risk to them as major, significant, moderate or negligible

Both qualitative and quantitative factors are considered when rating a risk:

- does the risk have the potential to substantively affect the Group's strategy or its business model (either at a global level, category level, or across multiple categories)?
- does the risk have the potential to substantively affect one or more of the capitals the Group uses or accesses (e.g. talented, engaged workforce, capital funding)?
- does the risk have the potential to substantively influence the assessments and decisions of stakeholders?

Based on the results of the materiality assessment, we tailor our activities. Nestlé defines as a substantive strategic impact those issues identified as being most material to its business, developing ambitious goals to help advance societal progress and support regenerative food systems. Our ERM risk rating is the metric used to identify change, and the threshold which indicates substantive change is a significant or major risk as opposed to a moderate or negligible risk.

In our most recent materiality assessment in 2022, the environmental & social impacts of ingredient supply chain (which includes risks and opportunities related to how we source our raw materials, including forest-related risks) was identified as one of Nestlé's material risks, being rated as being of major importance to external stakeholders and having a major impact according to internal stakeholders.

To support in the Group's identification and assessment of potential substantive climate-related risks and opportunities, Nestlé is implementing the Taskforce for Climaterelated Financial Disclosures (TCFD) recommendations. In 2022, we continued to develop a qualitative and quantitative climate modeling process across our value chain to assess our portfolio's resilience under different external conditions. We use a climate modeling tool developed third-party experts Risilience and their academic partner the Centre for Risk Studies at the University of Cambridge Judge Business School to build a climate modeling tool to evaluate the potential directional impacts on Nestlé's operations and supply chains for both transition and physical risks.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity Palm oil

Type of risk Reputational and markets

Geographical scale

Where in your value chain does the risk driver occur? Other parts of the value chain

Primary risk driver Shifts in consumer preference

Primary potential impact Disruption to sales

Company-specific description

An increasing number of our customers, in particular retailers in developed markets, want the products they market and the ingredients used to make them to be sustainably sourced, with no links to deforestation. In some cases, customers ask that our products contain certified ingredients or are free from certain ingredients. This is particularly the case for palm oil, which has been the subject of much NGO campaigning and media coverage in some countries. Though we share our customers' commitment to sustainable products that are not linked to deforestation, there is a risk that a retailer may stop buying a certain Nestlé product based on negative coverage in, for example, the WWF palm oil buyers scorecard or the Forest 500 ranking. This could lead to loss of revenue and market share. Nestlé products including confectionery brands may be affected as they often contain small amounts of palm oil.

Timeframe

1-3 years

Magnitude of potential impact High

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Palm oil is present in many of our recipes for confectionery and other products. We estimate financial impacts based on the potential delisting of our main palm-oil containing products by our customers in a number of countries where palm oil is high on the media agenda.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

We aspire to source 100% Roundtable on Sustainable Palm Oil (RSPO) certified supplies, even if there is today already a large market supply shortage of RSPO-certified palm kernel oil. We are working with industry bodies to demonstrate, regardless of this market situation, our commitment to the due date. As of end of 2022, 71% of palm oil sourced was RSPO certified. This is helping us to address the risk of customers delisting our products, since most products sold in countries where certified palm oil is preferred are covered by RSPO certification. Beyond certification, we are also using Starling satellite monitoring to assess the palm oil we source is not linked to deforestation and to address any potential risk based on alerts we receive. Nestlé scored in the top 25% across all manufacturers/retailers/hospitality companies who responded to the latest WWF scorecard and second in the latest Forest 500 ranking. To date and to the best of our knowledge we believe that no customer has delisted any of our products due to a perception that we are using palm oil linked to deforestation.

Cost of response

Explanation of cost of response

The cost of response is commercially sensitive and is based on the total premiums we will pay for RSPO Certified palm oil at current market cost. The assumptions made in this calculation include that supply of segregated volume opportunities will remain limited (we're assuming no or low growth of segregated palm oil) and that we will only purchase segregated/identity preserved and credits (no mass balance).

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur? Other parts of the value chain

Primary risk driver

Shifts in consumer preference

Primary potential impact Brand damage

Lianu uanlaye

Company-specific description

As we are implementing our commitment to reduce our virgin plastics packaging by one third by 2025, we commenced our switch to paper packaging for our brands. For example, we've recently switched our Nesquik brand to paper packaging in some markets. At the same time, our customers and consumers are increasingly aware of environmental footprint, including the potential link between deforestation and paper packaging. Indeed, our consumer market research as well as our materiality assessment show growing consumer demand and growing stakeholder expectations for us to develop alternative packaging or delivery systems, including paper packaging. Also, our last materiality assessment, which rates the degree of stakeholder concern as well as the potential business impact, showed that the topic of product packaging and plastics was of significant importance to external stakeholders and major importance to internal stakeholders. While this link has been less in the spotlight in the last couple of years, we cannot exclude renewed NGO or media attention on this as well as more customers questions on this topic. The potential link of our paper packaging to deforestation could result in brand damage and may deter some consumers from buying our products, leading to reduced revenues.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood Unlikely

Are you able to provide a potential financial impact figure? No, we do not have this figure

Potential financial impact (currency) <Not Applicable>

Potential financial impact figure - minimum (currency) <Not Applicable>

Potential financial impact figure - maximum (currency) <Not Applicable>

Explanation of financial impact

We estimate financial impact based on a scenario where one range of product would be delisted from one major retailer. We believe that the potential risk would likely affect one country and one retailer rather than being the result of a global campaign.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

We are investing in the responsible sourcing of pulp & paper through our responsible sourcing program. We use a variety of due-diligence tools including, supply chain mapping and traceability, on-the-ground assessments and certification, to assess the pulp and paper we buy as assessed deforestation-free in all markets. In particular, we source certified paper packaging materials in countries where the market demand for certified products is higher from consumers and customers. As a result of our efforts we were able to assess 99.9 % of our total pulp and paper volumes as deforestation free in 2022.

Cost of response

Explanation of cost of response

The cost of response is based on the ongoing annual cost of our Responsible Sourcing program for pulp and paper. This is commercially sensitive and includes premium costs for certified pulp and paper (FSC and PEFC) that we use, supply chain mapping, on-the-ground assessments, partnerships and on-the-ground projects.

Forest risk commodity

Soy

Type of risk Reputational and markets

Geographical scale Global

Where in your value chain does the risk driver occur? Other parts of the value chain

Primary risk driver Negative media coverage

Primary potential impact

Brand damage

Company-specific description

As consumer demand for plant-based products is increasing (including for Nestlé Brands like Garden Gourmet and Sweet Earth), stakeholder and media attention related to the sustainable production of soy is also increasing. This is in particular the case for soy sourced from high value ecosystems, like the Cerrado in Brazil. There are ongoing NGO campaigns and media attention to industry sourcing in the Brazilian Cerrado, including the Nestlé footprint. Brand damage caused by negative media coverage may lead to loss of revenues if NGO campaigning deters consumers from buying products that may contain soy sourced from the Cerrado. We source soya products from numerous suppliers in many different countries, including Argentina, Brazil, Serbia and the US. Supply chains vary in length and complexity: making soya traceability challenging. However, our sourcing from the Cerrado is relatively small, and therefore we assess the risk in relation to our sourcing from the Cerrado as relatively low

Timeframe

4-6 years

Magnitude of potential impact

Low Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency) <Not Applicable>

Potential financial impact figure - maximum (currency) <Not Applicable>

Explanation of financial impact

We estimate the potential financial impact based on the potential of loss of a proportion of revenues from the Purina Petcare business, which is the biggest user of soy in our business. In the future we expect our exposure to soy-related risks will become bigger as we expand our plant-based products (including soy-based products).

Primary response to risk

Increased use of sustainably sourced materials

Description of response

We are investing in the responsible sourcing of soya through our responsible sourcing program. We use a variety of due-diligence tools including, supply chain mapping and traceability, on-the-ground assessments and certification, to assess the soy we buy as deforestation-free. As a result of our efforts we were able to verify 99.3 % of our total soy volumes as deforestation free in 2022.

Cost of response

Explanation of cost of response

The cost of response is commercially sensitive and is based on the current annual cost of implementing our responsible sourcing program for soy, including premium for certification (RTRS and Proterra), supply chain mapping, partnerships and projects on the ground.

Forest risk commodity

Cattle products

Type of risk Reputational and markets

Geographical scale Global

Where in your value chain does the risk driver occur?

Other parts of the value chain

Primary risk driver

Shifts in consumer preference

Primary potential impact

Brand damage

Company-specific description

Meat is primarily used in our Prepared dishes and cooking aids business (e.g. Stouffer brand). It is however only present in a limited number of recipes. We source meat from numerous suppliers in many different countries, mainly in countries of low risk of deforestation. However, we do source very small amounts of meat unknown origins (0.1%) and therefore there is a small risk for our brands of being associated with deforestation. There are ongoing NGO campaigns and media attention on industry sourcing in Brazil, including the Nestlé footprint. Brand damage caused by negative media coverage may lead to loss of revenues if NGO campaigning deters consumers from buying products that may contain meat sourced from Brazil. However, since our sourcing of meat from Brazil is relatively small, we assess the risk in relation to this as low.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency) <Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

We estimate the potential financial impact based on the potential of loss of a proportion of revenues from our Prepared dishes and cooking aids business, which is the primary user of meat.

Primary response to risk

Engagement with suppliers

Description of response

We currently have 0.1% of our meat coming from unknown origins. We are working with our direct suppliers to trace the remaining 1% and ensure this is not coming from areas at risk of deforestation. As a result of our efforts we were able to assess 99.9 % of our total meat volumes as deforestation free in 2022.

Cost of response

Explanation of cost of response

So far, forest-related detrimental impacts are associated with the incremental cost of switching to other origins or suppliers more aligned with the sustainable practices that we demand from forest-based commodities. This incremental cost is commercially sensitive.

Forest risk commodity

Other - Cocoa

Type of risk Regulatory

Geographical scale

Where in your value chain does the risk driver occur? Supply chain

Primary risk driver

Other regulatory driver, please specify (Stricter regulation in importing countries (EU in particular))

Primary potential impact

Supply chain disruption

Company-specific description

In 2022, political agreement was reached on new regulation to minimize EU-driven deforestation and forest degradation. By promoting the consumption of 'deforestationfree' products and reducing the EU's impact on global deforestation and forest degradation, the new rules aim to bring down greenhouse gas emissions and biodiversity loss. As Côte d'Ivoire and Ghana are two countries at risk of deforestation; that sixty percent of Nestlé's global sourcing of cocoa comes from these two countries (55% from Côte d'Ivoire alone); and that lot of this cocoa enters into the EU market for manufacturing in Nestlé's European-based factories, the regulation is particularly relevant for Nestlé's sourcing of cocoa. Final regulation is expected to be implemented at the end of 2024.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The financial impact is based on the size of our Confectionery business in our Zone Europe, Middle East and North Africa and on the assumption that a regulation could be potentially restrict imports of cocoa into the EU Market.

Primary response to risk

Greater due diligence

Description of response

As part of the Forests & Cocoa Initiative, we have developed and published an action plan that includes mapping all Nestlé Cocoa Plan farm boundaries in Côte d'Ivoire and Ghana (main sourcing countries and where there is a higher risk of deforestation), implementation by our suppliers of traceability systems and exclusion processes for farms found in protected forests. We are distributing shade trees and piloting agroforestry projects. We have partnered with the government of Côte d'Ivoire to restore the Cavally Forest, an important forest in Côte d'Ivoire.

Impact to date:

- Mapped >125 000 farms in Côte d'Ivoire and Ghana well over the 2022 target
- Distributed >1 million forest and fruit trees to farmers to drive agroforestry and regenerative agriculture, bringing the total to >2.2 million
- · Cumulatively trained more than 90 000 farmers in good agricultural practices
- Replanted 366 hectares of Cavally Forest Reserve in 2021 as part of a CHF 2.5 million investment in restoring the forest

• Ramped up community and reforestation efforts in Beki and Bossematié forests – a key wildlife corridor – reforesting 43ha and reaching 5 000 farmers and their families with community awareness-raising sessions

• Ran a pilot for small-scale community and sacred forest conservation in Toa Zèo. This approach protected and reforested several small woodlands (1-16ha) and will be rolled out to multiple cocoa-farming communities in partnership with the Ministry of Waters and Forests (MINEF).

Cost of response

Explanation of cost of response

The cost of response commercially sensitive and is based on the cost of implementing activities related to the Cocoa & Forests Initiative and reforestation projects in West Africa.

Forest risk commodity

Other - Coffee

Type of risk Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur? Supply chain

Primary risk driver

Other regulatory driver, please specify (Stricter regulation in importing countries (EU in particular))

Primary potential impact

Supply chain disruption

Company-specific description

In 2022, political agreement was reached on new regulation to minimize EU-driven deforestation and forest degradation. By promoting the consumption of 'deforestationfree' products and reducing the EU's impact on global deforestation and forest degradation, the new rules aim to bring down greenhouse gas emissions and biodiversity loss. As many countries where coffee is produced and from which we source are at risk of deforestation and that important quantities of coffee are brought into the EU market for manufacturing in Nestlé's European-based factories, the regulation is particularly relevant for Nestlé's sourcing of coffee. Final regulation is expected to be implemented at the end of 2024.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood Unlikely

Are you able to provide a potential financial impact figure? No, we do not have this figure

Potential financial impact (currency) <Not Applicable>

Potential financial impact figure - minimum (currency) <Not Applicable>

Potential financial impact figure - maximum (currency) <Not Applicable>

Explanation of financial impact

Primary response to risk Greater due diligence

Description of response

We have significant actions and investments aimed at climate change adaptation of present growing areas, with teams of agronomists working closely with our suppliers and with coffee growing communities in the countries where we implement the Nescafé Plan and Nespresso's AAA program. We also have a long-standing coffee Plant Science/breeding program, the recently launched Nestlé Agriculture services institute and multiple research partnerships to develop improved coffee varieties and agricultural practices to assist coffee farmers to produce more and better coffee from the same (or less) area presently dedicated to coffee farming. Our net zero and regenerative agriculture commitments are expected to also play an important role with reforestation/agroforestry programs, improving practices and reducing farming greenhouse gas emissions.

Cost of response

Explanation of cost of response

Costs are from implementing activities related to our plant breeding program.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Rubber	<not applicable=""></not>
Other - Cocoa	Yes
Other - Coffee	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Other - Cocoa

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation Supply chain

Primary forests-related opportunity

Increased brand value

Company-specific description

Nestlé operates in a very competitive environment with many different players, including multinational companies as well as smaller regional or local competitors. As consumers are more and more interested in knowing where the ingredients in their products come from and that they are produced sustainably, brand communication that includes the sustainability attributes of the brand is increasingly becoming a positive differentiation element for consumers. Nestlé is well placed to capture this opportunity as we have been investing in sustainability for a number of years and have a good basis for communicating this to consumers.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood Verv likelv

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency) <Not Applicable>

Potential financial impact figure – maximum (currency) <Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity

As a result of the identification of this opportunity, our brands are undergoing an exercise to define a "brands with purpose" strategy - this is the framework developed in our Brand Building the Nestlé Way that we use to embed sustainability at the core of our brands. For instance, for KitKat, one of the world's most popular confectionery brands, most emissions occur when producing ingredients like cocoa and milk. KitKat aims to reduce the emissions generated through the sourcing of its ingredients, the manufacturing of the product and its distribution through actions in the country origin like, forest regeneration, agroforestry, planting shade trees and supporting

regenerative farming. In addition, we launched KitKat V, which is certified vegan and made from 100% cocoa sourced through the Nestlé Cocoa Plan in conjunction with the Rainforest Alliance. The milk in the original KitKat is replaced with a rice-based alternative. We communicate these actions to consumers.

Forest risk commodity

Palm oil

Type of opportunity Resilience

Where in your value chain does the opportunity occur?

Direct operation Supply chain

Primary forests-related opportunity

Resilience to future regulatory changes

Company-specific description

Countries and regions where Nestlé operates including the EU and UK are currently developing forest-related due diligence regulation to prevent raw materials or products associated with deforestation entering their market. This could pose a risk of disrupted supplies of raw materials including palm oil for Nestlé's confectionery and other brands that contain small amounts of palm oil. In the past 10 years, Nestlé has worked toward its no-deforestation commitment on key forest-risk commodities. Through our toolkit approach (supply chain mapping, satellite monitoring), at the end of 2022 we had assessed 99.1% of all commodities sourced as deforestation-free and 95.6% of palm oil sourced as deforestation-free.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are not able to calculate the potential financial impact for improving our response to regulatory changes.

Cost to realize opportunity

Strategy to realize opportunity

While we continue to work towards our commitment, we're strengthening our strategy to be in a better position to assess future risks of deforestation. We launched a new Forest Positive strategy in 2021 that goes beyond assessing current deforestation risks in our supply chains to targeting positive impact in the critical landscapes we source from. This strategy has three pillars: 1) deforestation-free supply chains; 2) long-term conservation and restoration in and around our supply chains; 3) Sustainable landscapes.

As part of this approach, we piloted in 2020 a "forest footprint" methodology in our palm oil supply chain in Aceh, Indonesia, to better understand risks within our supply chain. By better understanding these risks, we wanted to design more effective, forward-looking forest-positive strategies. In 2022, our palm oil team mapped sourcing regions with the greatest land rights risks against volumes of palm oil sourced from those regions. This will improve our understanding of land rights risks. The results are being used to develop a strategy for identifying landscape-level projects that Nestlé can support and/or participate in, and can be duplicated for other raw materials.

We're in a good position to leverage the forest footprint exercise to take a more long-term and proactive approach to addressing deforestation risks as we have good traceability for our forest risk commodities. E.g. we're using satellite technology in palm oil, pulp and paper, and have extended it to cocoa and coffee since 2021. This is connected to our Net Zero Roadmap and ambition to reduce GHG emissions by 50% by 2030, in part by preventing deforestation in our supply chain.

The forest footprint exercise will help better inform our risk analysis and intervention design, as well as our work toward our no-deforestation communication.

Building on our experience in tackling deforestation risk in specific commodities, we advocated for comprehensive regulation that could support our efforts and help reaching a high levelled playing field. Our advocacy supported the development of legislation on deforestation-free supply chains. During the development phase, Nestlé joined other business leaders across the food industry to support ambitious action by the European Union to increase supply chain transparency and traceability for commodities that may be linked to deforestation.

Forest risk commodity Soy

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation Supply chain

Primary forests-related opportunity

Increased growth in the alternative protein market

Company-specific description

Trends show growing consumer demand for low-carbon products like plant-based foods and drinks. For consumer-facing businesses like Nestlé operating in very competitive and innovative markets where we compete with both agile start-ups and multinational companies, it is clear we need to seize the opportunity that increasing

demand for plant-based options constitutes – to stay relevant in the marketplace and to gain a competitive advantage and increased market share. With its R&D capabilities and marketing expertise, Nestlé is well placed to take advantage of this opportunity with products such as our vegan egg and shrimp alternatives, vEGGie and Vrimp, which also contributes to our sustainability goals.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Likelihood

Hiah

Virtually certain

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The Group's plant-based food products continue to grow at a high single-digit rate, helped by innovations and product launches such as the new vegetarian shrimp (Vrimp). Financial forecasts are business sensitive and not publicly disclosed.

Cost to realize opportunity

Strategy to realize opportunity

Following the success of Vuna, launched in 2020, in 2021 Garden Gourmet introduced vegan egg and shrimp alternatives, vEGGie and Vrimp. Plant-based food products generated sales of around CHF 1 billion in 2022, posting high single-digit organic growth. We also expanded our dairy alternatives with pea-based Wunda, for example.

To continue seizing the opportunity:

- We sped up the transformation of Nestlé's portfolio to offer more products that have a better environmental footprint, including more plant- based food and beverages, including soy-based ones. This led us to redefine our approach to new product development with shorter innovation cycles and faster launches.

- We are educating our employees about climate change and provide them with the knowledge, skills and tools they need to make informed decisions around product

development.

- We are helping our portfolio and product managers incorporate GHG emissions information more effectively into their decision-making, including selecting which ingredients to use and continuously improving our eco design tools used in R&D. To support this, we will make more environmental data about ingredient supply chains available at the product level.

- We are establishing clear key performance indicators (KPIs) and refining our central data tracking systems to better measure progress and improve the allocation of emissions and reductions to specific businesses. We are making it easier to make comparisons and consult with brand managers around translating corporate targets into business-specific ones.

Forest risk commodity

Other - Coffee

Type of opportunity

Resilience

Where in your value chain does the opportunity occur?

Direct operation Supply chain

Primary forests-related opportunity

Increased resilience to impacts of climate change

Company-specific description

Global efforts to tackle climate change by reducing carbon emissions should result in a transition to a low-carbon economy. This transition presents both risks and opportunities for Nestlé. Transition risks include market and technological shifts, policy and legal changes and reputational damage. Opportunities include increases sales of low-carbon products. To better understand this, we have adopted the Taskforce for Climate-related Financial Disclosures recommendations and began implementation in 2019.

Physical risks have a higher probability to impact coffee, with higher temperatures and water shortages compromising quality and reducing availability. This may lead to an increase in raw material costs for the industry, and have economic and social impacts on coffee-growing communities.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-high

Likelihood Verv likelv

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency) <Not Applicable>

Potential financial impact figure – minimum (currency) <Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity

We have initiatives in place to support farmers and our business in mitigating and adapting to climate-related physical risks. These include providing technical assistance to farmers through our Nescafé Plan and Nespresso AAA Program, enhancing resilience to climate change in our plant breeding programs and improving management of the coffee supply chain. We are scaling up initiatives in agriculture to build farm-level resilience with the objective of helping farmers store carbon through soil management and land restoration, reduce greenhouse gas emissions and halt deforestation.

Since 2014, Nespresso has been transitioning AAA coffee farming into agroforestry models. Begun in Colombia and Guatemala, this approach is being expanded to nine of its sourcing regions. As part of this program, Nespresso planted 6 million trees in AAA coffee farms and landscapes from 2014 to 2021. In 2022, Nespresso announced its ambition to scale up regenerative agricultural practices to help restore landscapes and enhance farmers' livelihoods.

In addition, consumers are more and more interested in knowing where the ingredients in their products come from and that they are produced sustainably. Nespresso & Nescafé will continue to leverage their work to inform consumers, aiming at increasing trust in the brand and brand value.

Forest risk commodity

Timber products

Type of opportunity Markets

Where in your value chain does the opportunity occur?

Direct operation Supply chain

Primary forests-related opportunity

Increased brand value

Company-specific description

As a food and beverage company, we need packaging to keep food safe, protect it during transportation, extend shelf life and reduce waste. Our consumer market research as well as our materiality assessment show growing consumer demand and growing stakeholder expectations for us to develop alternative solutions for our packaging and delivery systems for our products, including paper packaging. For Nestlé who is operating in very competitive and innovative markets coupled with increased consumer demand, we need to seize the opportunity to be relevant and meet the demands in a sustainable manner.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency) <Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity

To reduce our environmental footprint and satisfy consumers demand for sustainable products and sustainable packaging, we have signed the Ellen MacArthur Foundation Global Commitment pledging to 100% of our packaging recyclable or reusable.

With its R&D capabilities and marketing expertise, Nestlé is well placed to take advantage of this opportunity. In 2019, we launched our Institute of Packaging Sciences, the first of its kind in our industry, in order to help us accelerate our packaging sustainability ambition and increase brand value as a result. Research focus areas include packaging-free solutions, simplified packaging, functional paper, and recycled, biodegradable or compostable materials. New solutions will be tested in various product categories before being rolled out across Nestlé's global portfolio. For example, the Institute helped launch the fully paper-based packaging for Smarties and for ice cream wrappers. These wrappers are the result of extensive research by a dedicated team of scientists and engineers and replace the multi-material versions that are hard to recycle. The new packaging is made from sustainably sourced paper – from pulp and paper mills certified by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). In 2022, our Quality Street brand also introduced paper-based packaging for its twist-wrapped sweets worldwide.

Forest risk commodity Cattle products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation Supply chain

Primary forests-related opportunity

Increased availability of products with reduced environmental impact (other than certified products)

Company-specific description

Dairy and livestock ingredients are our largest single source of emissions. They accounted for 34.2 million tonnes of CO2e in 2018 – more than half of the emissions created in sourcing our ingredients. In order to work toward our Net Zero ambition, we need to drive a major shift in the sourcing and production these nutritious

ingredients.

By strengthening our programs with livestock farmers to help them restore land, for instance, we can scale up initiatives to help absorb more carbon from the atmosphere. Thanks to our experience in the dairy sector and our network of agronomists and partners, we are well placed to respond to this challenge.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

High Likelihood

Very likely

Are you able to provide a potential financial impact figure? No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are not yet able to disclose a financial impact figure for this opportunity.

Cost to realize opportunity

Strategy to realize opportunity

As a first step, to find the most effective ways of reducing emissions, in 2020 in partnership with the Sustainability in Business Lab at ETH Zurich, we developed a simulation tool to evaluate actions and costs for dairy, which represents most of our livestock emissions. Based on this we defined our focus initiatives, which include: - Cutting the methane produced by animals mainly through the inclusion of feed additives and dietary supplements, with the help of dedicated research and development (R&D) support for the Agriculture team

- Feeding livestock with more sustainable feed, i.e. feed from regenerative agricultural practices to help avoid deforestation and reduce the carbon footprint of feeding livestock

- Making farms more productive through better herd, by helping increase the productivity and livelihoods of farmers, by developing sustainable business models and helping them adopt successful business practices. Currently, we have one pilot farm in South Africa that aims to achieve net zero in the near future, and another in the United States aiming for net zero by 2025. Twenty-three other pilot farms are investigating exciting possibilities to support net zero efforts. In Spain, we are engaging with more than 200 dairy farmers to implement emission reduction practices, which are aimed at reducing their footprint by 40% by 2026. In the UK, since 2015 we have worked with more than 70 farmers to plant more than 42 kilometers of hedgerows and protected more than 40 kilometers of rivers and streams.

- Introducing regenerative agricultural practices such as better paddock management and silvopasture to increase carbon storage in the soil.

- Using our R&D capabilities to support new technologies that aiming at increasing the efficiency of dairy farms, maximizing output while using minimum energy

We expect these initiatives will reduce the emissions from sourcing our dairy and livestock ingredients by 21 million tonnes by 2030.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Board-level committee	The Board is responsible for Nestlé's strategy, organization and oversight of forest-related matters and monitors progress toward our Forest Positive strategy, including toward internal targets. The Sustainability Committee of the Board reviews the Company's plans and actions regarding climate change and related reporting and advises on climate-related matters. This includes our Forest Positive strategy, a critical part of our Net Zero Roadmap. In 2022, the Sustainability Committee reviewed progress on commitments and metrics including the number of trees planted. The Audit Committee of the Board reviews the limited assurance process of selected assured metrics. It has oversight of the accuracy of the Company's financial and non-financial reporting according to applicable rules. This split reflects the importance of ESG in Nestlé's corporate governance and allows Board members to focus on these topics. Both committees meet at least four times per year.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	E	0					
	Frequency that	Governance					
	forests-related	mechanisms into					
	issues are a	which forests-					
	scheduled	related issues are					
	agenda item	Integrated					
Row	Scheduled - some	Monitoring	The oversight of deforestation-related risks and opportunities is embedded at the highest level of Nestlé's corporate structure. We are continually evolving our				
1	meetings	implementation and	corporate governance structure in recognition of the urgency of action to end deforestation and in response to our increasing understanding of the impact of				
		performance	deforestation on our business. Nestlé's Board, which includes 13 independent members, maintains oversight of deforestation-related issues and monitors progress				
		Overseeing	toward our climate change goals and targets. The Board is assisted by its Committees as per their Charters.				
		acquisitions,					
		mergers, and	For example, the Sustainability Committee shall review the Company's plans and actions with regard climate change and related reporting and provide advice on				
		divestitures	climate-related matters. This includes our Forest Positive strategy, which forms a critical part of our Net Zero Roadmap. In 2022, the Sustainability Committee				
		Overseeing major	reviewed progress on commitments and metrics including the number of trees planted.				
		capital expenditures					
		Providing employee					
		Incentives					
		Reviewing and					
		guiding annual					
		Dudgets					
		neviewing and					
		guiding business					
		Beviewing and					
		quiding corporate					
		responsibility					
		strategy					
		Reviewing and					
		guiding major plans					
		of action					
		Reviewing and					
		guiding risk					
		management					
		policies					
		Reviewing and					
		guiding strategy					
		Reviewing					
		innovation / R&D					
		priorities					
		Setting performance					
		objectives					
L	1	1	1				

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Several members of the dedicated Sustainability Committee have recent, relevant expertise as specified in the biographical information included in the Annual Corporate Governance Report. For example, they include engagements in the Alliance for a Green Revolution In Africa (AGRA), the Pan-African Food Agriculture and Natural Resources Policy Analysis Network (FANPRAN) operating in 19 African countries, the EAT Lancet Commission on healthy diets from sustainable food systems, the Australian Centre for International Agriculture Research (ACIAR) Policy Advisory Council, as well as the Global Alliance for Climate Smart Agriculture (GACSA) and the Independent Science Panel of the Climate Change Agriculture and Food Security Program (CCAFS).

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests- related issues	Please explain
Other C-Suite Officer, please specify (The Group EVP Head of Strategic Business Units and Marketing and Sales chairs the ESG and Sustainability Council, which also includes a majority of the members of the Executive Board)	Setting forests- related corporate targets Monitoring progress against forests-related corporate targets Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	More frequently than quarterly	Nestle's Executive Board is responsible for the execution of the sustainability strategy, which covers forest-related issues and includes progress toward our goals and targets. The Executive Board is supported by the ESG and Sustainability Council, which provides governance, strategic leadership and execution guidance, makes recommendations to the Executive Board and takes decisions on behalf of the Executive Board within its delegated authority on forest-related issues and other relevant ESG matters. It coordinates ESG -relevant activities and has oversight of internal ESG data gathering and disclosures. The ESG and Sustainability Council advises the Executive Board on making informed and science-based decisions and drives focused and aligned actions to deliver Nestlé's ESG targets, including Nestlé's Net Zero Roadmap. It is chaired by the Group's Executive Vice President (EVP) Head of Strategic Business Units and Marketing and Sales. The ESG and Sustainability Council coordinates between the Zones, Globally Managed Businesses and functions represented at the Executive Board level. It meets and reports progress to the full Executive Board monthly.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for	Comment
	management of forests-related	
	issues	
Rov	/ Yes	Executive Board remuneration is linked to ESG indicators. ESG objectives (15% of the target) are annually set by the Compensation Committee and reflect selected
1		performance measures from the Nestlé ESG/Sustainability agenda. For 2022, they included our deforestation-free KPI.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Board/Executive board	Ending deforestation and/or conversion of other natural ecosystems	In case an executive reaches all objectives in full, the bonus payout will correspond to the targeted level. If one or more objectives are not reached, the bonus is reduced. The bonus payout is capped at a maximum of 130% of the target.	ESG objectives (15% of the target) are set annually by the Compensation Committee and reflect selected performance measures from the Company's ESG/Sustainability agenda. For 2022, they relate to deforestation, plastic packaging designed for recycling, reduction of water use in factories, affordable nutrition with micro nutrients and the global youth initiative.
Non- monetary reward	No one is entitled to these incentives	<not applicable=""></not>	<not applicable=""></not>	Our focus is currently on executive remuneration and there are no formal non-monetary incentives in place.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report? Yes (you may attach the report – this is optional)

2022-annual-review-en.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues? Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Company-wide

Commodity coverage

General forests policy covering all commodities

Content

Commitment to eliminate conversion of natural ecosystems

- Commitment to eliminate deforestation
- Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Commitment to protect rights and livelihoods of local communities
- Commitments beyond regulatory compliance
- Commitment to transparency
- Commitment to stakeholder awareness and engagement
- Commitment to align with the SDGs
- Recognition of the overall importance of forests and other natural ecosystems
- Description of business dependency on forests
- Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy

List of timebound milestones and targets

Description of forests-related performance standards for direct operations

Description of forests-related standards for procurement

Document attachment

Please explain

Nestlé's commitment on Deforestation and Forest Stewardship is an Appendix to The Nestlé Policy on Environmental Sustainability. This was produced in 2010, and then updated in 2013, following significant consultation with outside experts and is publicly available on our website. The policy describes how the success of Nestlé is intimately connected with the health of the forests and forested landscapes from which it sources some of its raw materials, as well as our ambition that our products have not led to deforestation. This policy served as the basis to inform the deforestation-free requirements that are included in our Responsible Sourcing Standard (RSS). As of 1 July 2018, the RSS replaces previous versions of the Nestlé Supplier Code, as well as the Nestlé Responsible Sourcing Guideline and the Nestlé Commitment for the Responsible Use of Agricultural Raw Materials. The RSS has been developed to help procurement staff and suppliers implement our commitment. It is an integral part of all of our purchase orders and supply contracts and therefore drives internal decision making, including purchasing decisions and responsible sourcing strategies. The Standard makes explicit provisions for the protection of peatland and high-carbon-stock (HCS) land, which are critical in combating deforestation, and for the prevention of social conflict arising from potential disputes over land rights and land acquisition. These criteria go beyond regulatory requirements to promote sustainable long-term supply.

Our Responsible Sourcing Standard requires suppliers to demonstrate evidence of respect for land rights as well as to ensure Free, Prior and Informed Consent (FPIC) for their agricultural and forestry developments and activities.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Public commitments made			
Yes			

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

New York Declaration on Forests Tropical Forest Alliance Cerrado Manifesto Soy Moratorium

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity Timber products

Criteria

No conversion of natural ecosystems Zero gross deforestation/ no deforestation Zero net deforestation No new development on peat regardless of depth Avoidance of negative impacts on threatened and protected species and habitats No trade of CITES listed species No land clearance by burning or clearcutting No conversion of High Conservation Value areas No conversion of High Carbon Stock forests Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples Promotion of gender equality and women's empowerment Adoption of the UN International Labour Organization principles Resolution of complaints and conflicts through an open, transparent and consultative process Facilitate the inclusion of smallholders into the supply chain No sourcing of illegally produced and/or traded forest risk commodities No sourcing of forest risk commodities from unknown/controversial sources Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment 100%

Cutoff date 2015

Forest risk countries/areas that the cutoff date applies to Applied globally

Reason for selecting cutoff date

Specific to commitment

Commitment target date

2021-25

Please explain

Nestlé has made a deforestation-free commitment. Our Responsible Sourcing Standard (RSS) is the tool that we use to operationalize our commitment. The RSS sets the requirements for upstream supply chain third parties, through to first-tier suppliers, sub-tier suppliers and origin service providers, farms or sea-based raw material production defined as origin.

Our RSS includes requirements related to the following and applies to all our suppliers globally:

- Not expanding or producing on:
- Areas converted from High Carbon Stock forests and habitat such as peatland, wetlands, savannas after 31st December 2015, as defined in the HCSA Toolkit.
- 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.
- Identifying, protecting and avoiding producing on HCV lands in and around the producer territory after 31st December 2015, as defined in the HCSA Toolkit.
- Having a forest management plan in place in the case of agricultural production of pulp and paper
- Respect for community land rights and free, prior and informed consent of the local community
- Demonstration of legal right to use the land.
- Transparency of business activities, especially pertaining to traceability back to harvesting locations
- Demonstration of respect for human rights, labor rights and for gender and women empowerment principles

Up to 2020, our focus was on addressing deforestation in our key forest-risk commodities (which includes pulp and paper) supply chains. Building on our 10-year experience, we are moving toward a Forest Positive strategy, where we will work with the objective of helping conserve and restore forests and to help promote sustainable livelihoods and respect for human rights. Our strategy, published in 2021, comprises three pillars: (i) deforestation-free supply chains; (ii) long-term conservation and restoration of forests in our supply chain; and (iii) sustainable landscapes.

Example of monitoring: In 2022, we continued to use Starling satellite technology to monitor forest cover change in five priority sourcing areas. This technology improves visibility of forest with high biodiversity and carbon values such as Intact Forest Landscapes (IFL), and where these areas are under threat. This intelligence supports informed discussions with key suppliers operating there, in alignment with our Forest Positive Strategy and Net Zero Ambition.

Case study: Participation in Earthworm Foundation's Riau Landscape (multi-stakeholder and multi-commodity project). This long-term program includes projects on HCS and HCV assessments (and their use in land-use planning), smallholder trainings on Participatory Land-Use Planning (PLUP) process, protection of natural resources and more. Specifically, within the forest products scope, one sub project is the implementation of an action plan & monitoring of one of Nestlé's ex-suppliers as part of a reengagement process. The goal is to prove through satellite monitoring and grievance monitoring that they have stopped deforestation, addressed human rights issues and are restoring key deforested areas.

Case study: Recovered fiber makes up approximately 60% of our total paper packaging volumes. While we are maximizing its use to reduce pressure on forests, there are social risks in some recycled fiber supply chains. For example, in Brazil, where we are supporting the scaling-up of a social franchise model in collaboration with Earthworm and YouGreen for recycling cooperatives to improve health, safety, working conditions and efficiency, and better contribute to the circular economy. We are also conducting supplier factory assessments with our partners to ensure human rights are upheld and where issues exist, that action plans are being implemented and followed.

Forest risk commodity

Palm oil

Criteria

No conversion of natural ecosystems Zero gross deforestation/ no deforestation Zero net deforestation No new development on peat regardless of depth Best management practices for existing cultivation on peat Avoidance of negative impacts on threatened and protected species and habitats No trade of CITES listed species No land clearance by burning or clearcutting No conversion of High Conservation Value areas No conversion of High Carbon Stock forests Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples Promotion of gender equality and women's empowerment Adoption of the UN International Labour Organization principles Resolution of complaints and conflicts through an open, transparent and consultative process Facilitate the inclusion of smallholders into the supply chain No sourcing of liegally produced and/or traded forest risk commodities No sourcing of forest risk commodities from unknown/controversial sources Restricting the sourcing and/or trade of forest risk commodities to credible certified sources Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

Cutoff date

2015

100%

Forest risk countries/areas that the cutoff date applies to Applied globally

Reason for selecting cutoff date

Specific to commitment

Commitment target date

2021-25

Please explain

Nestlé made a deforestation-free commitment. Our Responsible Sourcing Standard is the tool that operationalizes our commitment. It sets forth requirements for upstream supply chain third parties through to first-tier suppliers, sub-tier suppliers and origin service providers, farms or sea-based raw material production defined as origin.

Our Responsible Sourcing Standard includes requirements related to the following and applies to all our suppliers globally:

1. Not expanding or producing on:

- Areas converted from HCS forests and habitat such as peatland, wetlands, savannas after 31/12/2015, as defined in the HCSA Toolkit.
- · 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.
- 2. Identifying, protecting and avoiding producing on HCV lands in and around the producer territory after 31/12/2015.
- 3. Respect for community land rights and free, prior and informed consent of the local community.
- 4. Demonstration of legal right to use the land.
- 5. Transparency of business activities.
- 6. Demonstration of respect for human rights, labor rights and for gender and women empowerment principles.

Our Forest Positive strategy, published in 2021, comprises three pillars: (i) deforestation-free supply chains; (ii) long-term conservation and restoration of forests in our supply chain; and (iii) sustainable landscapes.

Case study to demonstrate zero net deforestation: we are using Starling satellite imagery to monitor our global palm oil supply chain. We have developed and scaled up a forest footprint exercise based on Starling data to allow us to assess future risks of deforestation in and around our palm oil supply chain. In some areas, we expanded the analysis to include other ingredients and industries beyond palm oil, including pulp and paper, cocoa and coffee. We also consulted various experts on the methodology and results. These insights helped us refine the methodology, identify new data sources, and prioritize engagement with key suppliers. We intend to conduct more external stakeholder sessions to get additional feedback on the prioritization of results.

Case study to demonstrate FPIC: In 2022, our palm oil team mapped sourcing regions with the greatest land rights risks against volumes of palm oil sourced from those regions. This will improve our understanding of land rights risks. The results are being used to develop a strategy for identifying landscape-level projects that Nestlé can support and/or participate in, and can be duplicated for other raw materials.

Forest risk commodity

Cattle products

Criteria

No conversion of natural ecosystems Zero gross deforestation/ no deforestation Zero net deforestation No new development on peat regardless of depth Avoidance of negative impacts on threatened and protected species and habitats No trade of CITES listed species No land clearance by burning or clearcutting No conversion of High Conservation Value areas No conversion of High Carbon Stock forests Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples Promotion of gender equality and women's empowerment Adoption of the UN International Labour Organization principles Resolution of complaints and conflicts through an open, transparent and consultative process No sourcing of illegally produced and/or traded forest risk commodities No sourcing of forest risk commodities from unknown/controversial sources Recognition of legal and customary land tenure rights

Operational coverage

% of total production/ consumption covered by commitment 100%

Cutoff date

2015

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date Specific to commitment

Commitment target date

2021-25

Please explain

Nestlé made a no-deforestation commitment. Our Responsible Sourcing Standard is the tool that operationalizes our commitment. It sets forth requirements for upstream supply chain third parties, through to first-tier suppliers, sub-tier suppliers and origin service providers, farms or sea-based raw material production defined as origin.

Our Responsible Sourcing Standard includes requirements related to the following and applies to all our suppliers globally: 1. Not expanding or producing on:

- Areas converted from High Carbon Stock forests and habitat such as peatland, wetlands, savannas after 31st December 2015, as defined in the HCSA Toolkit.
- · 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.

2. Identifying, protecting and avoiding producing on High Conservation Values (HCV) lands in and around the producer territory after 31st December 2015, as defined in the HCSA Toolkit

3. Respect for community land rights and free, prior and informed consent of the local community

4. Demonstration of legal right to use the land.

5. Transparency of business activities, especially pertaining to traceability back to harvesting locations

6. Demonstration of respect for human rights, labor rights and for gender and women empowerment principles

Up to 2020, our focus has been on addressing deforestation in our key forest-risk commodities (which includes cattle products) supply chains. Building on our 10-year experience, we are moving toward a Forest Positive strategy, where we will work with the objective of helping conserve and restore forests and to help promote sustainable livelihoods and respect for human rights. Our strategy, published in 2021, comprises three pillars: (i) deforestation-free supply chains; (ii) long-term conservation and restoration of forests in our supply chain; and (iii) sustainable landscapes.

Case study on no deforestation: We work closely with all our direct meat suppliers at global level and partners to conduct a mapping of our upstream supply chains and carry out farm assessments in our upstream supply chain with partner organizations. As of end of December 2022, 99.9% of the meat we buy for our Food Business (excluding meat by-products) was assessed as deforestation-free using traceability to no / low risk location and SGS audits.

Forest risk commodity

Soy

Criteria

No conversion of natural ecosystems Zero gross deforestation/ no deforestation Avoidance of negative impacts on threatened and protected species and habitats No trade of CITES listed species No land clearance by burning or clearcutting Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities Promotion of gender equality and women's empowerment Adoption of the UN International Labour Organization principles Resolution of complaints and conflicts through an open, transparent and consultative process Facilitate the inclusion of smallholders into the supply chain No sourcing of illegally produced and/or traded forest risk commodities No sourcing of forest risk commodities from unknown/controversial sources Recognition of legal and customary land tenure rights **Operational coverage**

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date 2015

Forest risk countries/areas that the cutoff date applies to Applied globally

Reason for selecting cutoff date

Specific to commitment

Commitment target date

2021-25

Please explain

Nestlé made a deforestation-free commitment. Our Responsible Sourcing Standard is the tool that operationalizes our commitment. It sets forth requirements for upstream supply chain third parties, through to first-tier suppliers, sub-tier suppliers and origin service providers, farms or sea-based raw material production defined as origin.

Our Responsible Sourcing Standard includes requirements related and applies to all our suppliers globally to the following:

1. Not expanding or producing on:

Areas converted from High Carbon Stock forests and habitat such as peatland, wetlands, savannas after 31st December 2015, as defined in the HCSA Toolkit.

· 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.

2. Identifying, protecting and avoiding producing on High Conservation Values (HCV) lands in and around the producer territory after 31st December 2015, as defined in the HCSA Toolkit.

- 3. Respect for community land rights and free, prior and informed consent of the local community
- 4. Demonstration of legal right to use the land.
- 5. Transparency of business activities, especially pertaining to traceability back to harvesting locations
- 6. Demonstration of respect for human rights, labor rights and for gender and women empowerment principles

Up to 2020, our focus has been on addressing deforestation in our key forest-risk commodities (which includes soy) supply chains. Building on our 10-year experience, we are moving toward a Forest Positive strategy, where we will work with the objective of helping conserve and restore forests and to help promote sustainable livelihoods and respect for human rights. Our strategy, published in 2021, comprises three pillars: (i) deforestation-free supply chains; (ii) long-term conservation and restoration of forests in our supply chain; and (iii) sustainable landscapes.

Case study on no deforestation: To better understand our supply chain exposure, we have developed an approach merging geographical risk analyses with the design of a scorecard for suppliers with Proforest. For the spatial analysis, we focused on Brazil to develop risk maps at municipality scale, considering publicly available information about deforestation, protected areas, land and water conflicts, legal compliance and forced labor. We used the scorecard in 2022 to engage with and get key comparable information from our large number of suppliers.

Forest risk commodity

Other - Cocoa

Criteria

No conversion of natural ecosystems Zero gross deforestation/ no deforestation Zero net deforestation No new development on peat regardless of depth Avoidance of negative impacts on threatened and protected species and habitats No trade of CITES listed species No land clearance by burning or clearcutting No conversion of High Conservation Value areas No conversion of High Carbon Stock forests Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples Promotion of gender equality and women's empowerment Adoption of the UN International Labour Organization principles Resolution of complaints and conflicts through an open, transparent and consultative process Facilitate the inclusion of smallholders into the supply chain No sourcing of illegally produced and/or traded forest risk commodities No sourcing of forest risk commodities from unknown/controversial sources Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date 2015

...

Forest risk countries/areas that the cutoff date applies to Applied globally

Reason for selecting cutoff date

Specific to commitment

Commitment target date

2021-25

Please explain

Nestlé made a no-deforestation commitment. Our Responsible Sourcing Standard is the tool that operationalizes our commitment. It sets forth requirements for upstream supply chain third parties through to first-tier suppliers, sub-tier suppliers and origin service providers, farms or sea-based raw material production defined as origin.

Our Responsible Sourcing Standard includes requirements related to the following and applies to all our suppliers globally:

1. Not expanding or producing on:

- Areas converted from High Carbon Stock forests and habitat such as peatland, wetlands, savannas after 31st December 2015, as defined in the HCSA Toolkit.
- 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.

2. Identifying, protecting and avoiding producing on High Conservation Values (HCV) lands in and around the producer territory after 31st December 2015, as defined in the HCSA Toolkit.

3. Respect for community land rights and free, prior and informed consent of the local community.

4. Demonstration of legal right to use the land.

- 5. Transparency of business activities, especially pertaining to traceability back to harvesting locations.
- 6. Demonstration of respect for human rights, labor rights and for gender and women empowerment principles.

Building on our 10-year experience in addressing deforestation risks in our supply chain, we are moving toward a Forest Positive strategy, with the objective of helping conserve and restore forests and to help promote sustainable livelihoods and respect for human rights. Our strategy, published in 2021, comprises three pillars: (i) deforestation-free supply chains; (ii) long-term conservation and restoration of forests in our supply chain; and (iii) sustainable landscapes. Cocoa is in scope of this strategy

Case study: As part of our work within the Cocoa & Forests Initiative to combat deforestation, we've developed an action plan for Côte d'Ivoire and Ghana to be completed by 2022. Our achievements as of end of 2022 include:

- Mapping over 125 000 farms in Côte d'Ivoire and Ghana well in excess of the original 2022 target
- Distributing over 1,47 million forest and fruit trees to farmers, to drive agroforestry and regenerative agriculture, bringing the total distributed to more than 2.2 million trees • Cumulatively training more than 90 000 farmers in good agricultural practices
- Replanting 634 hectares of Cavally Forest Reserve in 2022 as part of a CHF 2.5 million investment in restoring the forest

• Ramping up our community and reforestation efforts in Beki and Bossematié forests – a key wildlife corridor – reforesting 43 hectares and reaching 5 000 farmers and their families with community awareness-raising sessions

• Successfully running a pilot for small-scale community and sacred forest conservation in Toa Zèo. This approach successfully protected and reforested several small woodlands (between 1 and 16 hectares). It is a model which will now be rolled out to multiple cocoa-farming communities in partnership with the Côte d'Ivoire's Ministry of Waters and Forests (MINEF).

Forest risk commodity

Other - Coffee

Criteria

No conversion of natural ecosystems Zero gross deforestation/ no deforestation Zero net deforestation No new development on peat regardless of depth Avoidance of negative impacts on threatened and protected species and habitats No trade of CITES listed species No conversion of High Conservation Value areas No conversion of High Carbon Stock forests Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples Promotion of gender equality and women's empowerment Remediate any adverse impacts on indigenous people and local communities Adoption of the UN International Labour Organization principles Resolution of complaints and conflicts through an open, transparent and consultative process Facilitate the inclusion of smallholders into the supply chain No sourcing of illegally produced and/or traded forest risk commodities No sourcing of forest risk commodities from unknown/controversial sources Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2015

Forest risk countries/areas that the cutoff date applies to Applied globally

Reason for selecting cutoff date Specific to commitment

Commitment target date

2021-25

Please explain

Nestlé made a no-deforestation commitment. Our Responsible Sourcing Standard is the tool that operationalizes our commitment. It sets forth requirements for upstream supply chain third parties, through to first-tier suppliers, sub-tier suppliers and origin service providers, farms or sea-based raw material production defined as origin.

Our no-deforestation commitment is global and includes:

1. Not expanding or producing on:

- Areas converted from High Carbon Stock forests and habitat such as peatland, wetlands, savannas after 31st December 2015, as defined in the HCSA Toolkit.
- 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.

2. Identifying, protecting and avoiding producing on High Conservation Values (HCV) lands in and around the producer territory after 31st December 2015, as defined in the HCSA Toolkit.

3. Respect for community land rights and free, prior and informed consent of the local community.

4. Demonstration of legal right to use the land.

- 5. Transparency of business activities, especially pertaining to traceability back to harvesting locations.
- 6. Demonstration of respect for human rights, labor rights and for gender and women empowerment principles.

Case study on no deforestation: the no-deforestation strategy for green coffee relies on sourcing Responsibly Sourced (RS) coffee from validated programs with segregated value chains traceable to groups of farmers who have been independently checked against external and credible sustainability standards which include deforestation as an unacceptable practice. We interact with these RS programs to incentivise continuous improvement of their systems, methods and approaches to reinforce all aspects including deforestation. These improvements include wider use of satellite imagery, improved algorithms and better risk-adjusted sampling of audited farms. We already source more than 80% of our total coffee as RS and have aim to 100% RS by 2025 at latest. We have also started using GRAS satellite monitoring to gain more visibility of historical deforestation risks related to diminishing balance of conventional (non-RS) coffee supplies. In addition, we carried out a pilot with GRAS to develop a more 'live' deforestation risk monitoring with satellite risk assessments focused on the immediate previous 12 months. The results are available and under evaluation to determine next steps.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests- related issues integrated?	Long- term time horizon (years)	Please explain
Long- term business objectives	Yes, forests- related issues are integrated	21-30	Deforestation and natural habitat loss are a cause of GHG emissions and therefore affect climate change, which has been identified as one of the greatest risks for Nestlé as the biggest food and beverage manufacturer. To address this, we have integrated forests-related risks into our long-term business objectives. In particular, forest-related risks are core to our Net Zero Roadmap that lays out how we expect to achieve net zero GHG emissions in our entire the value chain by 2050 (scope 1 to 3). To this end, we are following the Science Based Targets initiative (SBTi), which requires us to reduce all possible GHG emissions and compensate the rest with carbon removal projects (e.g. restoring forests) in our own value chains. SBTi also requires us to have an interim target of 50% reduction by 2030. Since our roadmap lays out a framework for actions to achieve zero net emissions (95%) come from activities in our supply chain. A significant quantity of the ingredients we purchase come from natural ecosystems, which are under pressure from agriculture. We are going to accelerate our efforts to help protect and restore these areas, working with farmers and suppliers to enhance biodiversity and limit GHG emissions. The specific interventions we will implement include: - working to make our key supply chains deforestation-free (by 2022 palm oil, soy, beef, pulp & paper, sugar; by 2025: cocoa and coffee). In 2022, 99.1% of palm, soy, beef, pulp and paper and sugar were assessed as deforestation free in our primary supply chains. - Long-term conservation, reforestation and restoration of forests and other precious ecosystems, including planting 200 million trees in key sourcing locations by 2030 and participating in at least 15 sustainable landscapes initiatives by 2023. - Agroforestry projects, building on the work that Nespresso has started in its coffee supply chain. We have also started agroforestry projects in cocoa as part of our Cocoa & Forests, huitative action plan. In 2022, we secured 12 million trees f
Strategy for long- term objectives	Yes, forests- related issues are integrated	21-30	As part of the definition of the roadmap a GHG emission baseline exercise was carried out by ingredient, by business unit, and by Zone and Market. Five internal taskforces were set up to define emissions reduction strategies, including a Sustainable sourcing taskforce and a Product Portfolio one. Finally, our Net Zero Roadmap was defined and published in December 2020. It explains the interventions and associated emissions reductions planned to reach zero net emissions by 2050. Since our roadmap details how we expect to get to zero net by 2050, we have selected the 21-30 year timeline. As part of this roadmap, forest-related risks are integrated into different business aspects – this aims to help transform our supply chain, making it more resilient. As part of this roadmap, at corporate level, reforestation and restoration initiatives will complement our commitment to halt deforestation in our key supply chains. Building on the work we've already started we will scale up implementation of agroforestry on and off farm, restoration of peatlands and other high carbon and high conservation value ecosystems and protection and restoration of forests. We will also implement lower carbon agricultural practices, like regenerative agriculture. This work will apply to all forest-risk commodities, with a focus on palm oil, cocoa, coffee for restoration and rolex conservation and soy and beef for regenerative agriculture. This work will apply to all forest-risk commodities, beef, pulp and paper and sugar were assessed as deforestation free in our primary supply chains Long-term conservation, reforestation and restoration of forests and other precious ecosystems, including planting 200 million trees in key sourcing locations by 2030 and participating in at least 15 sustainable landscapes initiatives by 2023 Agroforestry projects, building on the work that Nespresso has started in its coffee supply chain. We have also started agroforestry projects in cocoa as part of our Cocoa & Forests Initiative action plan. In 2022,
Financial planning	Yes, forests- related issues are integrated	21-30	As part of the Net Zero Roadmap, we have calculated the evolution of emissions over time taking into account our planned interventions and the cost of getting there between 2021 to 2050. As part of this roadmap, at corporate level, reforestation and restoration initiatives will complement our commitment to halt deforestation in our key supply chains. Building on the work we've already started we will scale up implementation of agroforestry on and off farm, restoration of peatlands and other high carbon and high conservation value ecosystems and protection and restoration of forests. We will also implement lower carbon agricultural practices, like regenerative agriculture. This work will apply to all forest-risk commodities. The budget related to our Forest Positive strategy is included in the CHF 3.2 billion we plan to invest by 2025 in delivering our Net Zero Roadmap, and is embedded into our business and brand strategies, including our sustainable sourcing strategies for forest-risk commodities.

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year? Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number Target 1

Forest risk commodity Timber products

Year target was set 2010

Target coverage Company-wide

Target category

Engagement with direct suppliers

Metric

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Base year 2010

Base year figure

0

0

Target year 2022

Target year figure

100

Reporting year figure 99.9

% of target achieved relative to base year [auto-calculated]

99.9

Target status in reporting year Expired

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

Nestlé aims to achieve and maintain deforestation-free primary supply chains. We aimed to achieve this:

- By 2022 for meat, palm oil, pulp and paper, soy and sugar primary supply chains

- By 2025 for coffee and cocoa.

We map our supply chains to know where the raw materials that we buy come from. In at-risk origins, we take steps to assess that our purchases are not contributing to deforestation or the conversion of natural habitats. The techniques we use include satellite mapping and monitoring, on-the-ground assessments and certification. By the end of 2022, 99.9% of our pulp and paper volume was assessed as deforestation-free. 99.6% was traceable to non-very-high risk origins, and 0.3% was assessed on the ground.

Target reference number Target 2

Forest risk commodity Palm oil

Year target was set 2011

Target coverage Company-wide

Target category Third-party certification

Metric % of volume third-party certified

Traceability point </br><Not Applicable>

Third-party certification scheme

RSPO Identity Preserved RSPO Segregated RSPO Mass Balance RSPO Book and Claim

Base year

2011

Base year figure

0

Target year 2023

Target year figure 100

Reporting year figure

71

% of target achieved relative to base year [auto-calculated] 71

' '

Target status in reporting year Underway

Underway

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

In 2022, 71% of our palm oil was sourced from RSPO certified sources, including 3.7% book and claims from independent smallholders.

Target reference number Target 3

Forest risk commodity Palm oil

Year target was set

2010

Target coverage Company-wide

Target category Engagement with direct suppliers

Metric

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

Traceability point <Not Applicable>

Third-party certification scheme <Not Applicable>

Base year 2010

Base year figure

Target year 2022

Target year figure

Reporting year figure 95.6

% of target achieved relative to base year [auto-calculated] 95.6

Target status in reporting year Expired

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

Nestlé aims to achieve and maintain deforestation-free primary supply chains. We aimed to achieve this:

- By 2022 for meat, palm oil, pulp and paper, soy and sugar primary supply chains

- By 2025 for coffee and cocoa.

We map our supply chains to know where the raw materials that we buy come from. In at-risk origins, we take steps to assess that our purchases are not contributing to deforestation or the conversion of natural habitats. The techniques we use include satellite mapping and monitoring, on-the-ground assessments and certification. By the end of 2022, 95.6% of our palm oil volume was assessed as deforestation-free. 89% was assessed from the sky, 6% assessed on the ground and 1% was traceable to non-very-high-risk origin.

Target reference number

Target 4

Forest risk commodity Cattle products

Year target was set 2010

Target coverage Company-wide

Target category Engagement with direct suppliers

Metric

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

Traceability point </br><Not Applicable>

Third-party certification scheme

<Not Applicable>
Base year

2010

Base year figure

Target year 2022

Target year figure 100

Reporting year figure

99.9

% of target achieved relative to base year [auto-calculated] 99.9

Target status in reporting year Expired

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

Nestlé aims to achieve and maintain deforestation-free primary supply chains. We aimed to achieve this:

- By 2022 for meat, palm oil, pulp and paper, soy and sugar primary supply chains

- By 2025 for coffee and cocoa.

We map our supply chains to know where the raw materials that we buy come from. In at-risk origins, we take steps to assess that our purchases are not contributing to deforestation or the conversion of natural habitats. The techniques we use include satellite mapping and monitoring, on-the-ground assessments and certification. By the end of 2022, 99.9% of our meat volume was assessed as deforestation-free as it was traceable to non-very-high-risk origin.

Target reference number

Target 5

Forest risk commodity

Soy

Year target was set 2010

Target coverage Company-wide

Target category

Engagement with direct suppliers

Metric

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

Traceability point </br><Not Applicable>

Third-party certification scheme

<Not Applicable>

Base year 2010

Base year figure

0

Target year 2022

Target year figure

Reporting year figure 99.3

% of target achieved relative to base year [auto-calculated] 99.3

Target status in reporting year Expired

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

Nestlé aims to achieve and maintain deforestation-free primary supply chains. We aimed to achieve this:

 $-\operatorname{By}$ 2022 for meat, palm oil, pulp and paper, soy and sugar primary supply chains

- By 2025 for coffee and cocoa.

We map our supply chains to know where the raw materials that we buy come from. In at-risk origins, we take steps to assess that our purchases are not contributing to deforestation or the conversion of natural habitats. The techniques we use include satellite mapping and monitoring, on-the-ground assessments and certification. By the end of 2022, 99.3 of our soy volume was assessed as deforestation-free. 12% was assessed from the ground and 87% was traceable to non-very-high-risk origins.

Target reference number

Target 6

Forest risk commodity Other - Cocoa

Year target was set

2010

Target coverage

Company-wide

Target category

Engagement with direct suppliers

Metric

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

Traceability point </br><Not Applicable>

Third-party certification scheme

<Not Applicable>

Base year

2010

Base year figure

Target year 2025

Target year figure

Reporting year figure

% of target achieved relative to base year [auto-calculated] <Calculated field>

Target status in reporting year Underway

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

Nestlé aims to achieve and maintain deforestation-free primary supply chains. We aimed to achieve this:

- By 2022 for meat, palm oil, pulp and paper, soy and sugar primary supply chains

- By 2025 for coffee and cocoa.

We map our supply chains to know where the raw materials that we buy come from. In at-risk origins, we take steps to assess that our purchases are not contributing to deforestation or the conversion of natural habitats. The techniques we use include satellite mapping and monitoring, on-the-ground assessments and certification.

Target reference number

Target 7

Forest risk commodity Other - Coffee

Year target was set 2010

Target coverage Company-wide

Target category Engagement with direct suppliers

Metric

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

Traceability point <Not Applicable>

Third-party certification scheme

<Not Applicable>

Base year 2010

Base year figure

Target year 2025

Target year figure

Reporting year figure

% of target achieved relative to base year [auto-calculated] <Calculated field>

Target status in reporting year Underway

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

- Nestlé aims to achieve and maintain deforestation-free primary supply chains. We aimed to achieve this:
- $-\operatorname{By}$ 2022 for meat, palm oil, pulp and paper, soy and sugar primary supply chains

- By 2025 for coffee and cocoa.

We map our supply chains to know where the raw materials that we buy come from. In at-risk origins, we take steps to assess that our purchases are not contributing to deforestation or the conversion of natural habitats. The techniques we use include satellite mapping and monitoring, on-the-ground assessments and certification.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you	Supply	Description of traceability system	Exclusions	Description of exclusion
	have system(s) in place?	chain coverage			
Timber products	Yes	Volume from direct and indirect suppliers	Responsible sourcing starts with knowing where our ingredients come from. Our approach is to work closely with suppliers to create a full picture of their supply chains and sourcing locations. We repeat this exercise every year, at every tier in the supply chain with the help of external partners and service providers. Our global pulp and paper buyers based in Malaysia, Panama, and Switzerland track and monitor the origin of our pulp and paper via supplier Traceability Declaration Documents used to collect traceability data to plantation with our external partner Earthworm Foundation. We continue to explore and investigate existing and new tools which allow us to refine and automate our traceability effort – this was a continued focus point in 2022 and will be in 2023.	Specific product line(s) Other, please specify (Recovered fibre material)	In 2022 we launched a pilot to map and assess the upstream supply for recovered fiber material in the same way that we do for virgin pulp and paper. For recycled fiber we currently map our supply chain back to the recycled fiber supplier level for the paper mill. Recycled fiber that is not currently traceable represents 29% of total recovered pulp and paper sourced. Our traceability data focuses on virgin fiber as this is what may contribute to deforestation.
Palm oil	Yes	Volume from direct and indirect suppliers	Responsible sourcing starts with knowing where our ingredients come from. Our approach is to work closely with suppliers to create a full picture of their supply chains and sourcing locations. We repeat this exercise every year, at every tier in the supply chain with the help of external partners and service providers. Our global oils buyers based in Malaysia, Panama, and Switzerland track and monitor the origin of our palm oil via supplier Traceability Declaration Documents used to collect traceability data to plantation with our external partner Peterson S.A. We then use the traceability data to carry out verification against our Responsible Sourcing Standard and no deforestation commitments. Since 2018 we have been inputting the GPS coordinates of all the mills in our supply chain into the Starling satellite monitoring database, this allows us to monitor al the mills in our supply chain for deforestation risks across all our locations. When we receive Starling alerts, we engage our direct suppliers linked to the mill around which the alert was detected. This helps us understand if the alert is linked to our supply chain, what measures companies in our supply chain to accelerate progress.	Not applicable	<not applicable=""></not>
Cattle products	Yes	Volume from direct and indirect suppliers	Responsible sourcing starts with knowing where our ingredients come from. Our approach is to work closely with suppliers to create a full picture of their supply chains and sourcing locations. Our global buyers based in Malaysia, Panama, and Switzerland track and monitor the origin of our meat via supplier Traceability Declaration Documents used to collect traceability data to country of origin. Traceability is done by surveying the suppliers bi-annually. This is handled by procurement. Suppliers provide their countries of sourcing as well as the names and locations of slaughterhouses that feed into the Nestlé supply chain. Example: We use the traceability data as a starting point to verify our suppliers compliance with our Responsible Sourcing Standard and no deforestation commitment. This is the basis against which we select suppliers for on-the-ground audits and assessments. In addition, based on this traceability information, our partner Proforest will be engaging with our suppliers on how to improve deforestation risk assessment and management in our upstream supply chain.	Other, please specify (Specific ingredient within cattle category (meat by- product for pet care products))	Meat by-products for our pet care products are excluded from the scope of our no deforestation work.
Soy	Yes	Volume from direct and indirect suppliers	Responsible sourcing starts with knowing where our ingredients come from. The traceability for soy means that we can identify the soy origins at least back to the crush site and country of origin, going further upstream (municipalities of growing origin volumes at risk of deforestation). Our approach is to work closely with suppliers to create a picture of their supply chains and sourcing locations. This exercise is conducted on an annual basis. Our Procurement and Responsible Sourcing teams invite targeted suppliers representing most volumes potentially coming from high risk origins to participate in a Supply Chain Mapping procedure. Our partner Proforest then follows up to check evidence of origin. Example: To better understand our supply chain potential exposure, we have developed with Proforest in 2020 a risk-based approach to allow traceability to a level where noncompliance risks can be managed, which we are now implementing. To understand risk at the subnational level, we develop country risk profiles and run spatial risk assessments using publicly available information about deforestation, protected areas, land and water conflicts, legal compliance and forced labor. In high risk countries (Brazil and Argentina), we gather traceability information to the region (biome) of origin and in high risk biomes (Amazon and Cerrado in Brazil and Chaco in Argentina), we then assess whether there are risks of conversion.	Other, please specify (soybean oil and Lecithin)	Traceability improvement efforts has focused on soybean meal & products since these were covered by the scope of DCF confirmation until 2022. We started tracing soybean oil and Lecithin in 2023 and we expect to report it next year. Whenever possible we segregated full direct soy volumes and DCF scope volumes information in the present report to ensure transparency.
Other - Rubber	<not Applicable ></not 	<not Applicabl e></not 	<not applicable=""></not>	<not Applicable></not 	<not applicable=""></not>
Other - Cocoa	Yes	Volume from direct and indirect suppliers	Responsible sourcing starts with knowing where our ingredients come from. As part of the Nestlé Cocoa Plan, our cocoa sustainability program, we work together with our direct suppliers to ensure traceability to the farm. The cooperatives maintain records of all purchases from each farmer, and our supplier maintains traceability up to their warehouse, from which point a mass balance system may be used. For Rainforest Alliance certified cocoa, all of this data is recorded in the RA systems. Example: Our supplier Cargill is implementing a more advanced system using a barcode on each bag in Côte d'Ivoire. In addition, in Côte d'Ivoire and Ghana we have mapped the farm boundaries of over 125,000 farms in Côte d'Ivoire and Ghana – well in excess of the original 2022 target.	Specific product line(s)	We are working to make our cocoa supply chain deforestation free and our cocoa sourced through the Nestlé Cocoa Plan by 2025, with traceability to at least a group of farmers.

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Other - Coffee	Yes	Volume from direct and indirect suppliers	Responsible sourcing starts with knowing where our ingredients come from. As part of the Nescafé Plan, our coffee sustainability program, we work together with our direct suppliers and certifiers to ensure traceability back to an identified group of farmers. The cooperatives maintain records of all purchases from each farmer, and our supplier maintains traceability up to their warehouse. We also have a dedicated program with Nespresso, Nespresso AAA, where a comprehensive AAA database allows Nespresso to trace green coffee back to individual farms, and track the farms' progress in sustainable agriculture practices and farm management improvement Example: Nespresso has partnered with OpenSC to use its technology to trace every bag of coffee digitally and securely from the 1,185 smallholder farms of the AMKA Cooperative in South Kivu, all the way to the consumer. The OpenSC platform automatically verifies that each farmer receives the correct Nespresso AAA Sustainable Quality™ Program premium directly for exactly the coffee they produced - either via mobile money or cash. It uses a Public Blockchain to create a tamper-proof digital log of the coffee's journey, recording when, where, and by whom it was grown, collected, processed, and shipped. It also provides assurance to customers that every farmer receives the right payment, verified automatically.	Not applicable	<not applicable=""></not>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Timber products	Mill	Argentina	99
		Australia	
		Austria	
		Belgium	
		Bosnia & Herzegovina	
		Brazil	
		Bulgaria	
		Canada	
		Chile	
		China	
		Colombia	
		Croatia	
		Czechia	
		Denmark	
		Estonia	
		Fiji	
		Finland	
		France	
		Germany	
		Hungary	
		Indonesia	
		Japan	
		Latvia	
		Lithuania	
		Malaysia	
		New Zealand	
		Norway	
		Poland	
		Portugal	
		Republic of Korea	
		Russian Federation	
		Slovakia	
		Slovenia	
		South Africa	
		Spain	
		Sweden	
		Switzerland	
		Thailand	
		Ukraine	
		United Kingdom of Great Britain and Northern Ireland	
		United States of America	
		Uruguay	
		Viet Nam	
Timber products	Not traceable	Please select	1
·			

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Mill	Brazil	99
		Cambodia	
		Cameroon	
		Colombia	
		Costa Rica	
		Côte d'Ivoire	
		Dominican Republic	
		Ecuador	
		Ghana	
		Guatemala	
		Honduras	
		India	
		Indonesia	
		Madagascar	
		Malaysia	
		Mexico	
		Nicaragua	
		Nigeria	
		Panama	
		Papua New Guinea	
		Peru	
		Philippines	
		Solomon Islands	
		Sri Lanka	
		Indianu	
Palm oil	Plantation	Brazil	96
		Cambodia	
		Cameroon	
		Colombia	
		Costa Rica	
		Côte d'Ivoire	
		Ecuador	
		Guatemala	
		Honduras	
		India	
		Indonesia	
		Madagascar	
		Malaysia	
		Mexico	
		Nicaragua	
		Nigeria	
		Panama	
		Papua New Guinea	
		Peru	
		Philippines	
		Solomon Islands	
		Sri Lanka	
		Thailand	
Palm oil	Not traceable	Please select	1
Cattle products	Country	Australia	99
		Austria	
		Brazil	
		Canada	
		Chile	
		China	
		Colombia	
		Czechia	
		Finland	
		France	
		Germany	
		Italy	
		Japan	
		Netherlands	
		New Zealand	
		Panama	
		Poland	
		Portugal	
		Slovakia	
		Spain	
		Sweden	
		Switzerland	
		United Kingdom of Great Britain and Northern Ireland	
		United States of America	
		Uruguay	
Cattle products	Not traceable	Please select	1

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Soy	Crushing facility	Argentina	97
		Austria	
		Bolivia (Plurinational State of)	
		Brazil	
		Canada	
		China	
		Croatia	
		Czechia	
		France	
		Hungary	
		Nigeria	
		Paraguay	
		Romania	
		Russian Federation	
		Thailand	
		United States of America	
		Uruguay	
Sov	Country	Argentina	98.5
		Austria	
		Bolivia (Plurinational State of)	
		Brazil	
		Cambodia	
		China	
		Croatia	
		Czechia	
		France	
		Hungary	
		Italy	
		Paraguay	
		Romania	
		Russian Federation	
		Thailand	
		Ukraine	
		United States of America	
Sou	Not traccoble	Plaga coloct	1.5
Others Ocean			00
Other - Gocoa	Farm	Brazil	69
		Côte d'Ivoire	
		Ecuador	
		Ghana	
		Indonesia	
		Mexico Venezuela (Bolivarian Republic of)	
Other Coffee	Form		00
Other - Conee	rann	Burundi	00
		China	
		Colombia	
		Costa Rica	
		Côte d'Ivoire	
		Cuba Democratic Republic of the Congo	
		Dominican Republic	
		Ecuador	
		El Salvador	
		Ethiopia	
		Honduras	
		India	
		Indonesia	
		Jamaica	
		Kenya	
		Lao People's Democratic Republic	
		Mexico	
		Myanmar	
		Nicaragua	
		Papua New Guinea	
		Peru	
		Puerto Rico	
		Rwanda	
		Thailand	
		Uganda	
		United Republic of Tanzania	
		Viet Nam	
		Zambia	
		Zimbabwe	
(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	31
Palm oil	Yes	71
Cattle products	No, we have not adopted any third-party certification schemes for this commodity	<not applicable=""></not>
Soy	Yes	7.7
Other - Rubber	<not applicable=""></not>	<not applicable=""></not>
Other - Cocoa	Yes	58
Other - Coffee	Yes	68

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Forest Management certification

Chain-of-custody model used <Not Applicable>

% of total production/consumption volume certified

9

Form of commodity

Unprocessed wood fiber Pulp Paper

Volume of production/ consumption certified 105

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme? Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material. Many converters or paper and pulp mills certify their volume using both FSC and PEFC certification

Forest risk commodity

Timber products

Third-party certification scheme

FSC Controlled Wood

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified 22

Form of commodity

Unprocessed wood fiber Pulp Paper

Volume of production/ consumption certified

252

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material. Many converters or paper and pulp mills certify their volume using both FSC and PEFC certification.

Forest risk commodity Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

0.1

Form of commodity

Unprocessed wood fiber Pulp Paper

Volume of production/ consumption certified

1.3

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material. Many converters or paper and pulp mills certify their volume using both FSC and PEFC certification.

Forest risk commodity

Palm oil

Third-party certification scheme RSPO Segregated

Chain-of-custody model used

<Not Applicable>
% of total production/consumption volume certified

20

Form of commodity Refined palm oil

Volume of production/ consumption certified 89

Metric for volume Other, please specify (Kilotons)

Other, please specify (Ribions)

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain In 2022 we continued to work with suppliers to assess availability of certified material.

Forest risk commodity Palm oil

Third-party certification scheme RSPO Mass Balance

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

1.6

Form of commodity Refined palm oil

Volume of production/ consumption certified

7

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme? No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Credits/Book & Claim

Chain-of-custody model used <Not Applicable>

<NOT Applicable

% of total production/consumption volume certified 49.3

Form of commodity

Refined palm oil

Volume of production/ consumption certified 219

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material. Includes 45.6% book and claims without including credits from independent smallholders, and 3.7% book and claims from independent smallholders only.

Forest risk commodity

Soy

Third-party certification scheme

RTRS (any type)

Chain-of-custody model used Mass balance

% of total production/consumption volume certified 6.6

Form of commodity Sov bean meal

Volume of production/ consumption certified 33.8

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme? No

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

Of certified volumes sourced in 2022, 86% was RTRS mass balance certified.

Forest risk commodity

Soy

Third-party certification scheme ProTerra certification

Chain-of-custody model used

Identity preservation
% of total production/consumption volume certified

1.1

Form of commodity Soy bean meal

Volume of production/ consumption certified 9.3

Metric for volume Other, please specify (Kilotons)

Is this certified by more than one scheme? No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain

Of certified volumes sourced in 2022, 14% was Proterra.

Forest risk commodity Other - Cocoa

Third-party certification scheme

Other, please specify (Rainforest Alliance)

Chain-of-custody model used

Mass balance

% of total production/consumption volume certified 58

Form of commodity Other, please specify (Cocoa beans)

Volume of production/ consumption certified 214.6

Metric for volume Other, please specify (Kilotons)

Is this certified by more than one scheme? No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain This includes identity preserved, segregated and mass balance cocoa.

Forest risk commodity Other - Coffee

Third-party certification scheme Other, please specify (4C)

Chain-of-custody model used Segregation

% of total production/consumption volume certified 65

Form of commodity Other, please specify (Green coffee beans)

Volume of production/ consumption certified 629

Metric for volume Other, please specify (Kilotons)

Is this certified by more than one scheme? No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material.

Forest risk commodity Other - Coffee

Third-party certification scheme

Other, please specify (Nespresso AAA program)

Chain-of-custody model used Segregation

% of total production/consumption volume certified

5

Form of commodity Other, please specify (Green coffee beans)

Volume of production/ consumption certified

50

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme? No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material.

Forest risk commodity Other - Coffee

Third-party certification scheme

Other, please specify (Rainforest Alliance)

Chain-of-custody model used

Segregation

% of total production/consumption volume certified

8

Form of commodity

Other, please specify (Green coffee beans)

Volume of production/ consumption certified

75

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme? No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material.

Forest risk commodity

Other - Coffee

Third-party certification scheme

Other, please specify (Olam AtSource Verified)

Chain-of-custody model used Segregation

% of total production/consumption volume certified

4

Form of commodity

Other, please specify (Green coffee beans)

Volume of production/ consumption certified 40

Metric for volume Other, please specify (Kilotons)

Is this certified by more than one scheme? No

INO

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material.

Forest risk commodity Other - Coffee

Third-party certification scheme Other, please specify (CAFE Practices)

Other, please specily (GAFE Practic

Chain-of-custody model used

Segregation

% of total production/consumption volume certified

3

Form of commodity

Other, please specify (Green coffee beans)

Volume of production/ consumption certified 27

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme? No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material.

Forest risk commodity Other - Coffee

Third-party certification scheme

Other, please specify (EnVeritas verified)

Chain-of-custody model used Segregation

% of total production/consumption volume certified 0.4

Form of commodity Other, please specify (Green coffee beans)

Volume of production/ consumption certified

4

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme? No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material.

Forest risk commodity

Other - Coffee

Third-party certification scheme

Other, please specify (Certifica Minas, Comexim CSC)

Chain-of-custody model used

Segregation % of total production/consumption volume certified

0.9

Form of commodity Other, please specify (Green coffee beans)

Volume of production/ consumption certified

9

Metric for volume

Other, please specify (Kilotons)

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme? <Not Applicable>

Please explain

In 2022 we continued to work with suppliers to assess availability of certified material.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<not applicable=""></not>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<not applicable=""></not>
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<not applicable=""></not>
Soy	Yes, we have a system in place for our no conversion and/or deforestation commitments	<not applicable=""></not>
Other - Rubber	<not applicable=""></not>	<not applicable=""></not>
Other - Cocoa	Yes, we have a system in place for our no conversion and/or deforestation commitments	<not applicable=""></not>
Other - Coffee	Yes, we have a system in place for our no conversion and/or deforestation commitments	<not applicable=""></not>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Supply chain

Description of control systems

We use a combination of tools to assess our no deforestation commitment, starting with supply chain mapping. Our volumes are considered deforestation free in the following cases:

a. Classified as low risk of deforestation by relevant literature.

b. Assessed through on-the-ground assessments (e.g. High Conservation Value/Habitat deforestation by partners (e.g. Earthworm Foundation) and meets Nestlé's Responsible Sourcing Standard requirements

c. Certified by FSC or PEFC

d. Recycled or recovered fiber

c. Is from a source that has been assessed deforestation-free where partner is implementing project.

Monitoring and verification approach

Geospatial monitoring tool Ground-based monitoring system Second-party verification Third-party verification Other, please specify (Traceability to no or low risk of deforestation)

% of total volume in compliance

91-99%

% of total suppliers in compliance 41-50%

Response to supplier non-compliance

Suspend & engage Exclude

% of non-compliant suppliers engaged 100%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance Providing information on appropriate actions that can be taken to address non-compliance Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities Other, please specify (Providing traceability information)

Please explain

We expect all our suppliers to fully respect and adhere to our Responsible Sourcing Standard requirements, which include no deforestation requirements. We monitor our suppliers on an annual basis through, satellite monitoring, on the ground assessments or certification. If a mill or plantation in our supply chain is found to be connected to deforestation, we suspend it and start engaging them as well as our direct supplier where possible. The mill or plantation will re-enter our supply chain under the condition that it has stopped the practice, placed a moratorium on clearance, developed and implemented a no deforestation policy and plan, as well as developed a remediation plan. If no action is taken the company will remain excluded from our supply chain.

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

We use a combination of tools to assess our no deforestation commitment, starting with supply chain mapping and followed by:

- Starling satellite monitoring (covering 100% of our global palm oil supply chain)
- on the ground HCS/HCV assessments
- Field verification by NGO partners like Earthworm Foundation
- Certification (RSPO)

Monitoring and verification approach

Geospatial monitoring tool Ground-based monitoring system Second-party verification Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance 51-60%

Response to supplier non-compliance

Suspend & engage Exclude

% of non-compliant suppliers engaged 100%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance Providing information on appropriate actions that can be taken to address non-compliance Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We expect all our suppliers to fully respect and adhere to our Responsible Sourcing Standard requirements, which include no deforestation requirements. Frequency of monitoring: Through Starling satellite monitoring, we monitor deforestation constantly in almost real time. When alerts are received, we start by engaging our suppliers linked to the mill around which the alert was detected. This helps us understand if the alert is linked to our supply chain, what measures companies are taking to address deforestation risk and to constructively discuss collaboration to accelerate progress.

When necessary, together with our partner Earthworm Foundation and/or with our supplier, we send people on the ground to verify what satellite imagery is showing us and the potential link to specific mills in our supply chain.

If a mill / plantation in our supply chain is found to be connected to deforestation, we suspend it and start engaging them as well as our direct supplier. The mill/plantation will re-enter our supply chain only if it has stopped the practice, placed a moratorium on clearance, developed and implemented an NDPE policy and plan, and developed a remediation plan. If no action is taken it will remain excluded from our supply chain. 14 upstream supply chain companies were removed from our palm oil supply chain since 2018. This is publicly disclosed on our website.

Forest risk commodity

Cattle products

Operational coverage

Supply chain

Description of control systems

We use a combination of tools to assess our no deforestation commitment, starting with supply chain mapping and followed by:

- Deforestation Risk Index such as Maplecroft

- Traceability to Low risk: Volumes that have been traced back to forests/farms/plantations through the use of partnerships with NGOs. Those locations are classified as no or low risk of deforestation by relevant literature.

- Verified on the ground by SGS Audit

Monitoring and verification approach

Geospatial monitoring tool Second-party verification Other, please specify (traceability to no or low risk location)

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Suspend & engage Exclude

% of non-compliant suppliers engaged <10%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance Providing information on appropriate actions that can be taken to address non-compliance Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We expect all our suppliers to fully respect and adhere to our Responsible Sourcing Standard requirements, which include no deforestation requirements. If a mill or plantation in our supply chain is found to be connected to deforestation, we suspend it and start engaging them as well as our direct supplier where possible. The mill or plantation will re-enter our supply chain under the condition that it has stopped the practice, placed a moratorium on clearance, developed and implemented a no deforestation policy and plan, as well as developed a remediation plan. If no action is taken the company will remain excluded from our supply chain. 99.9% of vendors do not source from countries at risk for deforestation. Of the 0.1%, some are in at-risk countries and some are unknown (not traceable).

Forest risk commodity

Soy

Operational coverage

Supply chain Selected facilities, businesses or geographies only

Description of control systems

We use a combination of tools to assess our no deforestation commitment, starting with supply chain mapping and followed by:

- Traceability to regions classified as at low risk of deforestation using tools like Maplecroft. The traceability exercise is carried out in collaboration with our partner

Proforest.

- Volumes have been assessed through on-the-ground assessments by our partners Proforest, and/or through certification such as RTRS and Proterra. Only segregated volumes are accepted as deforestation-free.

Monitoring and verification approach

Ground-based monitoring system Second-party verification Third-party verification Other, please specify (Traceability to no or low risk location)

% of total volume in compliance

91-99%

91-99%

% of total suppliers in compliance

Response to supplier non-compliance

Suspend & engage Exclude

% of non-compliant suppliers engaged 100%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance Providing information on appropriate actions that can be taken to address non-compliance Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We expect all our suppliers to fully respect and adhere to our Responsible Sourcing Standard requirements, which include no deforestation requirements. We monitor our suppliers on an annual basis through on the ground assessments or certification. If a mill or plantation in our supply chain is found to be connected to deforestation, we suspend it and start engaging them as well as our direct supplier where possible. The mill or plantation will re-enter our supply chain under the condition that it has stopped the practice, placed a moratorium on clearance, developed and implemented a no deforestation policy and plan, as well as developed a remediation plan. If no action is taken the company will remain excluded from our supply chain.

Forest risk commodity

Other - Cocoa

Operational coverage

Supply chain

Description of control systems

We use a combination of tools to assess our no deforestation commitment, starting with supply chain mapping and followed by:

- Mapping Nestlé Cocoa Plan farm boundaries: farm boundaries are compared to maps of national parks and other protected forests and are excluded from the supply chain if they are in national parks or forest reserves.

- Certification (Rainforest Alliance)

- Risk assessment through satellite monitoring: assessment from Global Risk Assessment Services (GRAS) in Brazil, Ecuador, Mexico and Venezuela using satellite data from 2015-2020 covering 2 787 653km2. The data was compared with known protected, at-risk and high carbon stock areas. GRAS used remote sensing data and geo-spatial datasets to investigate the total potential risk of deforestation including from mining or urbanization, then determined the agriculture and cocoa risks. The results show that cocoa-related deforestation risk is mainly low and concentrated in specific areas.

Monitoring and verification approach

Ground-based monitoring system Second-party verification Third-party verification

% of total volume in compliance

61-70%

% of total suppliers in compliance 61-70%

Response to supplier non-compliance

Suspend & engage Exclude

% of non-compliant suppliers engaged 100%

Procedures to address and resolve non-compliance with suppliers Other, please specify (Agroforesty)

Please explain

At the moment farmers that are found to be producing in protected areas are excluded from our supply chain. In addition, as part of the certification standard rules they lose their certification. Audits are carried out on an annual basis on a sample of farms. We also have teams of agronomists working directly with smallholders. In addition, in 2020 we partnered with the Ministry of Water and Forests of Côte d'Ivoire to help restore the Cavally Forest reserve, a biodiversity hotspot under threat due to deforestation, and to help enhance the resilience and livelihoods of local communities. It will also support transition pathways for farmers currently producing in the reserve and promote regenerative agriculture for areas around the reserve. In 2021, more than 400 hectares of Cavally Forest Reserve were replanted with the help of the local communities. Phase two of this project began in June 2023.

Forest risk commodity

Other - Coffee

Operational coverage

Supply chain

Description of control systems

For responsibly sourced coffee, we use third party certification standards such as 4C and Rainforest Alliance that are validated as equivalent to the Nestlé Responsible Sourcing Standard. All certifiers today use more advanced technology to assess deforestation risk and risk-adjust the sample of farms audited. Audits are carried out on annually on a sample of farms.

We also have agronomists working with coffee growing communities on the ground.

We carried out a risk assessment from Global Risk Assessment Services (GRAS). The assessment used satellite data from 2015-2020 and covered 889,775 km2 focused on origins/regions we have received non-RS coffee from. The data was compared with protected, at-risk and high carbon stock areas. GRAS used remote sensing data and geo-spatial datasets to investigate the total potential risk of deforestation including from mining or urbanization, then determined the agriculture-specific and coffee-specific risks.

Monitoring and verification approach

First-party verification Third-party verification

% of total volume in compliance 81-90%

% of total suppliers in compliance Please select

% of non-compliant suppliers engaged <Not Applicable>

Procedures to address and resolve non-compliance with suppliers

Other, please specify (No step taken)

Please explain

For our responsibly sourced coffee, including the volumes that are certified by third parties, deforestation is a critical criteria / unacceptable practice, which should be absent from participating farms. We follow the approach and procedures from the certification programs that simply exclude farms with deforestation and don't take steps to resolve non-compliance. Checks are carried out annually and certification audits are carried out at regular intervals on a sample of farms.

Also, note that we cannot give a figure for the % of suppliers in compliance with our standards since we may get responsibly sourced / certified coffee and conventional coffee from the same supplier.

F6.5

(F6.5) Indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code, and provide details of your methods and progress.

	Do you collect data on this indicator?	Percentage compliance with indicator	Method(s) for collecting data	Frequency of collecting data
% of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database, with active status	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>
% of owned and/or managed properties with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>
% of owned and/or managed properties with signed Terms of Commitment of the Environmental Regularization Program (PRA)	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>
% of owned and/or managed properties with no gross deforestation after July 2008	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>
% of suppliers registered on the Rural Environmental Registry (CAR) database, with active status	Yes	91-99%	National tools and databases Supplier documentation Supplier audits Independent audits	More frequently than annually
% of suppliers with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit	Not applicable	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>
% of suppliers with signed Terms of Commitment of the Environmental Regularization Program (PRA)	Not applicable	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>
% of suppliers with no gross deforestation after July 2008	Yes	100%	National tools and databases Supplier documentation Supplier audits Independent audits	More frequently than annually

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from suppliers	<not applicable=""></not>
Palm oil	Yes, from suppliers	<not applicable=""></not>
Cattle products	Yes, from suppliers	<not applicable=""></not>
Soy	Yes, from suppliers	<not applicable=""></not>
Other - Rubber	<not applicable=""></not>	<not applicable=""></not>
Other - Cocoa	Yes, from suppliers	<not applicable=""></not>
Other - Coffee	Yes, from suppliers	<not applicable=""></not>

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

Complying with forest regulations and/or mandatory standards is an integral part of our Responsible Sourcing Standard. The Standard is an integral part of all of our purchase orders and supply contracts and is shared with our suppliers, who we expect to follow its requirements, including compliance with forest regulations.

To assess legal compliance with forest regulations and/or mandatory standards, our implementation partners, like Proforest and Earthworm Foundation, start by carrying out a desk-based risk assessment of our sourcing regions and our suppliers based on supplier questionnaires, literature review and information from satellite monitoring tools. Supplier questionnaires include questions to assess compliance with local regulation. Following this desk-based risk assessment process, suppliers are identified for on-the-ground assessments based on volumes and risk profiles. Our on-the-ground assessments for no deforestation / no conversion are based on the HCS/HCV methodology. We also accept certifications like FSC and PEFC that integrate legal requirements into their standards, against which suppliers are audited for compliance.

Country/Area of origin

Argentina Australia Brazil Colombia Indonesia Malaysia Thailand Viet Nam

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Palm oil

Procedure to ensure legal compliance

Complying with forest regulations and/or mandatory standards is an integral part of our Responsible Sourcing Standard. The Standard is an integral part of all of our purchase orders and supply contracts and is share with our suppliers and expect them to follow its requirements, including compliance with forest regulations.

To assess legal compliance with forest regulations and/or mandatory standards, our implementation partners, like Proforest and Earthworm Foundation, start by carrying out a desk-based risk assessment of our sourcing regions and our suppliers based on supplier questionnaires, literature review and information from satellite monitoring tools. Supplier questionnaires include questions related to compliance with local regulation. Following this desk-based risk assessment process, suppliers are identified based on volumes and risk profiles for on-the-ground assessments. Our on-the-ground assessments for no deforestation / no conversion are based on the HCS/HCV methodology. We also accept certifications like RSPO that integrate legal requirements.

Country/Area of origin

Brazil Cambodia Cameroon Colombia Côte d'Ivoire Ecuador Ghana Guatemala Honduras India Indonesia Madagascar Malaysia Mexico Nicaragua Nigeria Panama Papua New Guinea Peru Philippines Thailand

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Cattle products

Procedure to ensure legal compliance

Complying with forest regulations and/or mandatory standards is an integral part of our Responsible Sourcing Standard. The Standard is an integral part of all of our purchase orders and supply contracts and is share with our suppliers and expect them to follow its requirements, including compliance with forest regulations.

To assess legal compliance with forest regulations and/or mandatory standards, our implementation partners start by carrying out a desk-based risk assessment of our sourcing regions and our suppliers based on supplier questionnaires, literature review and information from satellite monitoring tools. Supplier questionnaires include questions related to compliance with local regulation. Following this desk-based risk assessment process, suppliers are identified based on volumes and risk profiles for on-the-ground assessments. Our on-the-ground assessments to assess no deforestation / no conversion are based on the HCS/HCV methodology.

Country/Area of origin

Australia Brazil Colombia Mexico Panama

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Soy

Procedure to ensure legal compliance

Complying with forest regulations and/or mandatory standards is an integral part of our Responsible Sourcing Standard. The Standard is an integral part of all of our purchase orders and supply contracts and is share with our suppliers and expect them to follow its requirements, including compliance with forest regulations.

Country/Area of origin

Argentina Bolivia (Plurinational State of) Brazil Cambodia Nigeria Paraguay Thailand

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Other - Cocoa

Procedure to ensure legal compliance

Complying with forest regulations and/or mandatory standards is an integral part of our Responsible Sourcing Standard. The Standard is an integral part of all of our purchase orders and supply contracts and is share with our suppliers and expect them to follow its requirements, including compliance with forest regulations.

The volumes of cocoa that we source through the Nestlé Cocoa Plan are certified Rainforest Alliance, which requires compliance with local regulation.

In addition, in Côte d'Ivoire and Ghana, our biggest sourcing region (70% of our total cocoa volumes), we have also taken the following actions:

- we have completed the mapping of the farm boundaries of more than 125 000 farmers who are part of the Nestlé Cocoa Plan.
- we have strengthened cocoa beans traceability systems.
- we have worked with our suppliers to implement an exclusion process for farmers who grow cocoa in protected areas.
- we are sensitizing NCP farmers on forest law enforcement in place in both countries as well as the importance of protecting forests.

Country/Area of origin

Brazil Cameroon Côte d'Ivoire Ecuador Ghana Indonesia Mexico Venezuela (Bolivarian Republic of)

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Complying with forest regulations and/or mandatory standards is an integral part of our Responsible Sourcing Standard. The Standard is an integral part of all of our purchase orders and supply contracts and is share with our suppliers and expect them to follow its requirements, including compliance with forest regulations.

Our responsibly sourced volumes of cocoa are certified or verified by third parties, who check for compliance with legal regulations in addition to compliance with our Responsible Sourcing Standard.

Other - Coffee

Procedure to ensure legal compliance

Complying with forest regulations and/or mandatory standards is an integral part of our Responsible Sourcing Standard. The Standard is an integral part of all of our purchase orders and supply contracts and is share with our suppliers and expect them to follow its requirements, including compliance with forest regulations.

The volumes of coffee that we source through the Nescafé Plan and through Nespresso's AAA program are certified or verified by independent third party organizations, including 4C and Rainforest Alliance. They check for compliance with legal regulations in addition to compliance with our Responsible Sourcing Standard.

Country/Area of origin

Brazil Colombia Côte d'Ivoire Democratic Republic of the Congo Ecuador Guatemala Honduras India Indonesia Kenya Lao People's Democratic Republic Mexico Myanmar Nicaragua Papua New Guinea Peru Philippines Thailand United Republic of Tanzania Viet Nam Zambia Zimbabwe

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

_	A	T	Owner	Number	
	Are you working with	smallholder	engagement	smallhold <u>ers</u>	
	smallholders?	engagement	approach	engaged	
		approach			
Timber	Yes, working	Supply chain	Supplier	1000	Smallholder farmers and family farms are a key part of our pulp and paper supply chain in some locations.
products	with	mapping	audits		
	smallholders	Capacity	Offering on-		This is why Nestlé supports projects with a smallholder focus. A good example is Earthworm Foundation's Rurality initiative in Binh Thuận
		building	site technical		Province, Vietnam, where smallholder acacia farmers supply a chip mill in our pulp and paper supply chain. Nestlé has been funding this
			assistance		project for five years. Notable project achievements since 2018 include:
			and extension		Iraining 1368 tarmers in the Rurality program
			Services		Planting of 450,000 night quality seeconings by tarmers Desting of 42,020 excellance of the ULON Deal Later approximation in ander to protective transition papers in approximation with Ope Trans Dianted
			Providing		 Praining of 35,352 seedings on the lock red Listed species in order to protect/restore riparian zones in cooperation with One Tree Prainted to bole improve biodiversity and coll boolth.
			inpute		to help improve biodiversity and some mean.
			Disseminating		- Decump additional mounts sources for ramers, 254 ramers started growing equipe barrisod and many also started raising apple share and nanting having equipe barrisod and many also started raising apple share and nanting having equipe barrisod and many also started raising apple share and nanting having equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started raising apple share and the started growing equipe barrisod and many also started growing equipe barrisod and many also started growing equipe barrisod and the started growing equipe barrisod
			technical		pranting paratra coopingo.
			materials		This five-year project ended in 2022 and the assets and learnings were handed over to the smallholder farmers for their benefit and that of
			Investing in		the natural environment.
			pilot projects		
Palm oil	Yes, working	Supply chain	Developing or	18000	Smallholders account for 40% of global palm oil production. To promote smallholder inclusion in our supply chains and support them to adopt
	with	mapping	distributing		sustainable production practices and enable resilient livelihoods, Nestle has transitioned to a landscape-based approach involving a holistic
	smallholders	Capacity	supply chain		combination of activities. Nestlé is supporting seven landscape initiatives across Indonesia, Malaysia, and Mexico that are connected to our
		building	mapping tool		palm oil supply chains. Each initiative has different activities and participants, but with common themes to help address the drivers of NDPE
			Offering on-		risks and opportunities within and outside sites in our supply chain, and for workers and smallholder farmers to be offered decent work and
			site technical		livelihoods. In 2022, we continued to fund one additional, smallholder specific initiative to support farmer resilience in Mexico. Nestle also
			assistance		supported smallholders via Independent Smallholder RSPO Book & Claim Credits and purchased 16,559 RSPO credits from independent
			and extension		smallholders in 2022, up from 11,6/3 purchased in 2021.
			Services		
			Providing		
			innuts		
			Investing in		
			pilot projects		
			Supporting		
			smallholders		
			to clarify and		
			secure land		
			tenure		
			Prioritizing		
			support for		
			smallholders		
			deferentetion		
			regions		
0.111	N		- ogiono		
Cattle	INOT applicable	<inot< td=""><td><inot< td=""><td><inot< td=""><td>I ne cattie supply chain is mainly made of big tarms, especially in the USA and in Europe where we source around 98% of your volumes. We do not here any local cattle catt</td></inot<></td></inot<></td></inot<>	<inot< td=""><td><inot< td=""><td>I ne cattie supply chain is mainly made of big tarms, especially in the USA and in Europe where we source around 98% of your volumes. We do not here any local cattle catt</td></inot<></td></inot<>	<inot< td=""><td>I ne cattie supply chain is mainly made of big tarms, especially in the USA and in Europe where we source around 98% of your volumes. We do not here any local cattle catt</td></inot<>	I ne cattie supply chain is mainly made of big tarms, especially in the USA and in Europe where we source around 98% of your volumes. We do not here any local cattle catt
products		whhilesnie>	Applicable>	Applicable>	uo noi nave smainoider came ranners in our supply chain.

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Soy	No, not working with smallholders	<not Applicable></not 	<not Applicable></not 	<not Applicable></not 	The soy supply chain is mainly made of large soy farms, especially in the USA which is our biggest sourcing country (more than 50% of our sourcing) as well as in Brazil and Argentina. As such, we have not prioritized working directly with smallholders to address deforestation risks. Instead we have chosen to focus on specific geographies (Brazilian Cerrado and the Argentinian Chaco biomes) where the risks of deforestation and conversion of natural habitats are higher. We're doing so by engaging directly with our tier-1 suppliers and through collaboration platforms such as the CGF Forest Positive working group, where engagement with soy traders coalition (SCF) is also ongoing.
Other - Rubber	<not Applicable></not 	<not Applicable></not 	<not Applicable></not 	<not Applicable></not 	<not applicable=""></not>
Other - Cocoa	Yes, working with smallholders	Supply chain mapping Capacity building	Developing or distributing supply chain mapping tool Offering on- site technical assistance and extension services Providing agricultural inputs Disseminating technical materials Organizing capacity building events Investing in pilot projects	157157	The cocoa we source is largely grown by smallholders. The Nestlé Cocoa Plan is our cocoa sustainability Program. Our approach is to work with farmer co-operatives - these group farmers together provide traceability and records for all their purchases from each individual farmer. In 2022, 157,157 farmers were part of the Nestlé Cocoa Plan. Our direct Tier 1 suppliers manage the commercial relationship with these co-operatives and most of their sustainability activities, including Rainforest Alliance certification where relevant. The Nestlé team manages some aspects directly, including the supervision of shade tree nurseries, gender training for co-operatives and the development of video training. We also trial new ideas that our suppliers can scale up. We aim to develop long-term relationships with co-operatives through the Nestlé Cocoa Plan, and several have been part of the Nestlé Cocoa Plan for over eight years. In 2022, 1.47 million forest and fruit trees were distributed globally. We also continued to expand our Income Accelerator Program. Using financial incentives, we encourage practices such as agroforestry that we expect to deliver sustainable economic growth for cocoa-farming families.
Other - Coffee	Yes, working with smallholders	Supply chain mapping Capacity building	Developing or distributing supply chain mapping tool Offering on- site technical assistance and extension services Providing agricultural inputs Organizing capacity building events Investing in pilot projects Other, please specify (Financial incentives for certified projects)	242754	The Nescafé Plan and Nespresso AAA programs are our coffee sustainability programs. Both programs aim to address sustainability challenges in the coffee sector and work very closely with coffee smallholders in countries around the world. Both programs implement activities like traceability, investments in community infrastructures, training and technical assistance in best agricultural practices and in entrepreneurship, income diversification, plant research and breeding, climate change adaptation, women's empowerment, premiums for responsible sourced coffee. In 2022, Nescafé provided training to more than 100,000 farmers and more than 140,000 farmers participated in Nespresso's AAA program.

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping Capacity building Financial and commercial incentives

Details of engagement

Supplier audits Offering on-site training and technical assistance Investing in pilot projects Financial incentives for certified products

Description of engagement

As an example of training and technical assistance, in 2022 in Brazil we worked with our partner on the ground to train participants from 16 forest companies with FSC & PEFC membership on how to identify social risks and impacts and establish external communication processes and grievance mechanisms.

Also in 2022, through the Riau landscape initiative in Indonesia we supported Earthworm Foundation to help 14 villages complete participatory land-use planning across community land. Based on the results, 177,076 ha of forest have been identified for protection. A conservation area covering a further 3,000 ha inside a pulp & paper company concession is under formal management.

In parallel, we have engaged six companies in conservation management training and in 2023 will focus on helping them protect HCS/HCV inside their concessions.

% of suppliers engaged by procurement spend covered by engagement 100

Explain the impact of your engagement on the selected action

Addressing risks of deforestation in our agricultural supply chains requires working with our 360 direct suppliers, with whom we have a contractual relationship and who are contractually obliged to ensure that their suppliers abide by our Responsible Sourcing Standard. We verify compliance with the Standard by all our direct suppliers through independent audits that follow SMETA Best Practice. If gaps are found, a time-bound action plan is developed and implemented by the supplier. The implementation of this plan will be later verified by the auditor. In case a supplier refuses to

undergo an audit or to close gaps, we may terminate the business relationship. We collaborate with them to ensure traceability of our raw materials to origins. We work closely with all our suppliers to create a full picture of their supply chains & sourcing locations. We repeat this exercise every year, at every tier in the supply chain. This info is used to carry out farm assessments against our Standard, which may lead to time-bound action plans to address any gaps. Where risks are identified as requiring long-term, tailored interventions to address their root causes, we engage

directly with our suppliers on these

Example:

Using Starling data on forest cover changes to engage our suppliers across five priority landscapes. The information has informed more targeted discussions with suppliers on forest cover change alerts and supported the development of interventions and solutions with them and other stakeholders. We pay premiums for responsibly sourced/ certified pulp & paper. A specific example of a supplier engagement activity in 2022 was continued work with suppliers operating in the Vasterbooten area in Sweden to discuss biodiversity, community wellbeing and forest cover via the Healthy Forest Landscape Approach and report being finalized. Using Starling satellite monitoring data was useful to inform our discussions.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 1)

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement Supply chain mapping Capacity building Financial and commercial incentives

Details of engagement

Developing or distributing supply chain mapping tool Supplier audits Offering on-site training and technical assistance Organizing capacity building events Investing in pilot projects Financial incentives for certified products

Description of engagement

In 2022, Nestlé upgraded its palm oil supplier management system to help assess, address, monitor and report progress in its palm oil supply chain. Supplier assessments are available on a supplier scorecard that includes social (human rights), logistical (traceability) and environmental (deforestation and conversion of relevant ecosystems). Nestle and its implementation partners are now supporting suppliers to improve scores in the criteria most relevant to sourcing DCF and human rights compliant volumes. Nestlé's actions include supporting suppliers to improve respect for human rights through assessments or capacity building, or by monitoring the progress of ongoing remediation practices.

% of suppliers engaged by procurement spend covered by engagement

95.6

Explain the impact of your engagement on the selected action

Addressing deforestation risks in our agricultural supply chains requires working closely with our 58 direct suppliers, with whom we have a contractual relationship and who are contractually obliged to ensure that their suppliers abide by our Responsible Sourcing Standard. We verify compliance with the Standard by assessing and monitoring our direct suppliers. If gaps are found, a time-bound action plan is developed and implemented by the supplier. In case a supplier refuses to undergo an audit or to close gaps, we may terminate the business relationship. We also collaborate with them to ensure traceability of our raw materials to origins. We work closely with suppliers to create a full picture of their supply chains & sourcing locations. We repeat this exercise every year, at every tier in the supply chain. This info is used to carry out farm assessments against our Standard, which may lead to the development of time-bound action plans to address any gaps. Where risks are identified as requiring long-term, tailored interventions to tackle their root causes, we engage directly with our suppliers on these. Examples:

- We used Starling to conduct an in-depth analysis of every single point of origin identified in our supply chain. This included monitoring over 8,000 farm boundaries and the area surrounding more than 1,600 mills, to determine whether origins were assessed deforestation-free or whether further supplier engagement and investigation were needed. In many cases we directly engaged with our direct suppliers on deforestation alerts in our upstream supply chain.

- We participate in landscape initiatives – e.g. we're working with one of our palm oil supplier in La Encrucijada Biosphere Reserve in Mexico on a conservation initiative in the area. The project aims to develop farmer resilience, conservation and restoration and land use planning, including preventing the expansion of palm oil in the reserve. - We pay premiums for responsibly sourced or certified palm oil.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 2)

Forest risk commodity Cattle products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping Capacity building

Details of engagement

Developing or distributing supply chain mapping tool Supplier audits Investing in pilot projects

Description of engagement

In 2022, Nestle conducted a risk assessment with Proforest and identified strategic tier-1 suppliers to engage in a capacity building initiative to create purchase control systems for its meat supply chain.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

Addressing the social and environmental risks, including deforestation, in our agricultural supply chains, requires working closely with our 161 direct suppliers, with whom we have a contractual relationship and who are contractually obliged to ensure that their suppliers abide by our Responsible Sourcing Standard (RSS). We verify compliance with the Standard by all our direct suppliers through independent audits carried out by audit firms

accredited by Nestlé. These audits follow the SMETA Best Practice Guidance. If gaps are found, a time-bound action plan is developed and implemented by the supplier. Implementation is verified by the auditor. In case a supplier refuses to undergo an audit or to close gaps, we may terminate the business relationship. We also collaborate with them to ensure traceability of our raw materials to its origins. We work closely with suppliers to create a full picture of their supply chains and sourcing locations. We carry out this exercised at least annually at every tier in the supply chain with the help of external partners and service providers. This information is then used to carry out farm assessments against our RSS with partner organizations, which may lead to the development of time-bound action plans to address any gaps and show progress year on year. We understand that some actions at farm level require time and often an industry transformation to be implemented. We partner with our suppliers and other industry stakeholders in value-adding projects. These projects aim to improve animal welfare and the environmental sustainability of livestock production.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 4)

Forest risk commodity Sov

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping Capacity building Financial and commercial incentives

Details of engagement

Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site training and technical assistance Investing in pilot projects Financial incentives for certified products

Description of engagement

Nestlé is improving its soy supplier engagement strategies, conducting supplier assessments and developing scorecards that include social (human rights), logistical (traceability) and environmental (deforestation and conversion of relevant ecosystems) criteria. The company is developing a mechanism to support its most relevant suppliers achieve better scores in the criteria that are the most relevant to sourcing DCF and human rights compliant volumes. Nestlé's include supporting suppliers to improve traceability and provide volumes covered by sector-wide acceptable DCF solutions, including evidence of compliance, as part of the company methodology aiming to achieve and maintain 100% DCF direct soy volumes.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

Addressing the social and environmental risks, including deforestation, in our agricultural supply chains, requires working closely with our 204 direct suppliers, with whom we have a contractual relationship and who are contractually obliged to ensure that their suppliers abide by our Responsible Sourcing Standard (RSS). We verify compliance with the Standard by all our direct suppliers through independent audits carried out by audit firms accredited by Nestlé. These audits follow the SMETA Best Practice Guidance. If gaps are found, a time-bound action plan is developed and implemented by the supplier. Implementation is verified by the auditor. In case a supplier refuses to undergo an audit or to close gaps, we may terminate the business relationship. One of the key actions to continuously increase transparency within our own soya supply chain is engagement with suppliers to gradually map where the soya we source comes from. With Proforest, we developed an approach merging geographical risk analyses with the design of a scorecard for suppliers. For the spatial analysis, we focused on Brazil to develop risk maps at municipality scale, considering publicly available information about deforestation, protected areas, land and water conflicts, legal compliance and forced labor. The scorecard aims to provide us with some key comparable information on our large numbers of suppliers, as we need to understand if there are, and what and where the gaps may be. The scorecards are going to be used as our main engagement tool. In 2021, we engaged suppliers through our participation in The Nature Conservancy Regenerative Ranching & Agriculture (R2A) strategy across Latin America to drive transformational change in food production while actively restoring natural systems. This aims to help producers to implement services at scale. We also engaged two strategic suppliers in Argentina to increase capability and capacity of Deforestation Free and Conservation free soy through Producing Right agency.

Is this engagement helping your suppliers engage with their suppliers on the selected action? Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 5)

Forest risk commodity

Other - Cocoa

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement Ending deforestation and/or conversion of other ecosystems

Ending denoteetation and

Type of engagement

Supply chain mapping Capacity building

Details of engagement

Developing or distributing supply chain mapping tool Supplier audits Investing in pilot projects

Description of engagement

Nestle has in place three-year contracts with each supplier that include traceability, social and environmental requirements within the Nestle Cocoa Plan, in addition to our Responsible Sourcing Standard. During the year, the volume of cocoa sourced through the Nestlé Cocoa Plan increased to 68.3% of total cocoa sourced. The plan extended its coverage in Brazil and the groundwork was laid with our suppliers to bring producers in Cameroon and Nigeria into the plan.

% of suppliers engaged by procurement spend covered by engagement

95

Explain the impact of your engagement on the selected action

Addressing the social and environmental risks, including deforestation, in our agricultural supply chains, requires working closely with our 17 direct suppliers who account for more than 95% of our volumes, with whom we have a contractual relationship and who are contractually obliged to ensure that their suppliers abide by our Responsible Sourcing Standard (RSS). We verify compliance with the Standard by our direct suppliers through independent audits carried out by audit firms accredited by Nestlé. These audits follow the SMETA Best Practice Guidance. If gaps are found, a time-bound action plan is developed and implemented by the supplier. Implementation is verified by the auditor. In case a supplier refuses to undergo an audit or to close gaps, we may terminate the business relationship. We also collaborate with them to ensure traceability of our raw materials to its origins. We work closely with suppliers to create a full picture of their supply chains and sourcing locations. This information is then used to carry out farm assessments against our RSS.

Through the Nestlé Cocoa Plan, we work with farmer cooperatives – these group farmers together provide traceability and records for all their purchases from each individual farmer.

Our direct Tier 1 suppliers however manage the commercial relationship with these cooperatives and most of their sustainability activities, including Rainforest Alliance certification where relevant. In 2022, we deployed the Income Accelerator Program in collaboration with direct suppliers.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 6)

Forest risk commodity

Other - Coffee

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping Capacity building

Details of engagement

Developing or distributing supply chain mapping tool Supplier audits Investing in pilot projects

Description of engagement

Contracts with tier 1 suppliers include that 100% of coffee is to come from farmer groups that are part of our validated independent programs.

We onboard key tier-1 suppliers in the Nescafe Plan 2030 approach which, in addition to responsible sourcing, includes regenerative agriculture, carbon emissions reductions and farmer livelihoods.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

Addressing the social and environmental risks, including deforestation, in our agricultural supply chains, requires working closely with our 59 direct suppliers, with whom we have a contractual relationship and who are contractually obliged to ensure that their suppliers and contractors abide by our Responsible Sourcing Standard (RSS). We verify compliance with the Standard by all our direct suppliers through independent audits carried out by audit firms accredited by Nestlé. These audits follow the SMETA Best Practice Guidance. If gaps are found, a time-bound action plan is developed and implemented by the supplier. Implementation is verified by the auditor. In case a supplier refuses to undergo an audit or to close gaps, we may terminate the business relationship. We also collaborate with them to ensure traceability of our raw materials to its origins. We work closely with suppliers to create a full picture of their supply chains and sourcing locations. This information is then used to carry out farm assessments against our RSS. Nearly all the work with do on the ground with smallholder farmers is also in collaboration with our direct suppliers.

Does this engagement contribute to achieving a reported target? Yes, please specify target ID(s) (Target 7)

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Capacity building

Details of engagement

On-site meetings with indirect suppliers Supplier audits Offering on-site training and technical assistance Investing in pilot projects

Description of engagement

Addressing the social and environmental risks, including deforestation, in our agricultural supply chains, requires that we look beyond our direct suppliers and gain visibility of what is happening across all tiers of our supply chains.

This starts with traceability. We work closely with our direct suppliers and partners to conduct a mapping of our upstream supply chains and carry out supplier assessments in our upstream supply chain with partner organizations to identify potential gaps with our Responsible Sourcing Standard. This leads to the development of action plans with milestones and deadlines to act upon risks and improvement opportunities identified during assessments. When an upstream supplier fails to effectively manage identified risks or meet agreed deadlines, we may remove it from our supply chain.

Nestlé's staff and/or our partners often visit our indirect suppliers, usually together with our direct supplier, to assess their practices, understand where they are making progress against action plans and assess where more work needs to be done.

One example of engagement beyond our first-tier suppliers is our support for Earthworm Foundation's project with smallholder acacia farmers supplying a chip mill in Nestlé's pulp and paper supply chain in Bình Thuận Province, Vietnam, to help them implement more sustainable practices and improve their livelihoods.

Explain the impact of your engagement on the selected action

Our support for Earthworm Foundation's project with smallholder acacia farmers supplying a chip mill in Nestlé's pulp and paper supply chain in Bình Thuận Province, Vietnam, has led to:

- · Engaging 368 farmers since start of project (23.1% of farmers in the project area Ham Tan District)
- 740 farmers implementing Best Management Practices (BMP)
- · 60 farmers that have diversified their source of income
- 37.2 hectares of key habitat that is being managed by farmers 301 farmers actively involved in the protection of key habitat
- · 205 farmers following conservation management practices.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 1)

Forest risk commodity

Palm oil

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping Capacity building

Details of engagement

Developing or distributing supply chain mapping tool On-site meetings with indirect suppliers Supplier audits Offering on-site training and technical assistance Participating in workshops Investing in pilot projects

Description of engagement

Addressing the social and environmental risks, including deforestation, in our agricultural supply chains, requires that we look beyond our direct suppliers and gain visibility of what is happening across all tiers of our supply chains.

This starts working on traceability. We work closely with our direct suppliers and partners to conduct a mapping of our upstream supply chains and carry out supplier assessments in our upstream supply chain with partner organizations to identify potential gaps with our Responsible Sourcing Standard. This leads to the development of

action plans with milestones and deadlines to act upon risks and improvement opportunities identified during assessments. When an upstream supplier fails to effectively manage identified risks or meet agreed deadlines, we may remove it from our supply chain.

Nestlé's staff and/or our partners often visit our indirect suppliers, usually together with our direct supplier, to assess their practices, understand where they are making progress against action plans and assess where more work needs to be done.

In addition, we are using alerts received through our Starling dashboard to prioritize where we should conduct on-the-ground verification. We then engage with both our direct suppliers and indirect suppliers linked to the alert.

Where risks are identified as requiring long-term, tailored interventions to tackle their root causes, we engage directly with our suppliers and upstream suppliers on these.

Explain the impact of your engagement on the selected action

As an example, we engaged with suppliers beyond our first-tier by participating in the Mexico Palm Oil Holistic Program, a collaborative effort from Nestlé, PepsiCo, palm oil supplier Oleopalma, the RSPO, Proforest, and Femexpalma to support the sustainable development of the Mexican palm oil sector. The project successfully completed the second phase for four smallholder groups (136 farmers in total), who are part of our direct supplier Oleopalma's supply chain, to achieve RSPO certification under milestone A of the RSPO Independent Smallholder standard, meaning up to 70% of production can be sold as RSPO independent smallholder credits.

In 2022, 71% of our palm oil was sourced from RSPO certified sources, including 3.7% book and claims from independent smallholders.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 2)

Forest risk commodity

Cattle products

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement <Not Applicable>

Type of engagement <Not Applicable>

Details of engagement <Not Applicable>

Description of engagement

99.9% of the beef we source is traceable to non-very-high-risk origins. We prioritise engagement with our tier-1 suppliers so that this remains the case in future.

Explain the impact of your engagement on the selected action

<Not Applicable>

Does this engagement contribute to achieving a reported target? <Not Applicable>

Forest risk commodity

Soy

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping Capacity building

Details of engagement

On-site meetings with indirect suppliers Supplier audits Participating in workshops Investing in pilot projects

Description of engagement

Addressing social and environmental risks, including deforestation, in our agricultural supply chains, requires that we look beyond our direct suppliers and gain visibility of what is happening across all tiers of our supply chains.

It starts by working on traceability. We source soy products from numerous suppliers in many countries, including Argentina, Brazil, Serbia and the USA. Supply chains vary in length and complexity: they can be upstream, when soy is sourced directly from producers, or mid-stream, when producers source soy products and further process them. This is why we work closely with our direct suppliers and partners to source soy that is traceable and Deforestation and Conversion Free. Proforest provides technical assistance and guidance to our suppliers (including beyond tier-1) to help them make improvements in their supply bases. When an upstream supplier fails to effectively manage identified risks or meet agreed deadlines, we may remove it from our supply chain.

We engage with direct and indirect suppliers, aiming to raise awareness about our responsible sourcing requirements and partner to help improve practices on the ground. In 2022 we worked directly with farmers through our landscape initiatives but also through Regenerative Agriculture projects with The Nature Conservancy in Mato Grosso in Brazil and in Chaco in Argentina, and certification support through Producing Right in Chaco – Argentina.

Explain the impact of your engagement on the selected action

Our engagement with indirect suppliers on ensuring DCF volumes is critical to meet our commitments. Our initiatives promoting certification and regenerative agriculture include a DCF commitment as part of eligibility criteria and provide incentives to secure this commitment.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 5)

Other – Cocoa

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping Capacity building

Details of engagement

Developing or distributing supply chain mapping tool On-site meetings with indirect suppliers Supplier audits Offering on-site training and technical assistance Participating in workshops Investing in pilot projects

Description of engagement

Our direct suppliers are traders like Cargill or Olam and our Tier-2 suppliers are cocoa cooperatives. We work closely with all the supply chains actors, traders and cooperatives, to implement the Nestlé Cocoa Plan, our cocoa sustainability plan that aims to help smallholder farmers and their cooperatives address the challenges they face, including deforestation, through three pillars – better farming, better lives and better cocoa. Activities included under each pillar are:

1) Better farming: We work with traders and cooperatives to help farmers improve how they farm, in order to increase yield and income, enabling farmers to "produce more on less land"

2) Better lives: we work with traders and cooperatives as well as cocoa growing communities to promote gender equality; address child labor risks; improve access to finance through village savings and loans association; and carry out income diversification activities

3) Better cocoa: fostering long term relationship with cooperatives; helping cooperatives and farmers get certified

We pay farmers and cooperatives premiums for sustainable cocoa. Long term relationships with farmer co-operatives is key to the Nestlé Cocoa Plan. It is vital that these cooperatives function well, in trading cocoa as well as providing services to their members and the communities they work in. Together with our suppliers we help and train coops to help them manage their business better. The average time coops have been with Nestlé is six years.

We have Nestlé agronomists on the ground working hand in hand with our direct suppliers and cooperatives to help implement the Nestlé Cocoa Plan activities, deliver on the trainings and other capacity building sessions as well as coaching farmers.

Explain the impact of your engagement on the selected action

As of 2022, 157157 farmers were part of the Nestlé Cocoa Plan, we distributed over 1,47 million forest and fruit trees to farmers in 2022, to drive agroforestry and regenerative agriculture, bringing the total distributed to more than 2.2 million trees, and cumulatively had trained more than 90 000 farmers in good agricultural practices.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 6)

Forest risk commodity

Other - Coffee

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping Capacity building

Details of engagement

Developing or distributing supply chain mapping tool On-site meetings with indirect suppliers Supplier audits Offering on-site training and technical assistance Investing in pilot projects

Description of engagement

The Nescafé Plan and Nespresso AAA programs are our coffee sustainability programs. Both programs aim to address sustainability challenges in the coffee sector and work very closely with coffee smallholders and their cooperatives (beyond tier-1 suppliers) in countries around the world.

Both programs implement activities like traceability, investments in community infrastructures, training and technical assistance in best agricultural practices and in entrepreneurship, income diversification, plant research and breeding, climate change adaptation, women empowerment, premiums for responsibly sourced coffee. Premium and long-term relationships: both programs pay premiums for responsibly sourced coffee. Nespresso's AAA program pays premiums for top-quality coffee.

Explain the impact of your engagement on the selected action

- Farmer training:

Nescafé provided more than 100'000 farmer trainings in 2022 as part of its extensive field programs with coffee farmers around the world.

- Plant research and breeding:

Nestlé Research has been running a breeding program for over a decade, creating and selecting new and improved Arabica and Robusta coffee varieties with higher yield, quality and greater resistance to leaf rust and other pests/diseases. Since 2010, more than 270 million high-yielding and disease-resistant coffee plantlets have been distributed to farmers. This contribution has aided the restoration of almost 130 000 hectares of coffee farms worldwide, supporting the increase in soil health and resilience.

- Climate change adaptation:

An agroforestry program, launched in 2013 in cooperation with Pur Projet and the Rainforest Alliance, is helping Nespresso work to mitigate the impacts of climate change and to reduce the carbon footprint of coffee farming. The program aims to protect, regenerate and improve coffee ecosystems to support climate change resilience. Furthermore, it aims to generate economic benefits for coffee farmers thanks to crop diversification and carbon certification. By the end of 2022, Nespresso had funded plantation of 6 million trees in Colombia, Costa Rica, Guatemala, Ethiopia, Brazil, Kenya, Uganda, Indonesia & Nicaragua.

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

		Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
F 1	low	Yes, we engage in landscape/ jurisdictional approaches	<not applicable=""></not>	<not applicable=""></not>

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

	Criteria for prioritizing	Explain your process for prioritizing landscapes/jurisdictions for engagement
	landscapes/jurisdictions	
	for engagement	
Row	Ability to contribute to/	As part of our Forest Positive strategy, we support the transformation of the wider landscapes we source our forest-risk commodities from, in addition to working to help prevent
1	build on existing landscape	deforestation and restore forests within our supply chains. The farms in our supply chains are not isolated - they are part of broader local economies with multiple industries and
	and/or jurisdictional	and uses. This is why it is important to take action and apply integrated strategies that help address the many deforestation drivers in the key regions we source our raw materials
	approaches	from.
	Commodity sourcing	Working at a landscape level is complex, but we believe it is necessary to have a significant impact. Landscapes are where the potential benefits for biodiversity, water
	footprint	stewardship, human rights, climate change and sustainable livelihoods intersect, meaning we need to work very closely with other stakeholders to progress towards our goals.
	Opportunity to build	Here are some of the actions we are taking:
	resilience at scale	
	Opportunity to increase	Supporting sustainable landscape initiatives in our strategic procurement origins
	market access for	Focusing sourcing on landscapes demonstrating sustainable practices
	smallholders and local	Supporting active conservation and restoration initiatives in priority landscapes
	communities	Supporting smallholder livelihood initiatives in priority landscapes
	Opportunity to protect and	Participating in the development of sustainable finance mechanisms
	restore natural ecosystems	
	Recognized as priority	By joining together with the private sector, governments, smallholder farmers and Indigenous Peoples and Local Communities, we can help achieve the vision of a regenerative
	landscape by credible	and equitable agricultural system.
	multi-stakeholder groups	
	Risk of deforestation,	We use different criteria to prioritize our landscape initiative investments. The primary one is to confirm we are sourcing from these landscapes and that these landscapes are at
	torests/land degradation, or	risk of deforestation, conversion or degradation. We also aim to prioritize landscape initiatives in regions with high number of smallholders (e.g. Aceh Landscape Initiative with
	conversion of other natural	Earthworm Foundation). In some cases, we have also prioritized landscapes with high risk of land conflict (e.g. landscape initiative in British Columbia, Canada with Earthworm
	ecosystems	Foundation and Tsay Denne Nation).
	Risk of biodiversity loss	
	Risk of fires	
	Risk of issues related to	
	land tenure rights	
	HISK OF NUMAN FIGHTS	
	Issues Diale of annualize and	
	nisk of supplier non-	
	compliance in area	
	Supply of commodities	
	strategically important	

F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Landscape/Jurisdiction ID

LJ1

Country/Area

Malavsia

Name of landscape or jurisdiction area

Southern Central Forest Spine Landscape Initiative

Types of partners engaged in the initiative design and implementation

National government International civil society organization(s) Indigenous peoples Local communities Local producers/smallholder International company(ies) Direct supplier(s)

Type of engagement

Partner: Shared responsibility in the implementation of multiple goals Funder: Provides full or partial financial support

Goals supported by engagement

Reduced emissions from land use change and/or agricultural production Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate Natural ecosystems conserved and/or restored Decreased ecosystem degradation rate Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management Rights to land and resources recognized and protected, and related conflicts reduced Increased rate of employment in rural economy Ensuring local communities and smallholders benefit from the outcomes of LA/JA approach Implementation of livelihood activities/practices that reduce pressure on forests

Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative Collaborate on management/land use planning in the landscape/jurisdiction Help establish a transparent governance platform responsible for managing the initiative and its activities with clear roles, responsibilities and balanced decision-making Help establish effective mechanisms for undertaking human rights due diligence, risk management, monitoring, verification, and grievance resolution Identify and act on opportunities for pre-competitive collaboration with your sector Share spatial data and land management plans with other stakeholders in the landscape/jurisdiction Collaborate on commodity traceability

Description of engagement

This is a key palm oil landscape, producing nearly 30% of Malaysia's palm oil. It is also a biodiversity hotspot where the government has committed to restore and preserve connectivity. The region is home to >90,000 smallholder farmers, including >10,000 in the focal area. Palm oil mills and plantations in the region employ many migrant workers

Working with other brands, producers and traders, Nestlé served as lead sponsor for this initiative. In 2022 we continued work on co-designing a multi-year work plan, establishing partnerships and following up activities. Desktop and field diagnostics were conducted, with 100% of deforestation hotspots and drivers mapped.

The initiative has built collaborations at national and district level with companies, government and civil society organizations. These include a three-year partnership between Earthworm and the Malaysia Palm Oil Board (MPOB), which identified smallholder farmers for scaling sustainable farming practices and income diversification.

In the field, Earthworm teams forged a relationship with a group of smallholder farmers to explore priority interventions. While WhatsApp was the only way to communicate due to Covid restrictions, farmers were keen to collaborate. Since Q1 2022, we have resumed fieldwork and engaged with 170 smallholders through three MPOB-EF seminars. A pilot of the Earthworm Foundation Ethical Recruitment Human Rights-Based Due Diligence Tool was launched, and training held with a Nestlé supplier and 25 upstream suppliers

Engagement start year

2021

Engagement end year Not defined

Estimated investment over the project period (currency) 450000

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

State the achievements of your engagement so far, and how progress is monitored

In 2022, we continued work on co-designing the multi-year work plan, establishing key stakeholder partnerships, and initiating project activities. Desktop and field diagnostics have been conducted, with 100% of deforestation hotspots and drivers mapped. The initiative has built collaborations at the national and district level with companies, government and civil society organizations. A three-year partnership between Earthworm and the Malaysia Palm Oil Board (MPOB) has been established, as well as a multi-stakeholder partnership to cooperate on managing human and elephant conflict in Johor. Earthworm and MPOB district officers have identified smallholder farmers for scaling sustainable farming practices and income diversification via Malaysia Sustainable Palm Oil certification engagement.

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate Iandscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data	<not Applicable></not 	<not applicable=""></not>

F6.11

Yes

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Activities Involved in industry platforms

Country/Area Not applicable

Subnational area Not applicable

Initiatives

<Not Applicable>

Please explain

We cannot address the challenges in the pulp and paper supply chain alone, and therefore continue to collaborate with industry to drive lasting change. For example, we are active members of the Consumer Goods Forum Forest Positive Pulp & Paper Working Group (WG). In 2022, the WG shared draft guidance with external stakeholders and supply chain actors to seek their feedback. Nestle's representative reviewed feedback so that the final version 1 of the CGF Guidance on Forest Positive Paper, Pulp and Fiber-based packaging (PPP) could be published in 2023.

The Forest Positive Coalition also aims to:

• Build a shared understanding among Coalition members of countries which are high priority for engagement, including priority issues in the different countries/regions, building on the existing CGF Sourcing Guidelines further informed by discussion with relevant external stakeholders (e.g. FSC, PEFC, CDP, AFi, local stakeholders) and experience of member companies

• Build and actively support collective initiatives to share good practice on sustainable forest management among Coalition members and across the wider sector, including

- a toolbox with methods/tools that could be used in different landscapes/regions
- Report publicly at least annually, and more frequently where agreed, on all the KPIs agreed by the Coalition.

These actions, taken at industry level, will help us in implementing our Forest Positive strategy.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives? Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Tropical Forest Alliance 2020 (TFA) Palm Oil Transparency Coalition (POTC) Other, please specify (Different national sustainable palm oil roundtables (e.g. Swiss roundtable for sustainable palm oil); Palm Oil Collaboration Group; Palm Oil Transparency Coalition)

Please explain

To address the key challenges in our palm oil supply chains and to contribute to our no deforestation and Net Zero ambitions, we are transitioning to a Forest Positive strategy that includes the following pillars: 1) deforestation-free supply chains. 2) Long-term forest conservation and restoration in our supply chains using a Forest Footprint methodology. 3) Investments in sustainable production landscapes: We will invest in key production landscapes in important forest-frontiers to help that land use demands are managed in the best way for both the environment and for human wellbeing. The strategy also comprises actions to advocate for the enabling environment needed for longer term, systemic change that should allow positive outcomes.

Our key advocacy topics are related to: supply chain, transparency, human rights and environmental due diligence regulation, engagement with producer countries, smallholder inclusion and collective action. We aim to leverage our participation in multi-stakeholder platforms such as TFA, to contribute to shape an ambitious industry agenda on forest conservation and participate in collaborative actions on the ground as well as advocate for an enabling environment in importing and producing countries. We have been involved in a TFA-convened working group to shape a multi-stakeholder position calling on the EU to adopt a smart mix of measures to address imported deforestation. This was signed by 50+ organizations including Nestlé (private sector, civil society, etc.).

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

We cannot address the challenges in our palm oil supply chains alone, and therefore we continue to collaborate with industry to drive lasting change. We are active members of the Consumer Goods Forum Forest Positive Palm Oil Working Group, the Palm Oil Collaboration Group and the Palm Oil Transparency Coalition (POTC). As part of POTC, we work collaboratively with the other member companies to assess the first importers of palm oil on their approach to address deforestation and exploitation, in order to promote transparency and encourage progress beyond certification.

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area Not applicable

Subnational area

Not applicable

<Not Applicable>

Please explain

We cannot address the challenges in the soy supply chain alone, and therefore we continue to collaborate with industry to drive lasting change. We are co-leading the Consumer Goods Forum Forest Positive Soy Working Group, for example. The WG published its first Soy Roadmap in 2020 and updated several of its elements over the course of 2021, including adding specific KPIs on the landscape element of the working group. In 2022, the Soy WG launched the Soy Roadmap Guidance, providing sectoral aligned methodologies for implementing and reporting on the actions in the roadmap. These actions, taken at industry level, will help us in implementing our Forest Positive strategy.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives? Yes

Activities Involved in industry platforms

Country/Area Not applicable

Subnational area

Not applicable

Initiatives <Not Applicable>

Please explain

We cannot address the challenges in the beef supply chain alone, and therefore we continue to collaborate with industry to drive lasting change. We participate in the Consumer Goods Forum Forest Positive Beef Working Group, for example. In 2022 specifically, we participated in the supplier engagement workstream.

These actions, taken at industry level, will help us in implementing our Forest Positive strategy for beef.

Forest risk commodity Other - Cocoa

Do you participate in activities/initiatives?

Yes

Activities Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area Not applicable

Initiatives

Other, please specify (Cocoa and Forests Initiative)

Please explain

Addressing deforestation risks in cocoa supply chains is complex and requires a concerted approach. That's why we joined the Cocoa & Forests Initiative (CFI) when it launched in 2017. CFI brings together all the relevant stakeholders – the cocoa and chocolate industry, governments of producing countries, cooperatives, farmers and rural communities – to address the challenges we collectively face. We have published our CFI Action Plan and report annually on our progress through our Towards Forest Positive Cocoa Report. The progress we have made would not have been possible without the help of our partners: notably the Ministry of Water and Forests (MINEF) and the Société de Développement des Forêts (SODEFOR) – the forest development society – in Côte d'Ivoire. We are also profoundly grateful for the ongoing support of the World Cocoa Foundation Earthworm Foundation, the Rainforest Alliance and PUR Projet amongst others.

Forest risk commodity

Other - Coffee

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area Not applicable

Initiatives

Tropical Forest Alliance 2020 (TFA)

Please explain

Nescafé is part of several sector organizations, including the Global Coffee Platform (GCP), the International Coffee Organization (ICO) Public-Private Taskforce and the Sustainable Coffee Challenge. Each organization has unique capabilities to make a positive contribution to the coffee sector. They achieve their ultimate potential when working in close coordination to maximize the overall benefits of their actions. For example, GCP brings roasters, retailers, traders, growers, and civil society members together to promote collective local action for global results. GCP members identify common challenges and join forces through collective action initiatives to find and scale common solutions. Another important GCP development has been the Coffee Sustainability Reference Code, which acts as a standard reference for sustainable practices in the sector. Accompanying this is the Equivalence Mechanism, which allows existing coffee certification and verification programs to be assessed in line with this common reference and operational criteria. This helps harmonize core sustainability principles in various programs, increases transparency about these programs and acts as an independent recognition process for the sector.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection? Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference Project 1

Project type

Agroforestry

Expected benefits of project

Compliance with certification Contribution to net zero goals Contribution to SBTi target(s) Improvement to soil health Improvement to sustainability of production practices Increase in carbon sequestration Net gain in biodiversity and ecosystem integrity Protection of human rights Protection of hand tenure Reduce/halt biodiversity loss Reduction of GHG emissions Restoration of natural ecosystem(s) Securing continued supply of agricultural commodities

Is this project originating any carbon credits?

Yes

Description of project

Since 2014, Nespresso has been transitioning AAA coffee farming into agroforestry models. Begun in Colombia and Guatemala, this approach is being expanded to nine of its sourcing regions. As part of this program, Nespresso committed to plant five million trees in the AAA coffee farms and landscapes. Around 65% of the coffee in scope is from carbon-verified operations (either Ecocert Reforestation Solidaire or Verified Carbon Standard). Going forward we expect to pilot Value chain Certification in some of the origins. These operations act as verification for Nespresso's carbon mitigation roadmap.

By the end of 2021, Nespresso had reached the commitment and has now funded plantation of 6 million trees in Colombia, Costa Rica, Guatemala, Ethiopia, Brazil, Kenya, Uganda, Indonesia & Nicaragua. We aim to fund the planting of an additional 12 million trees by 2025.

For the purpose of this question, we will focus on our Colombian project.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year 2014

Target year

2025

Project area to date (Hectares) 3936

Project area in the target year (Hectares)

4477

Country/Area

Colombia

Latitude

Longitude

76

Monitoring frequency

Annually

Total investment over the project period (currency)

For which of your expected benefits are you monitoring progress?

Compliance with certification Contribution to net zero goals Contribution to SBTi target(s) Improvement to soil health Improvement to sustainability of production practice Increase in carbon sequestration Net gain in biodiversity and ecosystem integrity Protection of human rights Protection of hand tenure Reduce/halt biodiversity loss Reduction of GHG emissions Restoration of natural ecosystem(s) Securing continued supply of agricultural commodities

Please explain

Monitoring takes place:

- o (tree survival) 6 months after planting
- o (tree survival) 1 year after planting
- o Long Term (visit and advice to farmers on tree/shade management) after 5 years of operation (on all parcels of project, at least once)
- o Biomass inventories (tree growth calculation) every 5 years, random sampling of parcels (1-2% of the parcels registered in VCS)

Outcomes

Biodiversity: 2.15 million trees planted with 45+ different species managed. Trees create favorable conditions for biodiversity in terms of nutrition, habitat and protection from predators. They attract beneficial organisms such as birds and insects that participate in pollination and natural pest management and form natural corridors that maintain ecological continuity in the landscape.

An impact study to assess avian biodiversity in Consaca, Nariño compared the biodiversity of birds between coffee plots with agroforestry and without. Compared to full sun coffee systems, shaded coffee systems showed a higher bird species diversity and abundance. Sun systems are expected to have an annual pest management cost of about 800,000 COP (220 USD) compared to shade systems with only 250,000 COP (70 USD).

Soil: in Cauca and Nariño regions having highly degraded land, integrating trees into the agricultural landscape guards against soil depletion and supports continued fertility. The decomposition of tree leaves and roots (humus) enriches the soil with organic matter and increases soil biodiversity, whilst the canopy protects the soil against wind and rainfall.

Water: The trees planted regulate hydrologic cycles that were disrupted by mass deforestation, led to much drier soils and threatened crop sustainability. The tree's roots loosen the soil and increase soil permeability. This in turn reduces the impacts of floods and increases the soil's water capacity. The tree's deep root system has the capability to recover soil nutrients and water from deeper soil horizons, while preventing nitrates from being runoff and contaminating groundwater reserves. Through limited evapotranspiration, planted trees also contribute to preserve soil moisture.

Beyond this, within the coffee parcel, trees provide shade and maintain a cool microclimate.

Social: 7764 smallholder farmers benefited by the agroforestry projects. Long term benefits related to Climate resilience & income diversification.

Project reference Project 2

Project type Agroforestry

Expected benefits of project

Contribution to net zero goals Contribution to SBTi target(s) Improvement to soil health Improvement to sustainability of production practices

Is this project originating any carbon credits? Yes

Description of project

Our Global Reforestation Program (GRP) is aimed at helping to conserve and restore land and natural ecosystems in our supply chain and sourcing landscapes, while respecting the rights of Indigenous Peoples and Local Communities and promoting sustainable livelihoods. The selected projects are designed to have positive long-term impacts on people, nature and the climate. We aim to grow 200 million trees by 2030.

In 2022, as part of our ongoing Global Reforestation Program (GRP), we began work aiming to plant 10 million trees in Australia by 2025 as well as launching new projects in China, Ghana and Thailand leading up to 12.4 million trees. Overall, we secured 3.1 million tonnes of CO2 e removals through nature-based solutions in 2022. Secured removals are from projects that were contracted in 2022 but had not necessarily been implemented by the end of the year. In Colombia, a GRP project delivered more than 310 000 trees. Ultimately, it aims to plant 7.5 million trees in and around farmers' coffee fields. In Nicaragua, an ongoing GRP project from 2021 (within the Nescafé and dairy supply chains) reached its 2022 goal of planting one million trees, as part of a 20-year project to plant 8.6 million trees in total. The project has an estimated carbon capture potential of 1.9 million tonnes of CO2 e over 20 years. It is expected to improve biodiversity and forest connectivity, as well as protecting water sheds and creating additional income for participating farmers. Similarly, an ongoing GRP project in Honduras (within the Nescafé supply chain) reached over 500000 trees planted by the end of the year. This is part of a 20-year project, aimed at planting 5 million trees over the course of the first six years. The trees will be used as shade trees on coffee farms and for restoring forests in protected areas.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2021

Target year 2041-2045

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area Australia

Latitude

Longitude

Monitoring frequency Annually

Total investment over the project period (currency)

For which of your expected benefits are you monitoring progress?

Contribution to net zero goals Contribution to SBTi target(s) Increase in carbon sequestration Net gain in biodiversity and ecosystem integrity Restoration of natural ecosystem(s)

Please explain

The Nestlé Global Reforestation Program (GRP) is the overarching initiative through which we implement the forest conservation and restoration pillar of our Forest Positive strategy in our sourcing landscapes. In 2022, the GRP was active in Australia, China, Colombia, Ghana, Honduras, Nicaragua, Philippines, Thailand.

Reforestation and restoration of degraded natural landscapes are Natural Climate Solutions (NCS) that help remove and store carbon in the long-term. As part of our Net Zero Roadmap, our GRP is forecast to deliver 2.0 million tCO2 removals in 2030. GRP projects we invest in are in areas connected to where our key ingredients are produced. We do this working closely with our expert partner organizations, and we invest in these locations for the long-term.

Transparency is important. We track the number of trees and corresponding tonnes of CO2 sequestered for all GRP projects. We use robust monitoring and accounting methodologies to assess the impact, appropriateness, effectiveness and efficiency of reforestation and natural landscape restoration initiatives over the project lifetime.

Example projects deliverables:

- In Nicaragua, the project reached its 2022 goal of planting one million trees, as part of a 20-year project to plant 8.6 million trees in total in an area of 2400 ha. The project has an estimated carbon capture potential of 1.9 million tonnes of CO2 e over 20 years. It is expected to improve biodiversity and forest connectivity, as well as protecting water sheds.

- Similarly, an ongoing GRP project in Honduras (within the Nescafé supply chain) reached over 500000 trees planted by the end of 2022. This is part of a 20-year project, aimed at planting 5 million trees over the course of the first six years. The trees will be used as shade trees on coffee farms and for restoring forests in protected areas and is expected to benefit 10 000 farming households.

F7. Verification

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F6. Implementation

Data points verified

F6.1a - Percentage of cattle products, palm oil, pulp and paper, and soy assessed as deforestation-free.

Verification standard

ISAE3000

Please explain

In 2022, we engaged EY to provide independent assurance on selected key performance indicators (KPIs) of high strategic importance including the percentage of key raw materials assessed as deforestation-free. This assurance engagement was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 to provide limited assurance.

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity Timber products

Coverage

Supply chain

Primary barrier/challenge type Value chain complexity

Comment

Supply chain complexity is a key challenge in addressing deforestation and forest degradation risks in the pulp & paper sector. It leads to challenges in tracing the raw material all the way to origin as sources of virgin fiber are diverse and may be shipped from all around the world, from tropical forests like Indonesia to temperate ones like those in Canada, before arriving to the mill supplying the converter, which is our direct supplier. This diversity also means that the challenges that we are facing in our supply chain are different and required different approaches. Sometimes, it can be easy to identify deforestation risks. For example, converting rainforests to tree plantations clearly violates our specific requirement to protect high conservation value (HCV) forests and peatlands. However, other forests from which we source carry inherently low risks of deforestation or significant degradation. These include long-established plantations and other areas where there is a high level of governance from national, environmental and social organizations. Between these extremes, there is a wide and varied range of risk of potential forest degradation. We are working with our suppliers to understand and explore these situations and define actions plans to avoid forest degradation from happening.

Forest risk commodity Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Land tenure and insecure property rights issues in sourcing regions

Comment

Indigenous Peoples and Local Communities play a crucial role in protecting standing forests. However, the relationship between deforestation and human rights risks is sometimes not well-understood across the consumer goods industry and beyond. Indeed, environmental and social sustainability challenges are often viewed as part of separate fields. This is especially relevant in the palm oil sector as conflicts related to land have frequently been linked to oil palm plantations. While identifying customary lands is crucial to address deforestation challenges, the lack of information is slowing progress. In 2022, we completed with one of our partners the land and natural resources risk profiles to assess sub-national land rights risks and dynamics in a sample of sourcing regions to inform company engagement efforts in high-risk geographies. For 2023, we expect to help leverage their resources to support improvements - such as targeted advocacy, supplier trainings, and investments in landscape programs alongside other public and private sector partners.

Forest risk commodity

Cattle products

Coverage Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

The cattle production supply chain is complex with cattle moving through different owners in the course of their lifetime as producers specialize themselves. This leads to a

complex supply chain with many tiers and with low traceability. The largest producers, in Brazil notably, have implemented satellite monitoring systems for their direct suppliers. However, the real challenge remains on how to monitor the upstream supply chain beyond our Tier 2 suppliers. Our volume of meat coming from Brazil is relatively low and so is our leverage to transform practices. This is why we have joined the Consumer Goods Forum Forest Positive Coalition's Meat Working Group to help join forces with other buyers. In January 2022, the working group published its roadmap and we participated in the supplier engagement workstream.

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

We source soya products from numerous suppliers in many different countries, including Argentina, Brazil, Serbia and the USA. In addition, supply chains vary in length and complexity: they can be upstream, when the soya is sourced directly from producers, or mid-stream, when producers source soya products and further process them. As a result, knowing where soya was produced is not straightforward. Both for soy products and for embedded soy, which in our supply chain we call direct and indirect soy, respectively, the lack of adequate traceability systems is one of the main barriers to know whether soy was produced in high risk origins or not. To address this challenge, we have been engaging our suppliers to map the direct soy supply chain using a risk-based approach, going more granular in traceability when the origin is high risk and, therefore, proof of no deforestation origin is deemed necessary. Even though this will help Nestlé in delivering volumes assessed as deforestation-free, it will not solve the traceability for soy. In this sense, knowing that few global traders concentrate most of the market share, engaging traders with clear asks, incentives and consequences to improve transparency of the volumes they source is necessary. This is being part of scope of collaborative initiatives in which we are engaged, including the Consumer Goods Forum's Forest Positive Coalition. In 2022, we continued to co-lead the Soy Working Group.

Forest risk commodity

Other - Cocoa

Coverage

Supply chain

Primary barrier/challenge type

Lack of regulatory control and enforcement from local governments

Comment

Through our participation in the Cocoa & Forests Initiative, we are addressing deforestation risks in our Nestlé Cocoa Plan supply chain efficiently thanks to our good traceability to farm, complemented by the mapping of the farm boundaries that can then be overlaid with the maps of protected forests. However, this hasn't stopped forests outside of our Nestlé Cocoa Plan supply chain to be cut or degraded. We believe that one key piece of the puzzle to address deforestation and forest degradation in the entire cocoa sector is for forest governance and law enforcement to be strengthened.

In 2021, we signed, along other business leaders across the food industry, a statement supporting ambitious action by the European Union (EU) to increase supply chain transparency and traceability for commodities that may be linked to deforestation. We kept advocating this position until a political agreement was reached by end 2022 on this regulation.

Forest risk commodity

Other - Coffee

Coverage

Supply chain

Primary barrier/challenge type

Other, please specify (Inefficiency of smallholding farms)

Comment

Around the world, 25 million smallholders produce 70-80 percent of the world's coffee. Most of these smallholders do not have adequate farming techniques, have old plantations, lack access to agricultural inputs and to finance. These factors lead to farming being inefficient and to low incomes. As a result these smallholders may use up more land to produce enough crops and feed their family, sometimes expanding their plantations on protected forests or high conservation value ecosystems. The growing demand for coffee could potentially increase pressure on forests across many regions, including Africa, South East Asia and part of Latin America. Deforestation is very much linked to poverty and part of the solution to deforestation will have to be based on addressing living income. All relevant stakeholders, including the coffee industry, the origin governments and civil society, need to work together with smallholders and their communities to promote sustainable livelihoods while ensuring forest protection. As a company, we've been supporting farmer trainings on good agricultural practices for the farmers we work with. With the knowledge gained, they can improve efficiency and quality on their farms and diversify their crops. This helps reduce economic risk, improve biodiversity and reduce environmental footprints, for example through more efficient irrigation methods. We also help rejuvenate coffee crops by distributing superior coffee plantlets to farmers.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Other, please specify (Implementation of a smart mix of measures by regulators)

Comment

Based on our more than 10 years' experience in addressing deforestation in our supply chains, we know that there is no 'silver bullet' solution and that no single policy instrument can address all deforestation drivers. Rather, a "smart mix" of measures is necessary to address deforestation, by incentivizing and rewarding the right behaviors by commodity buyers and producers, leveling the playing field and increasing collaboration on the ground. We believe this smart mix of measures include the following:

• Legislation to introduce an obligation of due diligence on companies involved in commodity supply chains, and to put in place other demand-side measures to support markets for sustainably produced commodities.

• Encouragement for robust, consistent and practical systems and approaches to enable companies to assess, verify and report on risk and risk mitigation within their supply chains.

Partnerships between the importing and producer countries to put in place the enabling conditions necessary to protect forests and improve the standards of production of agricultural commodities.

Dialogue with other consumer countries, to ensure that stricter standards in some importing markets do not simply divert unsustainably produced products away to other markets.

• Measures to steer flows of finance and investment away from unsustainable and towards sustainable activities and supply chains. This is why Nestlé is active in shaping the policy debates around measures to combat deforestation.

As such in 2022 we:

- Actively participated in a multi-stakeholder working group led by the Tropical Forest Alliance and in industry associations (e.g. AIM, CAOBISCO, FoodDrinkEurope,

European Coffee Association)

- Advocated for a smart mix of measures at EU level to address commodity-driven deforestation.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Other, please specify (Implementation of a smart mix of measures by regulators)

Comment

Based on our more than 10 years' experience in addressing deforestation in our supply chains, we know that there is no 'silver bullet' solution and that no single policy instrument can address all deforestation drivers. Rather, a "smart mix" of measures is necessary to address deforestation, by incentivizing and rewarding the right behaviors by commodity buyers and producers, leveling the playing field and increasing collaboration on the ground. We believe this smart mix of measures include the following: • Legislation to introduce an obligation of due diligence on companies involved in commodity supply chains, and to put in place other demand-side measures to support

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Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Other, please specify (Implementation of a smart mix of measures by regulators)

Comment

Based on our more than 10 years' experience in addressing deforestation in our supply chains, we know that there is no 'silver bullet' solution and that no single policy instrument can address all deforestation drivers. Rather, a "smart mix" of measures is necessary to address deforestation, by incentivizing and rewarding the right behaviors by commodity buyers and producers, leveling the playing field and increasing collaboration on the ground. We believe this smart mix of measures include the following: • Legislation to introduce an obligation of due diligence on companies involved in commodity supply chains, and to put in place other demand-side measures to support markets for sustainably produced commodities.

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- Advocated for a smart mix of measures at EU level to address commodity-driven deforestation.

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Other, please specify (Implementation of a smart mix of measures by regulators)

Comment

Based on our more than 10 years' experience in addressing deforestation in our supply chains, we know that there is no 'silver bullet' solution and that no single policy instrument can address all deforestation drivers. Rather, a "smart mix" of measures is necessary to address deforestation, by incentivizing and rewarding the right behaviors by commodity buyers and producers, leveling the playing field and increasing collaboration on the ground. We believe this smart mix of measures include the following:

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- Actively participated in a multi-stakeholder working group led by the Tropical Forest Alliance and in industry associations (e.g. AIM, CAOBISCO, FoodDrinkEurope, European Coffee Association)

- Advocated for a smart mix of measures at EU level to address commodity-driven deforestation.

Forest risk commodity

Other - Cocoa

Coverage

Supply chain

Main measure

Other, please specify (Implementation of a smart mix of measures by regulators)

Comment

Based on our more than 10 years' experience in addressing deforestation in our supply chains, we know that there is no 'silver bullet' solution and that no single policy instrument can address all deforestation drivers. Rather, a "smart mix" of measures is necessary to address deforestation, by incentivizing and rewarding the right behaviors by commodity buyers and producers, leveling the playing field and increasing collaboration on the ground. We believe this smart mix of measures include the following: • Legislation to introduce an obligation of due diligence on companies involved in commodity supply chains, and to put in place other demand-side measures to support

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European Coffee Association)

- Advocated for a smart mix of measures at EU level to address commodity-driven deforestation.

Forest risk commodity

Other - Coffee

Coverage

Supply chain

Main measure

Other, please specify (Implementation of a smart mix of measures by regulators)

Comment

Based on our more than 10 years' experience in addressing deforestation in our supply chains, we know that there is no 'silver bullet' solution and that no single policy instrument can address all deforestation drivers. Rather, a "smart mix" of measures is necessary to address deforestation, by incentivizing and rewarding the right behaviors by commodity buyers and producers, leveling the playing field and increasing collaboration on the ground. We believe this smart mix of measures include the following: • Legislation to introduce an obligation of due diligence on companies involved in commodity supply chains, and to put in place other demand-side measures to support markets for sustainably produced commodities.

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As such in 2022 we:

- Actively participated in a multi-stakeholder working group led by the Tropical Forest Alliance and in industry associations (e.g. AIM, CAOBISCO, FoodDrinkEurope, European Coffee Association)

- Advocated for a smart mix of measures at EU level to address commodity-driven deforestation.

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Executive Vice President Head of Operations	Other C-Suite Officer

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	94424000000

SF1.1

(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain? No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change

Please explain

Palm oil

Estimate GHG emissions and removals from land use and land use change

Please explain

Cattle products

Estimate GHG emissions and removals from land use and land use change

Please explain

Soy

Estimate GHG emissions and removals from land use and land use change

Please explain

Other - Cocoa

Estimate GHG emissions and removals from land use and land use change

Please explain

Other - Coffee

Estimate GHG emissions and removals from land use and land use change Please select

Please explain

Submit your response

In which language are you submitting your response? English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms