



NESTLÉ S.A.

Ms Seema Joshi
Head of Business and Human Rights
Amnesty International
International Secretariat
1 Easton Street WC1X 0DW
United Kingdom

Vevey, 11 November 2016

Dear Ms Joshi,

We acknowledge receipt of your letter of 4th November. We are pleased to provide detailed responses to the three additional questions you shared with us regarding palm oil and its use in our operations.

Based on our supply chain mapping process operated jointly with The Forest Trust (TFT), our NGO partner, we confirm that we source, indirectly, palm oil from all refineries mentioned in your letter, with the exception of PT Wilmar Nabati Indonesia in Bagendang, which we do not source from at all.

All these refineries that we indirectly source from have been visited and assessed by TFT as part of our Responsible Sourcing Programme in the course of 2014-2015. Under these activities, together with TFT, we map our palm oil supply chain back to the plantation level to identify where it originally comes from. Traceability and transparency are essential in enabling us to assess whether our sub-tier suppliers, with whom we do not have a direct commercial relationship, are meeting the requirements of our Nestlé Supplier Code on human rights, safety & healthy, environmental sustainability and business integrity.

All palm oil suppliers of Nestlé are required to [meet these Responsible Sourcing requirements](#)¹. However, we recognize that supply chain transformation cannot be achieved overnight. This is why we support suppliers, who are not able to meet them immediately but are committed to eliminating non-conformities over time, through for example Wilmar's Aggregator/Refinery Transformation (ART) plan. [Progress against this plan is monitored and regularly publicly reported](#)².

¹ <http://storage.nestle.com/nestle-society-full-2015/index.html#128>

² <http://www.wilmar-international.com/sustainability/progress/aggregator-refinery-transformation-art/art-overarching-reports/>



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During the period 2010-2013, our efforts on palm oil initially focused on deforestation, which at the time was identified as the most salient issue in palm oil sourcing countries. However, we can confirm that we were also gathering information on human rights issues during this period. As we started gathering the results and findings from our assessments and began understanding the scale of human rights issues, we put more emphasis on these concerns as part of our assessment protocols, with TFT also developing its own in-house capabilities to uncover them.

We support greater transparency in this regard, and encouraged Wilmar to [disclose the results of their assessments on a regular basis](#)³.

As of today, 83.01% (38,184 tones) of the palm oil that we buy directly or indirectly from Wilmar is traceable back to the mill level and 10.68% (4,912 tones) back to the plantation level. 100% of the total volume (46,000 tones) is covered by Wilmar's No Deforestation, No Peat, No Exploitation Policy Implementation Plan and 56.06% (25,587 tones) is being monitored through our Responsible Sourcing Action Plan.

We confirm that all the products contained in the document attached to your letter do indeed contain palm oil. They do not however contain palm oil that is sourced from Wilmar.

With regards to the reasons why we stopped sourcing some of the supply from Wilmar during a period between 2010 and 2012, this was related to environmental practices, and more precisely the lack of protection of peatlands and High Conservation Values by Sinar Mas, one of Wilmar's direct suppliers.

Before re-starting our full commercial relationship with Wilmar, we engaged them in a process whereby they formally committed to the implementation of a new No Deforestation, No Peat, No Exploitation Policy (including specificities on tools, processes and deadlines to respect), which today covers 100% of the palm oil we buy.

As a result of this engagement, Wilmar stopped sourcing from 3rd party suppliers not willing to implement Wilmar's Policy or our own Responsible Sourcing Programme. In addition to Wilmar's actions to monitor compliance with their Policy, TFT visited Wilmar's upstream supply chain locations to assess the effectiveness of the implementation of this Policy on the ground, as well as non-conformities against our own Supplier Code.

³ <http://www.wilmar-international.com/wp-content/uploads/2016/01/Sabah-Overarching-Report.pdf>



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We believe that our due diligence system, based upon the various steps noted above (risk assessment, supply chain transparency, on the ground assessments and action plans with suppliers, backed by suspending suppliers who are unwilling to improve) is a strong one. The scale of the challenge is substantial as millions of people are involved in the palm oil supply chain. While we have undertaken thousands of assessments to date, we recognize that the scope and the complexity of the issues that we have to deal with in countries where we source palm oil and other raw materials require time and the active collaboration of key stakeholders, including governments, to be effectively assessed and addressed.

In fact, whilst we are constantly assessing the risks based upon our own findings and the insights from other organizations, we are aware that we may not uncover all issues, so we welcome insights and findings from NGOs and civil society organizations and will always investigate any evidence and cooperate to achieve change on the ground.

As we continue to roll out our Responsible Sourcing Programme, we urge you to share with us any evidence or insights that you have collected as part of your investigation so that we can take action and accelerate our journey in this area.

A handwritten signature in black ink, consisting of a stylized 'M' and 'B' with a horizontal line above and below it.

Magdi Batato
Executive Vice President, Operations
Nestlé SA