



NESTLÉ S.A.

MAGDI BATATO
EXECUTIVE VICE PRESIDENT

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

20th April 2017
MB/fap

Dear Ms Joshi,

Thank you for your letter of March 31st 2017 regarding Amnesty International's report on labour concerns in the palm oil sector published last year.

As stated previously, we take the issues of labour rights and working conditions in the palm oil supply chain extremely seriously. We are committed to engaging our suppliers, including Wilmar, to drive positive change and I therefore welcome the opportunity of providing you with an update on the actions we have taken in this regard.

Since Amnesty published its initial report, Nestlé has met Wilmar on a monthly basis to discuss the company's response and to monitor its progress in addressing labour risks in the company's supply chain.

From this dialogue, we welcome the fact that according to its public announcement of April 6th, Wilmar is now collaborating with Verité to help address labour issues in the palm oil sector. This work includes identifying critical problem areas and developing action plans with deliverables and milestones. We look forward to providing input into this process, alongside other stakeholders, in order to address the concerns raised in your report and letter.

On a broader level, Nestlé is making a direct contribution to improving labour and environmental practices of the smallholder's supplying palm oil to Wilmar and others. Over the next three years, we are supporting programmes covering 5,000 smallholders in three countries that produce palm oil for our supply chain.

Regarding your request for further information on Nestlé products, palm oil from Wilmar is present in a number of products across our portfolio. We are working closely with the company to improve the traceability of the palm oil it supplies us. Some 83% of the volume we purchase from Wilmar is traceable to mill, and around 11% is traceable back to individual plantations. It is not currently possible to trace our supply to the specific plantations at the centre of Amnesty's allegations and we do not feel it appropriate to associate all of Wilmar's palm oil supply with the allegations in the report.

NESTLÉ S.A.

As for allegations that Wilmar attempted to 'cover up' the claims made in your report, it has provided a public statement on the nature of its engagement with trade unions, workers and local communities. We believe this provides sufficient reassurance that proper procedures are being followed, but if this is not the case, please provide evidence of wrongdoing for us to assess and act upon.

Finally, I would like to draw your attention to our broader commitment to addressing labour rights in the palm oil sector. In May this year, we will start a Human Rights Impact Assessment of the palm oil supply chain in Indonesia in partnership with the Danish Institute of Human Rights and The Forest Trust. This will help us gain further insights into the issues and identify suitable remediation actions for our suppliers and sub-suppliers.

We welcome further dialogue with Amnesty International regarding the actions taken by Wilmar to address the important issues highlighted in your 2016 report.

Yours sincerely,

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