



NESTLÉ S.A.

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

Vevey, April 9, 2019

Dear Ms Joshi,

Thank you for your letter of March 27<sup>th</sup> regarding labor rights practices in the palm oil sector. We share your concerns and recognize that more remains to be done to solve these deeply engrained and complex issues. First of all, I wanted to reassure you that we have accelerated our work on labor challenges in our palm oil supply chain. This includes addressing the issues in our own supply chain as well as contributing to collective action, which is key to driving transformative changes on the ground.

When I wrote to you in March 2018, we were engaging our entire palm oil supply chain, including Wilmar, on labor issues. A year later, the following progresses have been made:

Regarding our Palm Oil Supply Chain in general:

- We publicly disclosed our entire upstream supply chain of palm oil. This includes list of our [Tier 1 Suppliers](#) and [list of mills](#) with detailed physical address, representing 91% of the total volume of palm oil we source. This best practice was extended to [all other commodities](#) representing 95% of our total purchase.
- We published a global [Action Plan on Labor Rights in Palm Oil Supply Chains](#). This discloses our strategy to improve labor practices and is based on the human rights impact assessment carried out in Indonesia in collaboration with the Danish Institute for Human Rights, the Earthworm Foundation (ex The Forest Trust) and our supplier Golden Agri-Resources. The Action Plan focuses on addressing labor rights, health and safety issues and child labor risks in mills or plantations. We reported on [progress](#) last December.
- We supported the Earthworm Foundation in developing a Human Rights Based Due Diligence Tool on Recruitment. This will allow for improved supplier transparency into recruitment processes, including costs borne by both workers and employer. The tool will be launched externally later this summer.
- We collaborated with VERITE to help us improve our labor rights due diligence systems. To this end, VERITE carried out a full review of our supplier management systems for its effectiveness in identifying and addressing labor rights risks, and are now assessing its implementation on the ground with key suppliers, including Wilmar. This will result in recommendations that we will use to further strengthen due diligence.
- We launched [a worker helpline](#) within Sime Darby Plantations in Malaysia. The helpline was developed together with ELEVATE and the Responsible Business Alliance. Our long term objective is to promote the helpline system among other players in the industry, including Wilmar.

Other [activities in 2018](#) includes sharing suppliers' best practices, hosting workshops to strengthen employee rights, improving access to basic services in workers' communities in Papua New Guinea, supporting Earthworm Foundation's Rurality initiative to support smallholders, helping protect land rights in Indonesia, and labor rights workshops in Guatemala and Cameroon.



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Regarding the Wilmar palm oil supply chain specifically:

- We improved the traceability to plantations from 10% (beginning of 2018) to 70% (end of 2018) for the palm oil directly purchased from Wilmar. This enables to prioritise our remediation and capacity building activities.
- We agreed with Wilmar on a plan to address current gaps with Nestlé's Responsible Sourcing Standard identified in their supply chains.
- We are working with the Earthworm Foundation and Wilmar to develop a Child Risk Assessment Framework. The framework is based on the results of a multi-stakeholder consultation to help us gain insights from palm oil businesses and [document challenges](#) encountered to ensure the well-being of children of plantation workers. This will be made available later this year.
- We are additionally supporting an Earthworm Foundation project to improve targets and payment systems for harvesters in Indonesia and to build close engagement with mills to address the issue of casual workers in Indonesia. Several of these initiatives are within the Wilmar supply chain. For example, we supported Wilmar's smallholder [WISSH initiative](#) in Honduras.

Finally, as set out earlier, collective action is key to efficiently address labor issues in the palm oil industry. As such, we participate in a number of multi-stakeholder initiatives:

- We commissioned and contributed with other members of the Consumer Goods Forum (CGF), to a [research report](#) and [action plan](#), done by the FLA, on forced labor in the palm oil sector. In parallel, Nestlé is supporting engagement with suppliers, governments and certification bodies on the [Forced Labor Priority Industry Principles](#) and the development of industry guidance and tools to support their implementation.
- We are part of the [Responsible Labor Initiative](#), a multi-industry, multi-stakeholder effort focused on ensuring that the rights of workers vulnerable to forced labour in global supply chains are consistently respected and promoted. We are also part of the International Human Rights and Business (IHRB)'s [Leadership Group for Responsible Recruitment](#).
- We also actively participated in the consultation process to strengthen the Principles & Criteria (P&C) of the Roundtable for Sustainable Palm Oil (RSPO). We welcome the adoption of the [revised P&C](#) and believe this addresses key gaps that we have been calling out in the standard, including requirements on stronger Free Prior and Informed Consent (FPIC), community protection, and labor rights. We are now continuing to work within RSPO to strengthen the assurance systems for implementing their P&C.

We are working hard with all our palm oil suppliers, including Wilmar, to address the issues mentioned in your letter. We welcome further constructive dialogue and action to help drive systemic improvements across the palm oil industry.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Magdi Batato", written over a horizontal line.

Magdi Batato  
Executive Vice President, Operations  
Nestlé S.A