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Kuala Lumpur, Malaysia
TEL :



Gemma Tillack – Rainforest Action Network

Subject: Nestlé's Link to Palm Oil from REPSA

Dear Gemma,

Thank you for your letter dated April 18th 2017.

We welcome this opportunity to provide you with transparent information on our responsible sourcing activities for palm oil ingredients and to reaffirm our commitment to the protection and safeguarding of the environment and the rights of workers and communities.

Concerning the sourcing of palm oil from Guatemala, Nestlé herein confirms that we are sourcing from REPSA. We have been involved on the ground with REPSA since allegations first arose and are starting to see real progress on some fronts, while acknowledging the seriousness of the claims made against the company and the significant changes still required.

Please find below a timeline of our interactions with REPSA, and its response:

- 2013 – 2014: REPSA demonstrates responsiveness and transparency in mapping its upstream supply chain including third party supply.
- June 2015: A significant pollution event occurs near REPSA. The same month TFT and Nestlé agree to pursue an assessment of REPSA. In July 2015, TFT provides a risk memo to Nestlé on REPSA and Olmeca companies. In July 2015, with TFT support, Nestlé requests and REPSA accepts an assessment by TFT in 2015.
- November 2015: TFT carries out an assessment of REPSA.
- April 2016: TFT and REPSA meet in Guatemala and collaboratively produce an action plan. The 12-month plan (starting May 2016) includes more than 50 activities endorsed by REPSA's top management.
- Nov-Dec 2016: A site visit to assess progress on the action plan is carried out by TFT. REPSA cooperates with TFT on monthly monitoring calls. A second monitoring visit by TFT is accepted by REPSA, scheduled for early May 2017.
- 2016: REPSA produces a policy on no violence and intimidation, as well as a draft palm oil policy, incorporating many elements of Nestlé's Responsible Sourcing Guidelines. In early 2017, REPSA publishes a final version of its palm oil policy. These policies, along with two public updates by REPSA about the implementation of its action plan, are published on its website.
- Late 2016: TFT and the Consensus Building Institute (CBI) carry out two visits to Guatemala to carry out a "social scoping" exercise with the goal of better understanding local stakeholder perspectives and grievances. These visits help rapidly assess the willingness of stakeholders and the company to participate in a participatory process for dialogue and problem solving. TFT and CBI share the report with stakeholders and the company. Nestlé and others co-fund the scoping study.
- February 2017: TFT and CBI return to Guatemala to socialize the social scoping report with local stakeholders. TFT and CBI draft an addendum to the social scoping report.

- Week of March 13 2017: Nestlé personnel (Head of Responsible Sourcing) and TFT staff meet with REPSA in Guatemala to discuss continuing to collaborate on continuous improvement by REPSA.

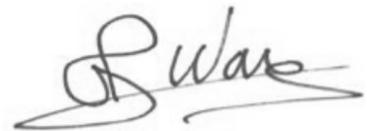
Through this engagement, we have noted a significant change of attitude and actions on the ground from REPSA, though there is clearly a considerable way to go. Based upon our experience with other palm oil responsible sourcing efforts, we remain positive that progress will be achieved.

The rights of affected people, communities, and the environment will not be helped by abandoning REPSA at this point in the process. For this reason, we are continuing to challenge the company to continue its radical transformation, which we believe is necessary to achieve meaningful change in the region. Nestlé supports the actions of civil society groups in continuing to highlight issues of concern, but at the same time believes that there should be recognition of progress made and a differentiated approach to buyers who are taking pro-active supportive steps with REPSA on the ground and those who are not.

Nestlé will continue our proactive and intense engagement with REPSA based on the action plan and the demands of civil society, including recommendations from your letter. We will also continue to review our support for REPSA and our commercial relationship with them. We have informed REPSA that we expect the company to take a leadership role in transforming its operations and have communicated our concerns about broader social issues in the Peten Region. We look forward to sharing with you the progress and challenges that we encounter during this work.



Emily Kunen
Global Responsible Sourcing Leader, Palm Oil & Seafood



Benjamin Ware
Group Head of Responsible Sourcing