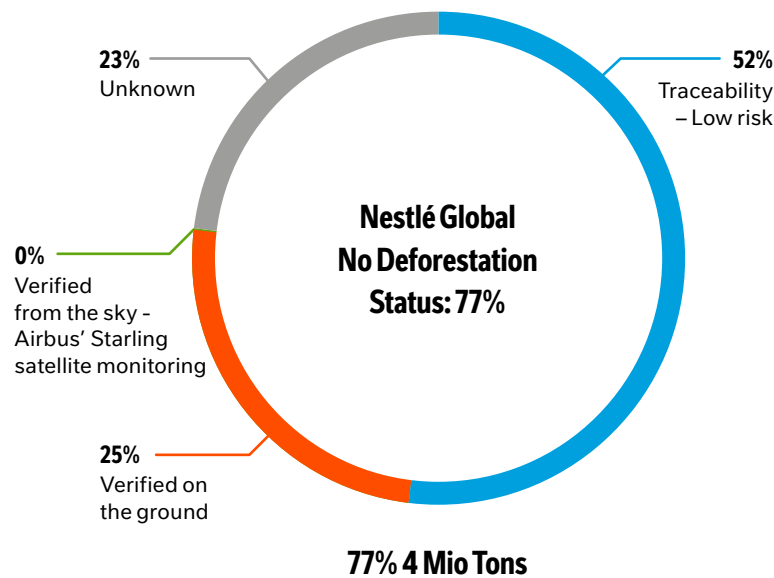![Nestlé logo] **Nestle** Good food, Good life

Nestlé No Deforestation Commitment

Background: In 2010, Nestlé committed to deforestation-free supply chains. Our <u>Responsible Sourcing Standard</u> is the tool that we use to operationalize our commitment.

Definition: Zero deforestation. This includes:

- Areas converted from High Carbon Stock forests and habitat such as peatland, wetlands, savannas after 31st December 2015
- Peatlands of any depth, except where farming practices protect peat
- High Carbon Stock forests as defined in the High Carbon Stock Approach Toolkit
- IUCN protected areas categories I-IV
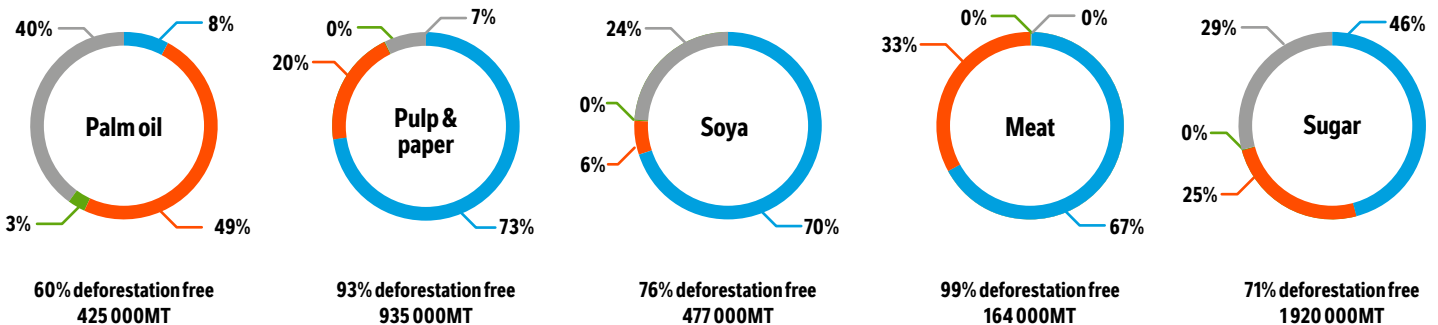- UNESCO World Heritage Sites and wetlands on the Ramsar List.

Scope: Palm, pulp & paper, soya, meat and sugar. These commodities account for 4 Mio Tons sourced annually by Nestlé.

23% Unknown
52% Traceability – Low risk
0% Verified from the sky - Airbus' Starling satellite monitoring
25% Verified on the ground

Nestlé Global No Deforestation Status: 77%

77% 4 Mio Tons

1. As of March 2019, 77% of our purchases of key agricultural commodities linked to deforestation (palm oil, pulp & paper, soya, meat and sugar) were verified as deforestation free, versus 63% in 2018.

2. We continue to work on identifying and addressing any risk in the remaining of our supply chains.

3. Acceleration mainly due to:

- Improved traceability back to low-/no-risk locations.
- Launch of satellite monitoring [covering 15% total volume] allowing a better prioritization of high-risk areas that need to be assessed through on-the-ground verification – not yet serving as sole verification.

Partners

Earthworm Foundation, ProForest, SGS, Airbus

Palm oil
40% / 8% / 0% / 3% / 49%
60% deforestation free
425 000MT

Pulp & paper
0% / 7% / 20% / 73%
93% deforestation free
935 000MT

Soya
24% / 0% / 0% / 6% / 70%
76% deforestation free
477 000MT

Meat
0% / 0% / 33% / 67%
99% deforestation free
164 000MT

Sugar
29% / 46% / 0% / 25%
71% deforestation free
1 920 000MT

- **Traceability – Low risk** = Volumes have been traced back to forests/farms/plantations through the use of technologies (e.g. SupplyShift, Achillies) or partnerships with NGOs. Those locations are classified as no or low risk of deforestation by relevant literature.

- **Verified on the ground** = HCS/HCV assessments by NGO partners e.g. Earthworm Foundation, Proforest and/or certifications such as RTRS (soya), FSC/PEFC (paper), RSPO + HCS (palm oil), Bonsucro (sugar), SGS Audit (meat).

- **Verified from the sky** = Airbus Starling satellites monitoring (palm oil and pulp & paper) and/or NASA Landsat Public Monitoring (Brazin–meat).

- **Unknown** = Not traced or being traced but not yet deforestation free.

Last updated in March 2019