

Particulars

Organisation Name	Nestlé S.A
Corporate Website Address	http://www.nestle.com
Primary Activity or Product	Manufacturer
Related Company(ies)	None
Country Operations	Australia, Algeria, Angola, Argentina, Austria, Bahrain, Bangladesh, Belarus, Belgium, Benin, Bolivia, Bosnia/Hercegovina, Brazil, Bulgaria, Burkina Faso, Cambodia, Cameroon, Canada, Chad, Chile, China - People's Republic of, Colombia, Congo, Congo - Democratic Republic, Costa Rica, Cote d'Ivoire, Croatia, Cuba, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Fiji, Finland, France, Gabon, Germany, Ghana, Gibraltar, Greece, Guatemala, Haiti, Honduras, Hong Kong, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Korea - Republic of, Kuwait, Lebanon, Macedonia, Malaysia, Malta, Mauritius, Mexico, Morocco, Mozambique, Netherlands, New Caledonia, New Zealand, Nigeria, Norway, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Romania, Russian Federation, Saudi Arabia, Senegal, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan - Republic of China, Thailand, Trinidad & Tobago, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom, USA, Uruguay, Uzbekistan, Venezuela, Vietnam, Zambia
Membership Number	4-0055-09-000-00
Membership Type	Ordinary Members
Membership Category	Consumer Goods Manufacturers
Primary Contacts	Mrs Hilary Parsons Address: Av. Nestlé 55 Vevey Switzerland CH-1800
Person Reporting	Hilary Parsons

Related Information

Other information on palm oil:

Nestlé no deforestation commitment:

In 2010, Nestlé committed that its products will not be linked to deforestation. This commitment applies to all critical raw and packaging materials. Nestlé is a member of the Consumer Goods Forum and supports its commitment to help achieve zero-net deforestation by 2020. Nestlé is a member of the Round Table on Sustainable Palm Oil.

Nestlé Responsible Sourcing Guidelines for Palm Oil:

In 2010, we have defined Responsible Sourcing Guidelines (RSGs) with the aim to ensure that the Nestlé sourced palm oil does not contribute to deforestation and respects local communities and the environment. To this end, the RSGs require compliance with all RSPO Principles & Criteria and, in addition, the protection of peat lands and of high carbon stock forests (HCF) which are critical components of an effective no-deforestation framework. We ask all our palm oil suppliers to comply with the RSGs and we are committed to updating stakeholders on a regular basis on the progress achieved in implementing the guidelines.

Implementation:

Nestlé recognizes that sustainable change can only occur if we successfully engage and work with all actors in the palm oil supply chain from plantation owners, to processors and suppliers all the way to consumer as well as governments and civil society; consequently, this is a key principle underlying all of our work to prevent deforestation.

Nestlé supports the RSPO as the industry-wide instrument to promote sustainable palm oil production. We use the RSPO as a means to verify compliance of our palm oil purchases against most of the Nestlé RSGs (all requirements except the additional Nestlé criteria on peatlands and high carbon stock forests). By the end of 2012 80% of our palm oil / palm kernel oil purchases were certified sustainable palm oil (CSPO), out of which an estimated 13% were traceable to plantations while the remainder part of these volumes was covered by GreenPalm certificates. By the end of 2013, Nestlé will be sourcing 100% CSPO, two years ahead of our public commitment.

In addition, we are working to map our global palm oil supply chains back to the origin and to assess and develop palm oil plantations against the Nestlé RSGs.

Nestlé's action plan on traceable sustainable palm oil:

In order to guarantee that the palm oil we purchase does not contribute to deforestation, it is fundamental to know from where the oil is coming. Our objective is to continuously increase the volumes of physical palm oil purchases that we can trace back to plantations that are assessed and verified against our RSGs. The RSG compliance of this palm oil will be verified by independent third party. RSPO certification of plantations serves as a means to verify compliance with most, but as of today, not all Nestlé RSG requirements.

Nestlé will publically report on a regular basis on our progress achieved in sourcing traceable sustainable palm oil that doesn't contribute to deforestation and that respects local communities and the environment in line with the Nestlé RSGs.

Reporting Period

01 July 2012 - 01 July 2013

Consumer Goods Manufacturers

Operational Profile

1. Main activities within manufacturing

End-product manufacturer, Ingredient manufacturer, Food Goods

- Food Goods :
 - Manufacturer of Biscuits & Cakes
 - Instant Noodles Manufacturer
 - Production of Cream Filled Wafers

Operations and Certification Progress

2. Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

Total volume of all palm oil products used in the year in your own brand products:

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3.1. Total volume of Crude Palm Oil used in the year:

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3.2. Total volume of Palm Kernel Oil used in the year:

134000

3.3. Total volume of other Palm Oil Derivatives and Fractions used in the year:

276000

3.4. Total volume of all palm oil and palm oil derived products you used in the year:

410000

4. Volume of Crude Palm Oil used in the year in your own brand products that is RSPO-certified

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4.1. Book & Claim

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4.2. Mass Balance

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4.3. Segregated

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4.4. Identity Preserved

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4.5. Total volume of Crude Palm Oil used that is RSPO-certified:

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5. Volume of Palm Kernel Oil used in the year in your own brand products that is RSPO-certified:

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5.1. Book & Claim

110000

5.2. Mass Balance

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5.3. Segregated

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5.4. Identity Preserved

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5.5. Total volume of Palm Kernel Oil handled that is RSPO-certified:

110000

6. Volume of all other palm-based derivatives and fractions used in the year in your own brand products that is RSPO-certified:

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6.1. Book & Claim

222000

6.2. Mass Balance

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6.3. Segregated

53000

6.4. Identity Preserved

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6.5. Total volume of palm-based derivatives and fractions used that is RSPO-certified:

275000

7. What type of products do you use CSPO for?

All Nestlé products containing palm oil will be manufactured using CSPO.

8. Do you ask your suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8?

No

Suppliers report that palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8

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Time-Bound Plan

9. Date expected to/or started to use any RSPO certified oil palm products – own brand

2010

10. Date expected to be using 100% RSPO certified oil palm products from any supply chain option– own brand

2013

11. Date expected to be using 100% RSPO certified oil palm from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products

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12. Do your (own brand) commitments cover your companies' global use of palm oil?

Yes

13. Does your company use palm oil in products you manufacture on behalf of other companies?

No

14. Date expected to actively communicate to promote the use of certified sustainable palm oil in other manufacturers' brands that you sell.

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15. Which countries that your organization operates in do the above commitments cover?

Australia, Algeria, Angola, Argentina, Austria, Bahrain, Bangladesh, Belarus, Belgium, Benin, Bolivia, Bosnia/Hercegovina, Brazil, Bulgaria, Burkina Faso, Cambodia, Cameroon, Canada, Chad, Chile, China - People's Republic of, Colombia, Congo, Congo - Democratic Republic, Costa Rica, Cote d'Ivoire, Croatia, Cuba, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Fiji, Finland, France, Gabon, Germany, Ghana, Gibraltar, Greece, Guatemala, Haiti, Honduras, Hong Kong, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Korea - Republic of, Kuwait, Lebanon, Macedonia, Malaysia, Malta, Mauritius, Mexico, Morocco, Mozambique, Netherlands, New Caledonia, New Zealand, Nicaragua, Nigeria, Norway, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Romania, Russian Federation, Saudi Arabia, Senegal, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan - Republic of China, Thailand, Trinidad & Tobago, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom, USA, Uruguay, Uzbekistan, Venezuela, Vietnam, Zambia

16. What are your interim milestones towards achieving RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies.

Nestlé works progressively towards complete transparency of its palm oil supply chains along the following roadmap:

• current figures (July 2013)-->2013-->2014-->2015

- Origin of oil unknown 68%-->32%-->20%-->15%
- Origin known at least to mill level 15%-->25%-->20%-->15%
- Traceable to plantation & RSG Compliance Plan in place 10%-->15%-->30%-->30%
- Traceable to plantation and RSPO Certified 6%-->15%-->15%-->20%
- Traceable to plantation & RSG compliant 0-1%-->10%-->15%-->20%

Actions for Next Reporting Period

17. Outline actions that will be taken in the coming year to promote sustainable palm oil.

Our primary focus is upon traceability as a first step. We envisage gradually reducing our procurement of Greenpalm certificates as we are able to deliver traceable RSG compliant palm oil.

18. Do you publicly report the GHG emissions of your operations?

Yes

Public report of GHG emissions on operations

[M-GHG-Emissions-Report.pdf](#)

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Reasons for Non-Disclosure of Information

19. If you have not disclosed any of the above information, please indicate the reasons why

Other

- Other reason:

Nestlé has not set a target to use 100% RSPO certified oil palm from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) in its own brand products. Instead we have set targets (see Q16) to continuously increase the share of palm oil sourced from plantations that are compliant with the Nestlé Responsible Sourcing Guidelines that require plantations to:

- be legally compliant
- Respect the Free Prior and Informed Consent of local and indigenous communities
- Respect High Conservation Values (HCVs)
- Protect peat lands
- Protect High Carbon Stock Forests
- Respect all other RSPO Principles & Criteria

We use the RSPO as a means to verify compliance of our palm oil purchases against most of our RSGs, all except our additional requirements on peatlands and high carbon stock forests that we verify separately with the help of our partner, the forest Trust.

Trademark Related

20. Do you use or plan to use the RSPO trademark on any of your products?

Yes

If yes, when will you start?

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21. Do you undertake or support any other projects related to sustainable palm oil that have not been captured in this report?

Yes

Application of Principles & Criteria for all members sectors

22. Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C?

- Water, land, energy and carbon footprints
- Land Use Rights
- Ethical conduct and human rights
- Labour rights
- Stakeholder engagement

- Water, land, energy and carbon footprints policy

[M-Policies-to-PNC-waterland.pdf](#)

For administration purpose, attachment files are renamed automatically

- Land use rights policy

[M-Policies-to-PNC-landuseright.pdf](#)

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- Ethical conduct and human rights policy

[M-Policies-to-PNC-ethicalconducthr.pdf](#)

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- Labour rights policy

[M-Policies-to-PNC-laborrights.pdf](#)

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- Stakeholder engagement policy

[M-Policies-to-PNC-stakeholderengagement.pdf](#)

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23. What steps will your organization take to minimize its resource footprints?

The Responsible Sourcing Traceability Programme promotes compliance with our Responsible Sourcing Guidelines in our extended value chains, back to the level of primary production. The guidelines provide a framework for continuous improvement with the ambition that all our purchases will come from responsible sources that are committed to a process of continuous improvement towards environmental, social and economic sustainability, supported by supply chain transparency and credible verification.

The Traceability Programme is based on:

- Defining our requirements: by applying Responsible Sourcing Guidelines (RSGs)
 - Transparency: by mapping supply chains back to their origins.
 - Transformation: by assessing and developing suppliers against the RSGs in a process of continuous improvement. Where appropriate, we support suppliers that are not yet able to meet all our RSGs, but that are committed to becoming compliant over time.
 - Monitoring of progress and transparent reporting on a regular basis.
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24. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?

The Nestlé Supplier Code is the basis for our work on responsible sourcing. It distills the relevant parts of our Corporate Business Principles, outlining for suppliers the non-negotiable minimum standards that we expect from them, regarding business integrity, sustainability, labour standards, safety and health, and the environment. We ask our suppliers, their employees, agents and subcontractors to adhere to these standards at all times and we monitor implementation through our responsible sourcing audit programme.

We audit our tier 1 suppliers against our Supplier Code requirements, using the Sedex Members for Ethical Trade Audit 4 Pillars protocol.

Nestlé has also set ethical requirements for its own operations based on applicable regulations and industry practices. This set of requirements is summarised in a document called Nestlé Corporate Business Principles and its application is verified through a 3rd party compliance programme called CARE (more see [Click here to visit the URL](#))

25. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?

Nestlé is actively involved in a number of community programmes across its markets, including palm oil producing countries. Nestle (Malaysia) Bhd will plant forest seedlings up to 150 kilometres on both sides of the Kinabatangan river under a reforestation project that will create a landscape where people, nature and agriculture co-exist harmoniously in their need for water. We are also looking at how we can engage with our palm oil stakeholders in the Nestle supply chain here to have a meaningful and positive sharing of value for the benefit of all. Carried out with the full endorsement of the Sabah government, the Nestle RLeaf project will also have an active role in palm oil sustainability, reduce environmental impact of oil palm plantings through minimisation of chemical fertilisers and promote back-to-basic good agricultural practices.

We are developing a set of key performance indicators (KPIs) that will underpin our commitments and enable systematic measurement of performance.

26. Are you sourcing 100% physical CSPO?

No

26.1. Please details your organization's plan to cover sourced palm oil and palm kernel oil, which is not yet segregated or identity preserved, through Mass Balance. If you have not committed to sourcing 100% of palm products under the Mass Balance supply chain system until the goal of 100% segregated or identity preserved CSPO can be achieved, please explain why.

Nestlé has not set a target to use 100% RSPO certified oil palm from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) in its own brand products. Instead we have set targets (see Q16) to continuously increase the share of palm oil sourced from plantations that are compliant with the Nestlé Responsible Sourcing Guidelines that require plantations to:

- be legally compliant
- Respect the Free Prior and Informed Consent of local and indigenous communities
- Respect High Conservation Values (HCVs)
- Protect peat lands
- Protect High Carbon Stock Forests
- Respect all other RSPO Principles & Criteria

We use the RSPO as a means to verify compliance of our palm oil purchases against most of our RSGs, all except our additional requirements on peatlands and high carbon stock forests that we verify separately with the help of our partner, the forest Trust.

In May 2010, Nestle formed this partnership in order to investigate our supply chain and identify plantations linked to deforestation. In 2010, we started mapping our global palm oil supply chains and since 2011 we are assessing our suppliers' performance against the Nestlé RSGs on Palm Oil. Our actions focus on the establishment of traceable supply chains and on the systematic identification and exclusion of companies managing plantations linked to deforestation.

Challenges

1. Significant economic, social or environmental obstacles

We see increasing regulatory activity at a national and international level which can pose both challenges and opportunities to companies. Our consumers want to know what's in their food, where it comes from and how it has been produced. We also see ongoing civil society activity and public interest on these commodities, in some cases to substitute them.

Unsustainable practices at the supplier level create risks of short term supply disruptions and long term risks to the sustainability/availability of supplies. Equally our process of working towards more sustainable practices leads to operational challenges in finding compliant suppliers. We tackle this through supplier training and support.

2. How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

Yes

Robust:

Yes

Simpler to Comply to:

Yes

3. How has your organization supported the vision of RSPO to transform markets?

Nestlé supports the RSPO as the industry-wide instrument to promote sustainable palm oil production. We use the RSPO as a means to verify compliance of our palm oil purchases against most of the Nestlé RSGs (all requirements except the additional Nestlé criteria on peatlands and high carbon stock forests).

We have prepared and promoted a series of maps showing the locations of deforestation in the 20 most important countries where deforestation is happening. This can help all stakeholders to focus on the high risk locations. Increasing the visibility in the supply chain and promoting more sustainable practices is creating value upstream by securing the sector's own future. We are also adding value by developing and training our suppliers against our Supplier Code and RSGs and thereby enabling them to secure long-term business with Nestlé. Downstream, our consumers want to know what's in their food, where it comes from and how it has been produced. Value is being created by building consumer confidence in the products and enhancing the company and brand reputation.
