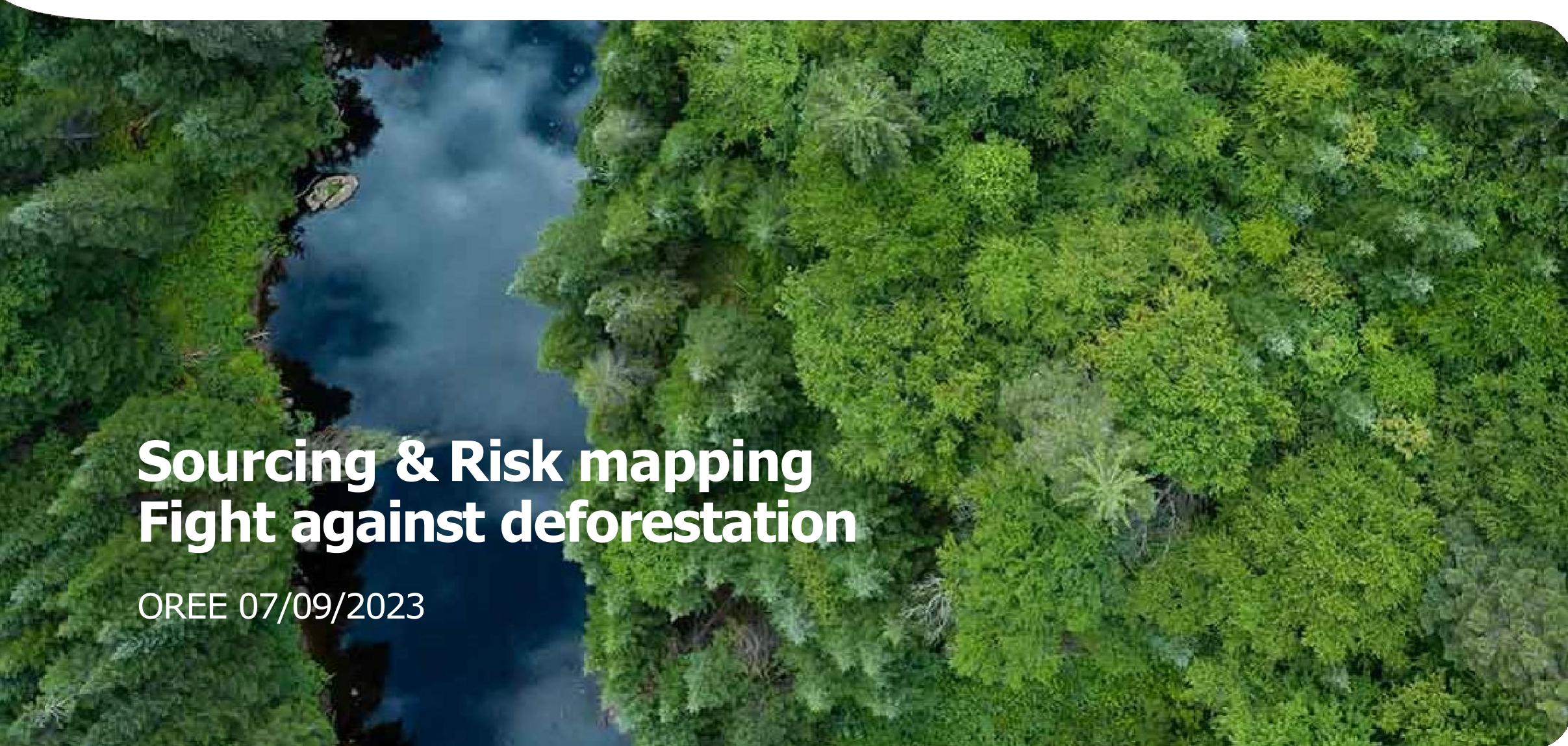




Good food, Good life



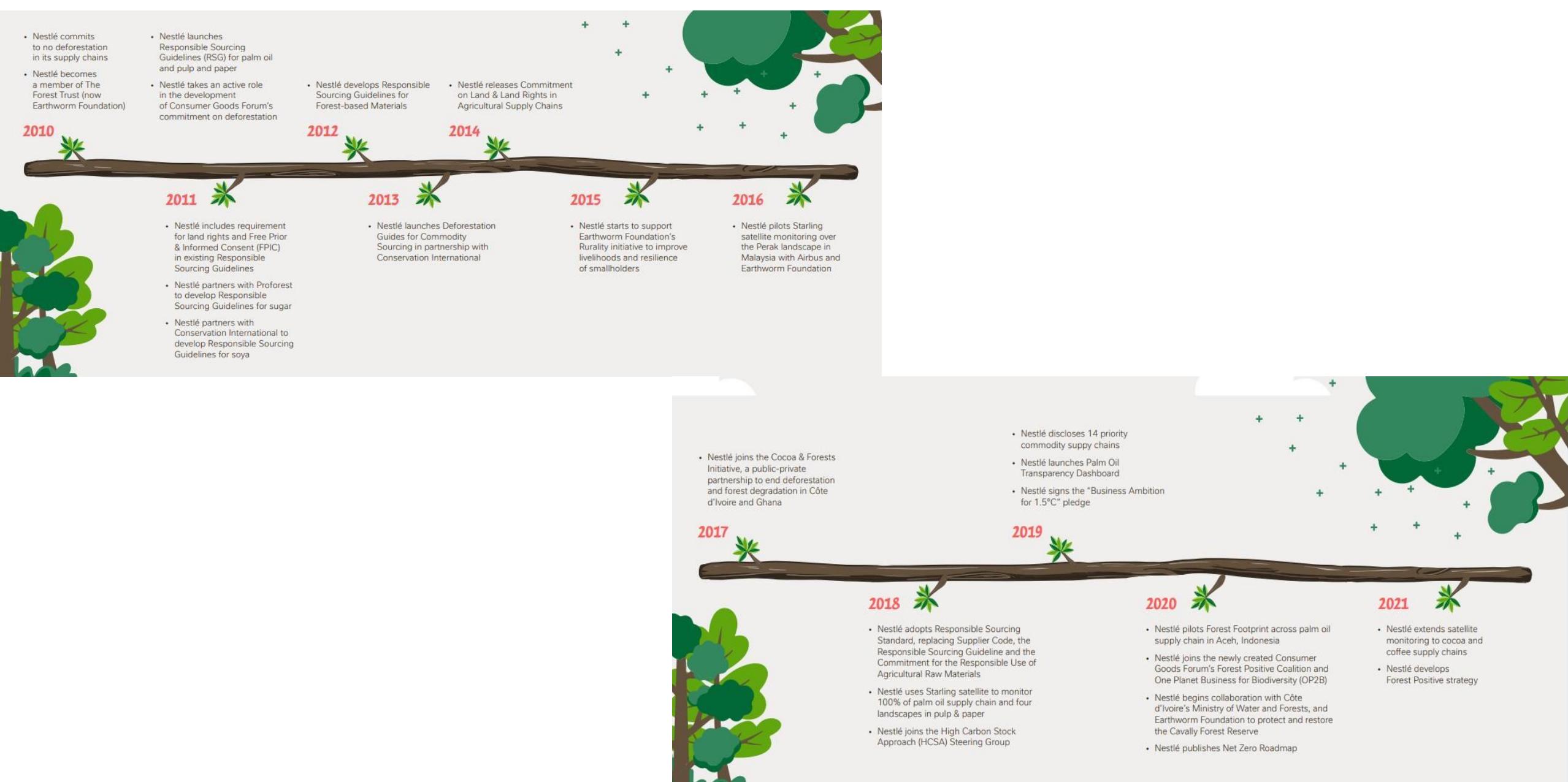
Sourcing & Risk mapping Fight against deforestation

OREE 07/09/2023

A wide-angle photograph of a dense tropical forest. In the foreground, two large, mature trees stand out with their thick trunks and wide, spreading canopies. The forest extends into the background, with more trees and foliage visible under a bright, slightly cloudy sky.

NESTLE'S FIGHT AGAINST DEFORESTATION

A decade of action to fight deforestation



Our commitment

“ We are confident that our origins will be assessed deforestation-free :
- By 2022 for palm oil, sugar, soy, meat and pulp and paper
- And by 2025 for coffee and cocoa ”

Madgi Batato Head of operation



A wide-angle photograph of a lush, green tropical forest. The foreground is filled with dense foliage and smaller trees. In the background, several large, mature trees with thick trunks and wide canopies stand prominently against a sky filled with soft, grey clouds.

MAP OUR SUPPLY CHAIN

1. Supply chain mapping



OUR SOURCING REGIONS* IN THE AMERICAS

COFFEE

Brazil, Colombia, Honduras,
Mexico, Nicaragua, Peru

Arabica and Robusta beans are sourced
for some of our most iconic brands, the
majority from smallholder farmers.

Ongoing deforestation-free assessment



PULP AND PAPER

Brazil, Chile, USA

Used for our food packaging, wrapping
and transportation.

94%

Assessed as deforestation-free globally



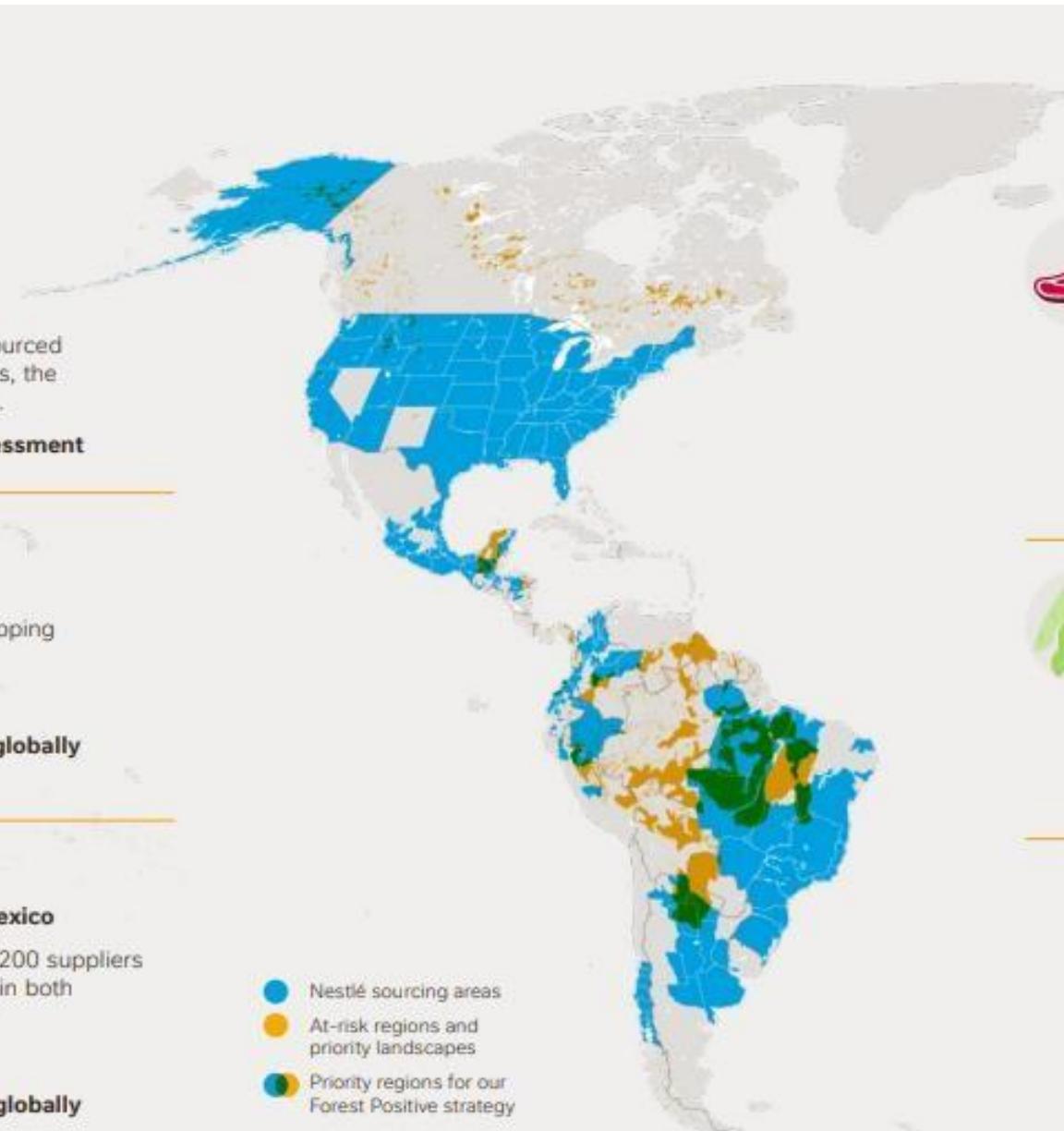
SUGAR

Brazil, Colombia, Guatemala, Mexico

We source sugar from more than 200 suppliers
in 60 countries around the world, in both
sugarcane and sugar beet forms.

91%

Assessed as deforestation-free globally



The following pages overlay the main sourcing origins for our forest-risk commodities with global deforestation fronts and forest degradation areas

MEAT

USA

We purchase processed meat in the form of cooked
and dehydrated products, oils and powders.
Unprocessed cooked, frozen and fresh meat is used
in a range of our food and pet food products.



98%

Assessed as deforestation-free globally



SOYA

Argentina, Brazil, Canada, Paraguay, USA

An important ingredient sourced in several forms mainly
for our pet food business and our plant-based products.

90%

Assessed as deforestation-free globally



PALM OIL

Brazil, Colombia, Ecuador, Guatemala,
Mexico, Peru



COCOA

Brazil, Ecuador, Mexico

OUR SOURCING REGIONS* IN ASIA, SOUTHEAST ASIA AND OCEANIA



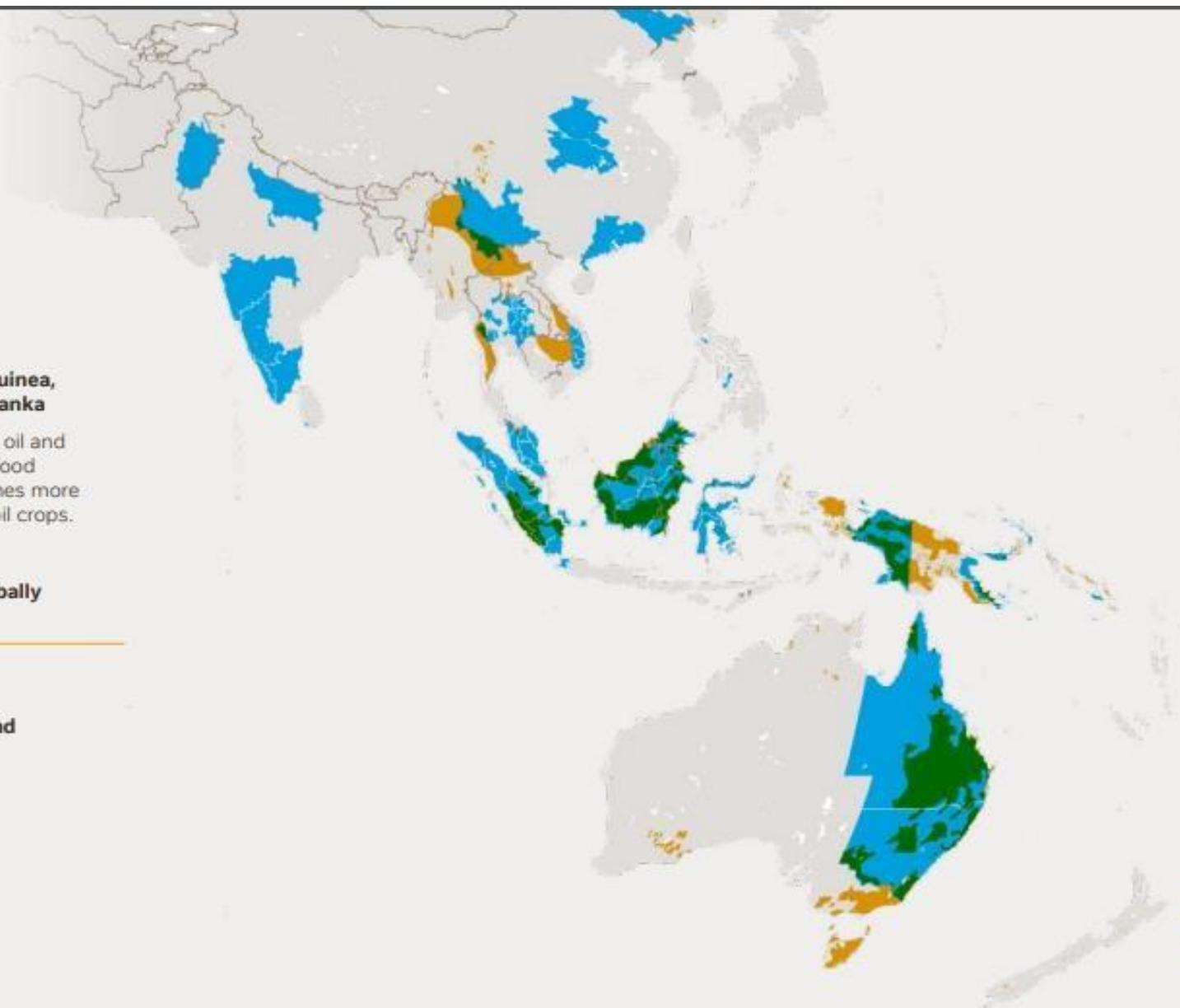
PALM OIL

Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands, Sri Lanka

The most widely produced vegetable oil and a commonly used ingredient for our food products. It produces five to eight times more oil per hectare than other vegetable oil crops.

70%

Assessed as deforestation-free globally



SUGAR

Australia, India, Phillipines, Thailand



COFFEE

China, Indonesia, India, Vietnam



MEAT

China



COCOA

Indonesia

OUR SOURCING REGIONS* IN SUB-SAHARAN AFRICA



COCOA

Cameroon, Côte d'Ivoire, Ghana

A key ingredient of our well-loved confectionary products.

Ongoing deforestation-free assessment



COFFEE

Côte d'Ivoire, Uganda



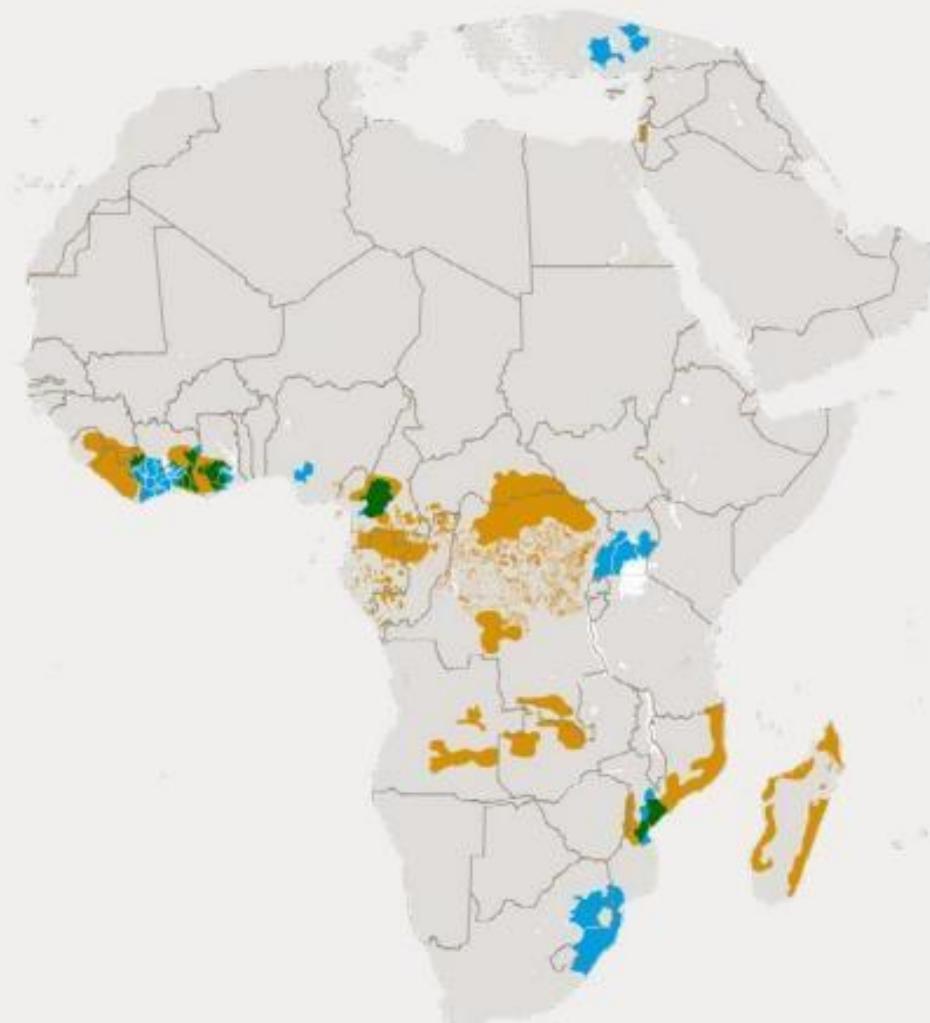
PALM OIL

Côte d'Ivoire, Nigeria



SUGAR

Mozambique



- Nestlé sourcing areas
- At-risk regions and priority landscapes
- Priority regions for our Forest Positive strategy

OUR SOURCING REGIONS* IN WESTERN EUROPE, EASTERN EUROPE AND SCANDINAVIA



PULP AND PAPER

Austria, Finland, France, Latvia,
Russia, Sweden



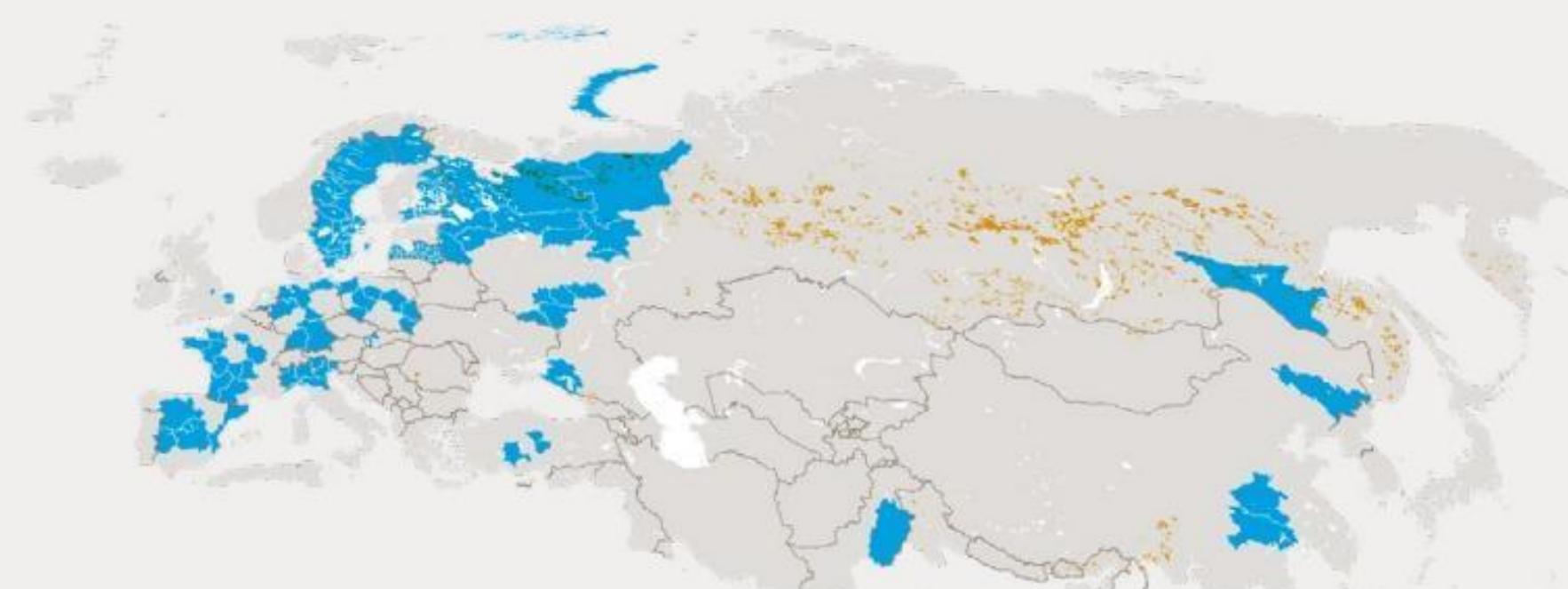
MEAT

France, Germany, Italy,
Netherlands, Poland, Spain



SOYA

Italy, Russia

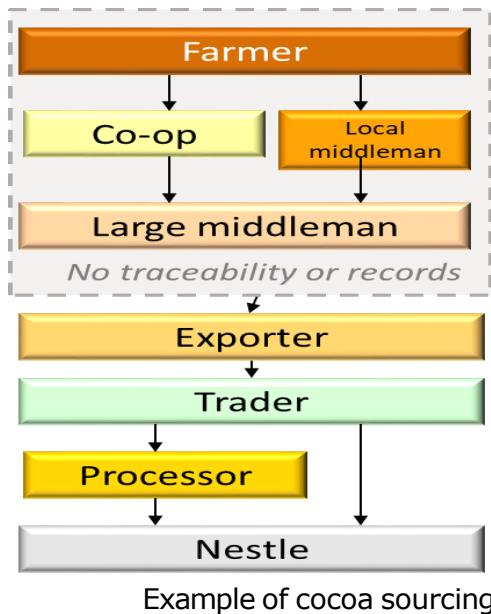
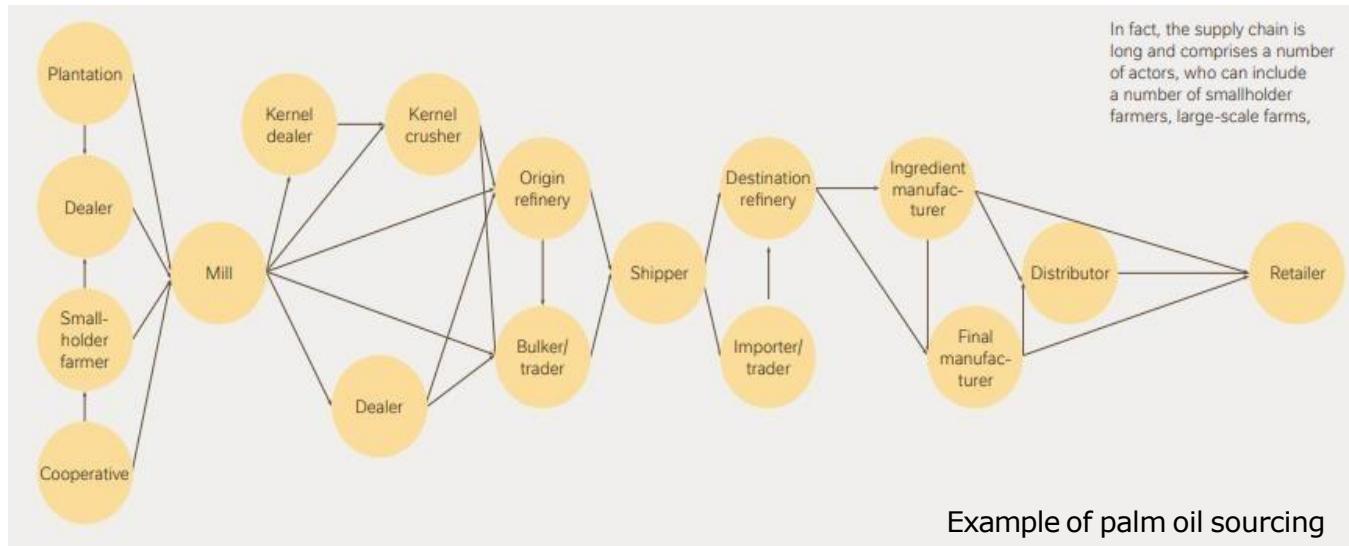


● Nestlé sourcing areas

● At-risk regions and
priority landscapes

● Priority regions for our
Forest Positive strategy

2. Tracability is key ... But very complex



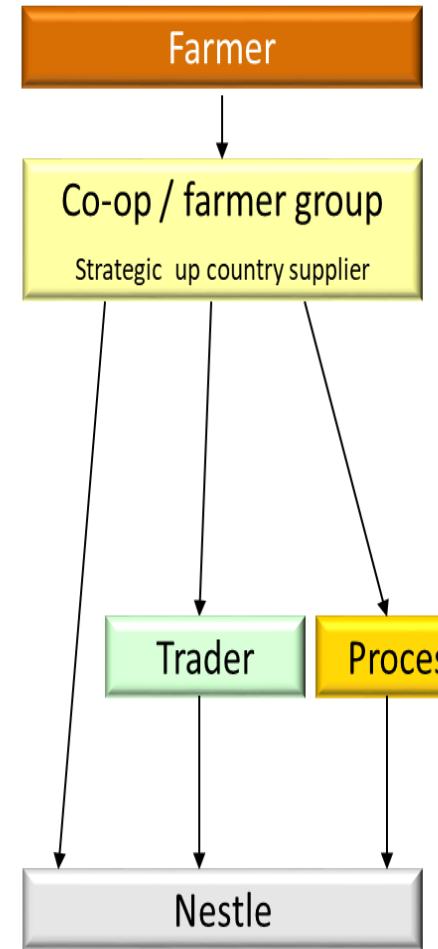
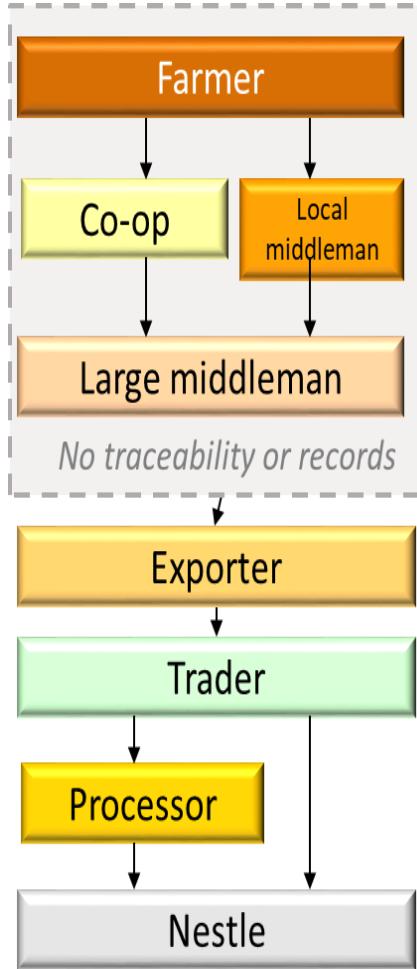
3. Close collaboration with our suppliers but also through partnerships on the ground



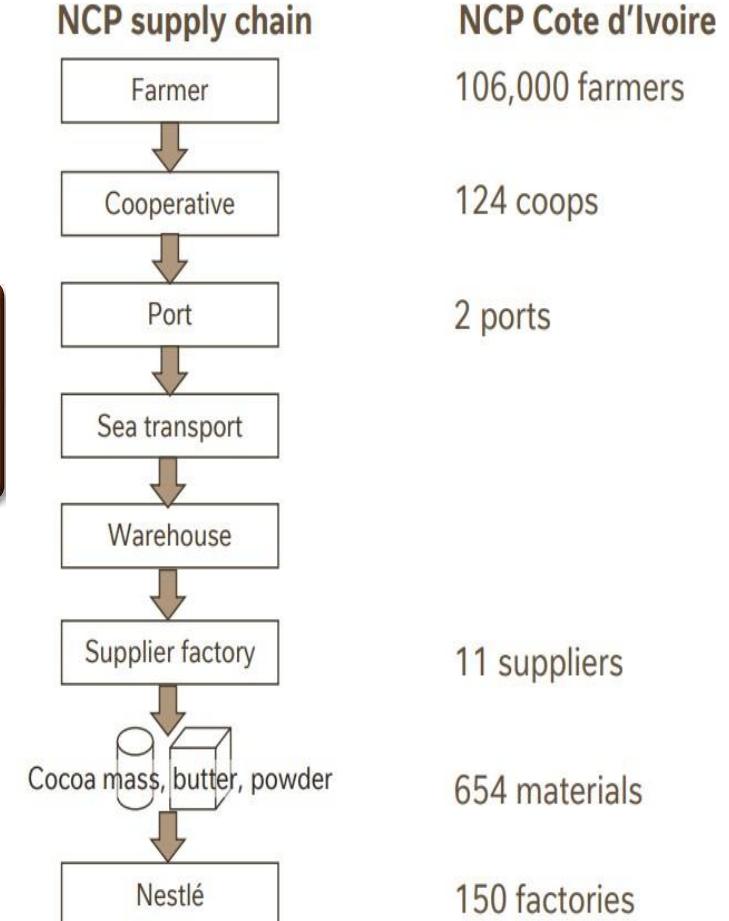
Partners	
 Palm oil	<ul style="list-style-type: none">• Earthworm Foundation• Airbus (Starling)• Proforest
 Pulp and paper	<ul style="list-style-type: none">• Earthworm Foundation• Airbus (Starling)
 Meat	<ul style="list-style-type: none">• Proforest
 Soy	<ul style="list-style-type: none">• Proforest
 Sugar	<ul style="list-style-type: none">• Proforest
 Cocoa	<ul style="list-style-type: none">• Rainforest Alliance• Earthworm Foundation• Multiple satellite imagery providers• Côte d'Ivoire's Ministry of Water and Forests
 Coffee	<ul style="list-style-type: none">• Pur Projet• Solidaridad• Rainforest Alliance• 4C Services / Meo Carbon• Multiple satellite imagery service providers

4. Tracability is continuous improvement

EX: SIMPLIFY OUR SUPPLY CHAIN IN COCOA SINCE 2009



NCP = Nestlé Cocoa Plan



5. Positive impact of technology

EX : MOVING FROM SINGLE-POINT GPS TO POLYGON MAPPING



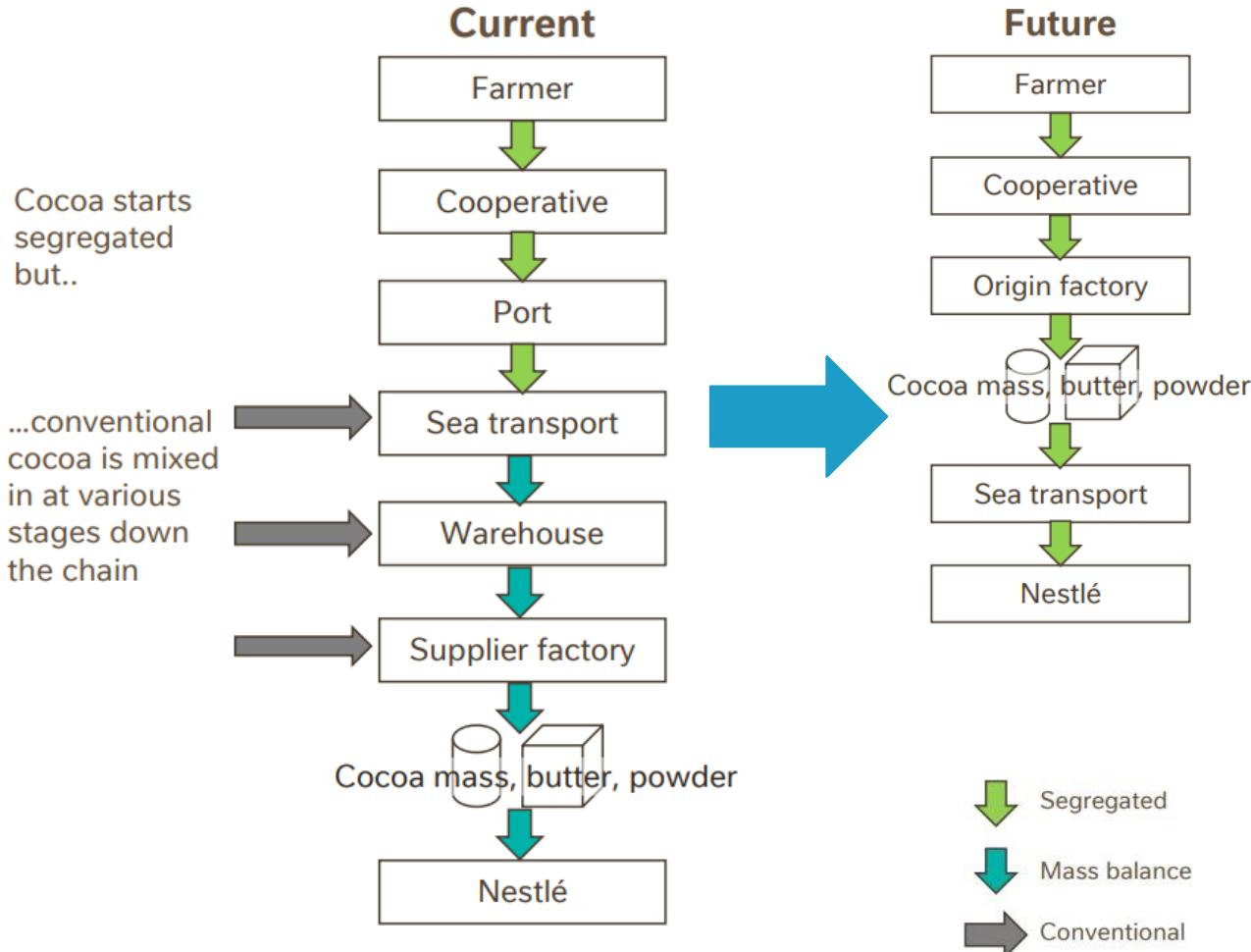
International
COCOA
Initiative

Vidéo en VF sur le mapping
du cacao

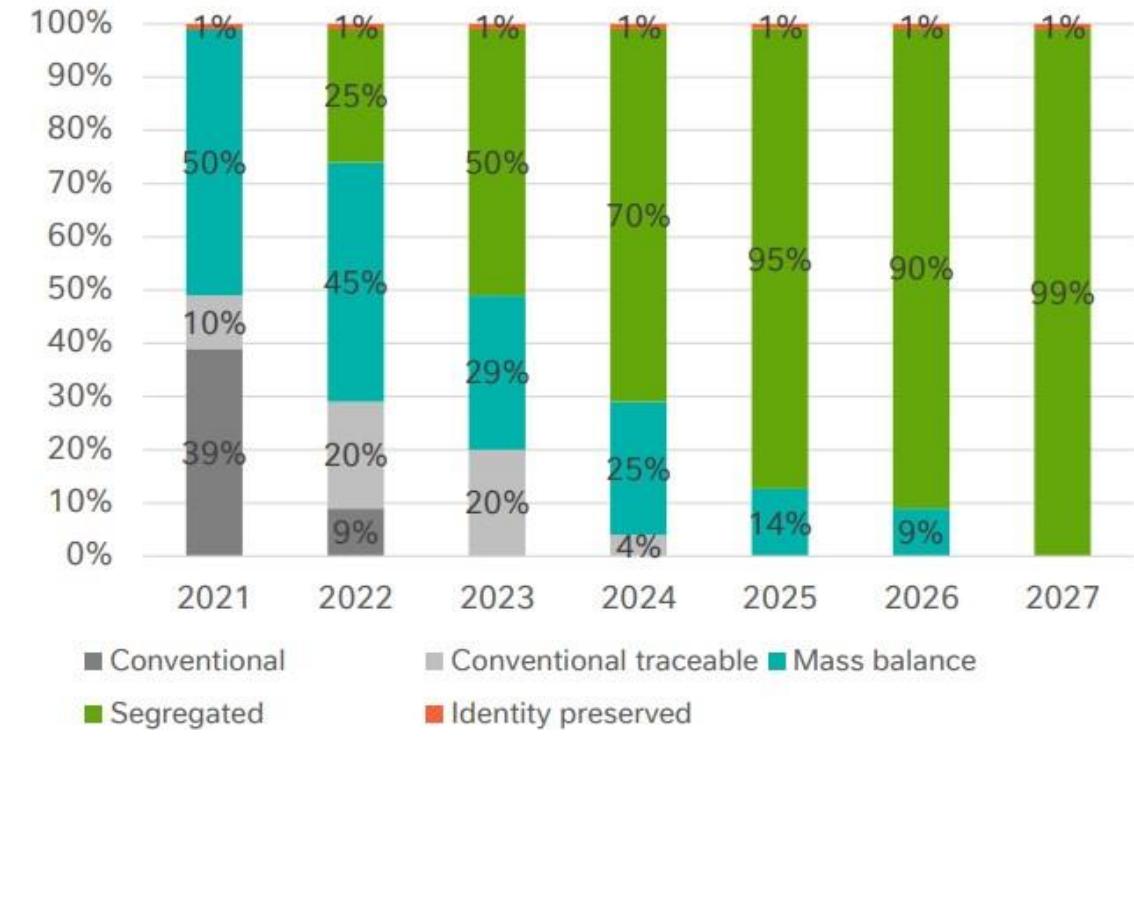
<https://www.youtube.com/watch?v=nnpf4EnAofg>

6. Tracability is continuous improvement

EX : MOVING TO FULL SEGREGATION IN COCOA



Traceability roll out (Nestle)



A wide-angle photograph of a dense tropical forest. The foreground is filled with a variety of green foliage and smaller trees. Several large, mature trees with thick trunks and wide canopies stand prominently in the mid-ground. The sky above is a mix of bright white and grey clouds, suggesting a sunny day with some overcast areas.

OUR LEARNINGS

1. No «one size all » solution : Tool kit approach

1. Supply chains mapping

Map our supply chains back to origin

2. Desktop-based risk assessment

Use data to assess and identify potential risks in our supply chains

3. On-the-ground assessment

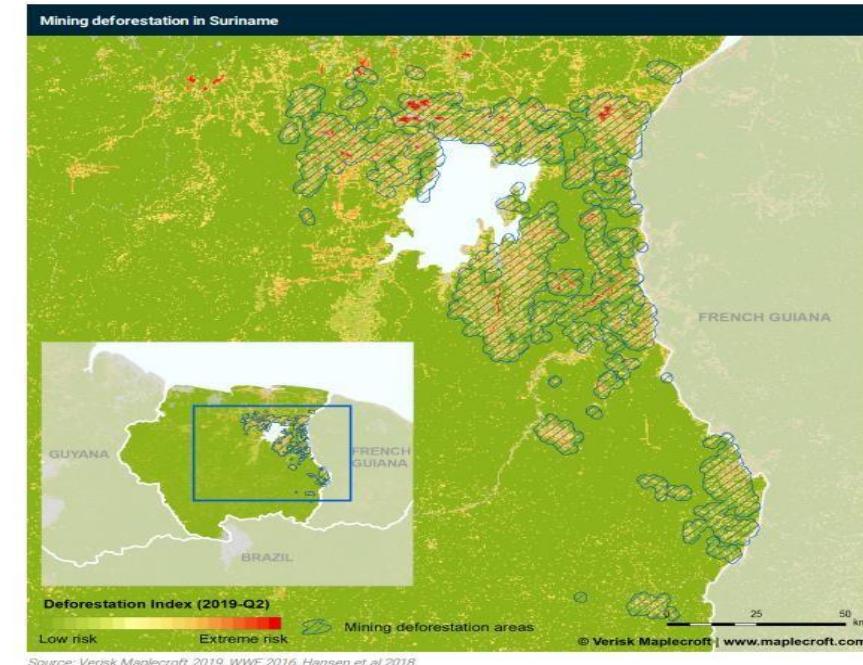
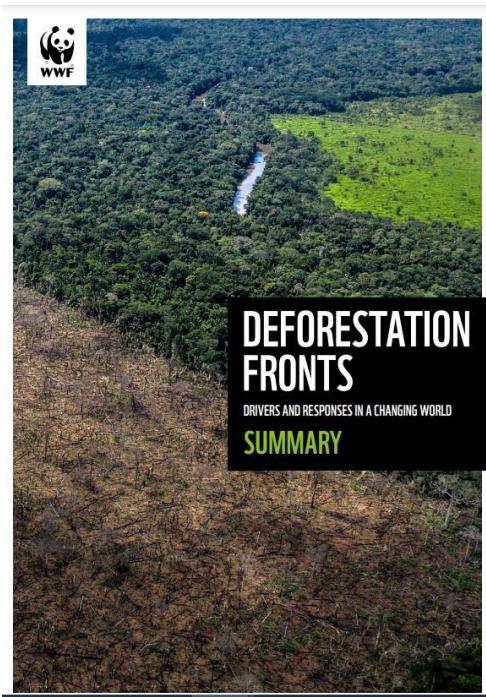
Engage suppliers on the ground to assess whether deforestation has occurred

4. Satellite monitoring

Monitor deforestation risks in our supply chains in real time



Desktop-based risk assessment. Existing data and research insights on deforestation risk



Using a variety of desk-based sources and tools,

- Publicly available data and literature
- supplier questionnaires,
- Information from satellite monitoring
- .- and tools like Maplecroft



Maplecroft's Deforestation Index
Satellite monitoring data and qualitative assessments to pinpoint the areas at greatest risk of deforestation

EX: ASSESING OUR DEFORESTATION RISK IN LATIN AMERICA FOR COCOA SOURCING



Detailed risk assessment from **Global Risk Assessment Services (GRAS)** across four countries (Brazil, Ecuador, Mexico and Venezuela).

The assessment used **satellite data** from 2015-2020 and covered 2 787 653km².

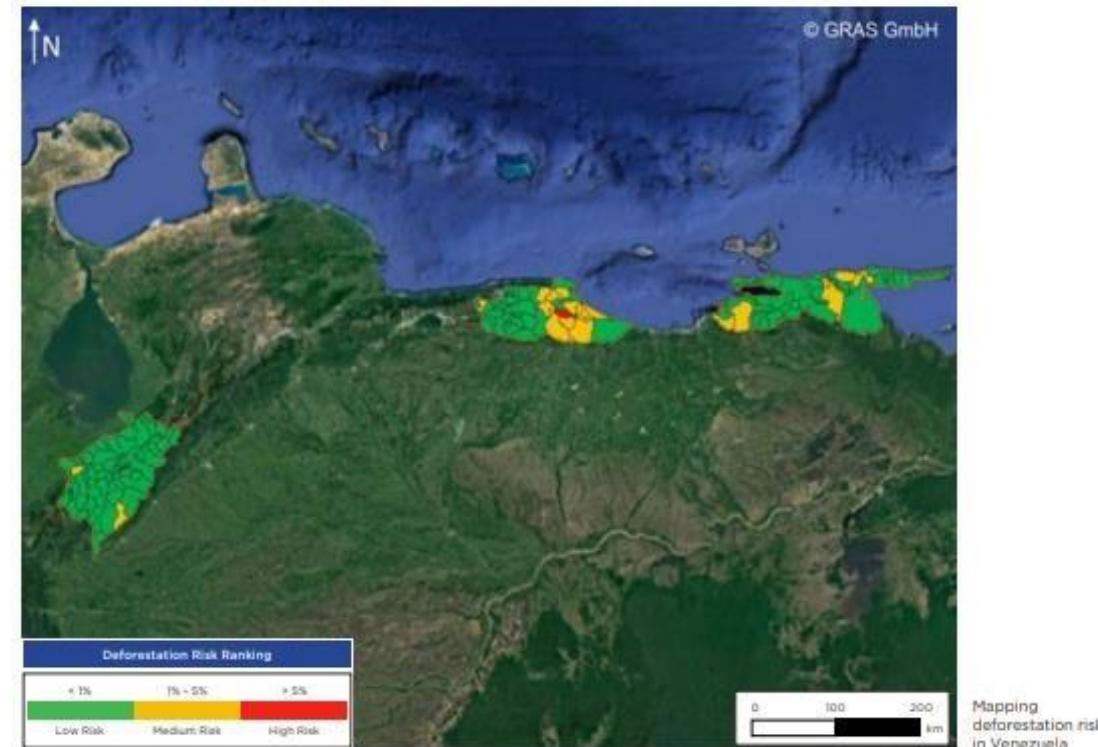
They then determined the **agriculture-specific and cocoa-specific risks of deforestation**.

The data was compared with known **protected and at-risk areas**, as well as, **high carbon stock areas**

The risk of cocoa-related deforestation is mainly low and concentrated in specific areas.

Detailed mapping was provided to enable Nestlé to avoid sourcing from high-risk

COUNTRY	TOTAL SOURCING AREA (KM ²)	POTENTIAL COCOA DEFORESTATION (KM ²)	NUMBER OF MUNICIPALITIES	HIGH RISK MUNICIPALITIES
Brazil	2 342 690	12 328 0.5%	1 329	4 0.3%
Ecuador	245 645	1 082 0.4%	950	7 0.7%
Mexico	167 478	444 0.3%	347	0 0.0%
Venezuela	31 840	187 0.6%	195	1 0.5%



used remote sensing data and geo-spatial datasets to investigate the total potential risk of deforestation

On-the-ground Assessment



On the-ground assessments make it possible to verify that our **direct suppliers and their suppliers** are meeting our no deforestation commitment.

Assessments are carried out on the ground **either through certification schemes** (with no deforestation criteria)

Or based on the **High Carbon Stock** or **High Carbon Value** approaches.

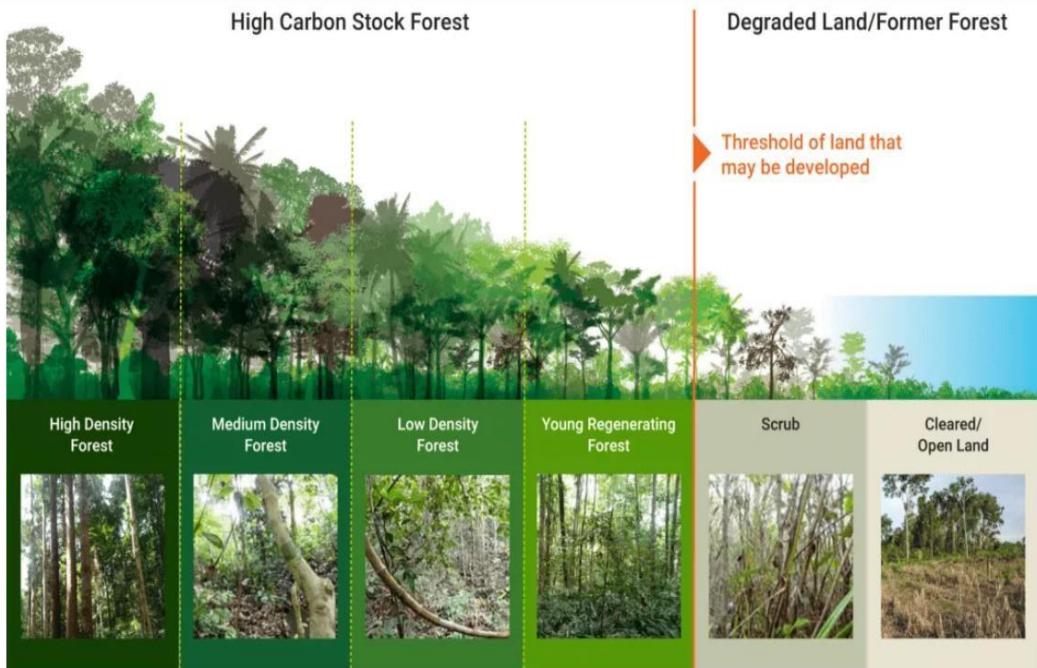


proforest

Proforest is supporting Nestlé worldwide to verify, through country and biome risk profiles and geospatial analysis, the **risk of deforestation and conversion of sugar and soya suppliers**.

Assessment tools

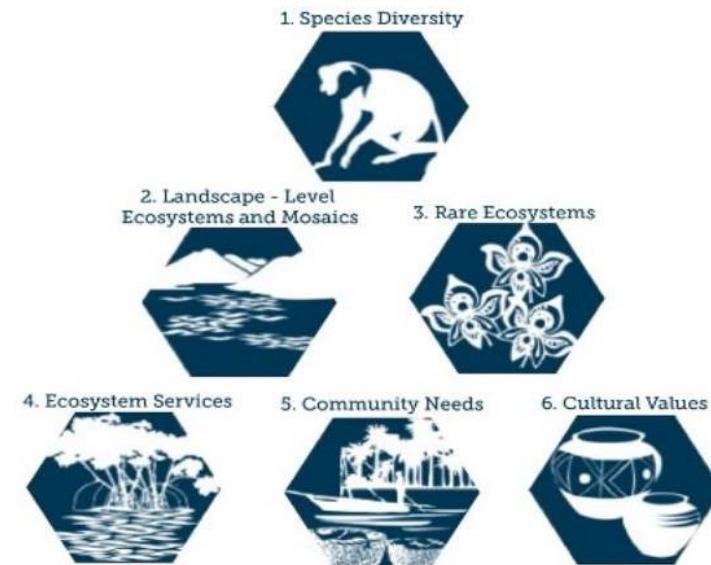
High Carbon Stock



High Carbon Value



THE 6 HIGH CONSERVATION VALUES (HCV)

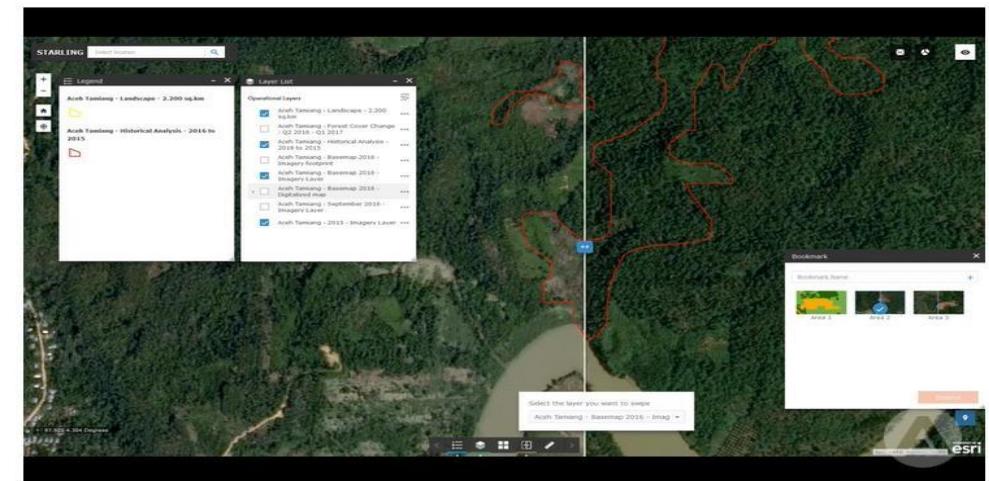
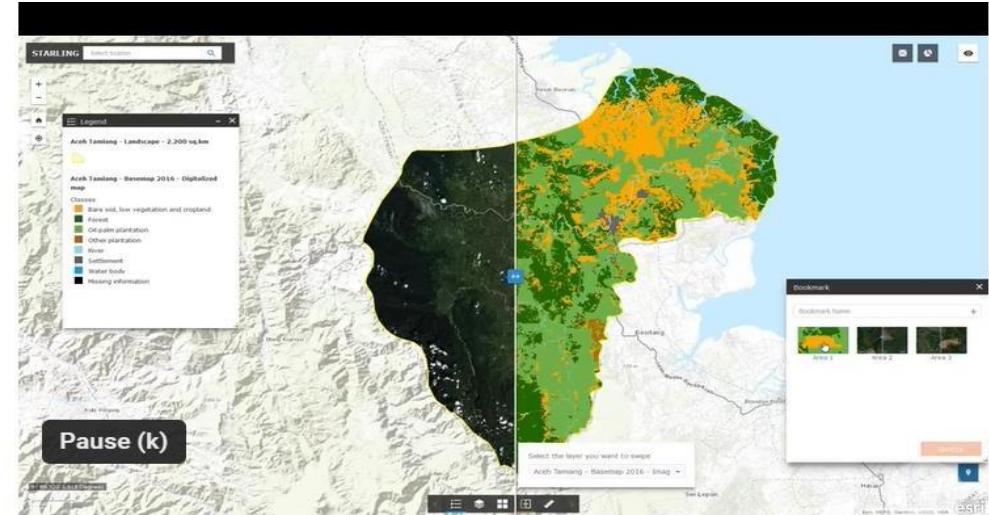


Satellite monitoring



Since 2016, Nestlé has used Starling data to better monitor deforestation, starting in our palm oil supply chain and then adding pulp and paper and cocoa supply chains.

The satellite monitoring technology assesses natural forest cover in the areas connected to all mills and plantations in Nestlé's palm oil supply chains. And sourcing landscapes in pulp and paper, and cocoa, sending out alert signals when there is a change in natural forest cover



2. Transparency transforms



SUPPLY CHAIN DISCLOSURE

Supply Chain Disclosure Palm Oil

Snapshot: December 2022

Published: May 2023



Total volumes sourced in 2022: 445,000 tons

Notes:

As with any traceability efforts, this is a snapshot that reflects our supply chain mapping efforts over the last years, last updated in December 2022, which is a mix of self-declaration and paper-based verification and should not be taken as fully exhaustive nor fully accurate as supply chain flows evolve on a daily basis. To the best of our knowledge, the information contained in this list is accurate and reliable as of the date of publication; however, we do not assume any liability whatsoever for the accuracy and completeness of this information. Therefore, no rights can be derived from this list.

Based on the traceability information self-declared by our suppliers and paper-based verification in 2022, Nestle achieved 99% traceability to mill for 99% of the volumes we sourced.

The mills associated with Tier 1 suppliers does not indicate ownership of the mills by Tier 1 supplier. The mill owner is indicated by the "Mill Company Name", the Tier 1 supplier relationship to the mill is through direct or indirect sourcing, except in the cases where the Mill Company Name is the same as the Supplier name.

The mills associated with two companies indicated with an asterisk (*) were declared by our suppliers in 2022. These two companies, however, have been suspended from Nestle's supply chain due to grievances brought to our attention alleging non-compliance against the Nestle Responsible Sourcing Standard (RSS). We are working with our suppliers to ensure that these mills (at a group level) are not to be a part of our supply unless appropriate remediation plans have been agreed and are being implemented.

We aim to share accurate and credible traceability data. Any stakeholder who may have any reliable data that is inconsistent with our own is invited to share it with us, so we can analyze it and make any necessary correction to our supply chain disclosure.

Parent company	Supplier	Mill Company Name	Mill Name	Country	UMI ID
AAK	AAK	BOUSTEAD PLANTATIONS BERHAD	TRICKE OIL MILL	Malaysia	P0200005389
AAK	AAK	IO CORPORATION BERHAD	BUKIT ZEELAU	Malaysia	P0200000110
AAK	AAK	IO CORPORATION BERHAD	GOMALI	Malaysia	P0200000394
AAK	AAK	IO CORPORATION BERHAD	PAMOL KLUANG	Malaysia	P0200000109
AAK	AAK	SYAWAKAT PUEN LADANG KELAPA SAWIT SDN BHD	PUREN	Malaysia	P0200000199
AAK	AAK	KUALA LUMPUR KEPONG BERHAD	URJAM PAGANG	Malaysia	P0200000280
AAK	AAK	SABA LAM SOON SDN BHD	SABA LAM SOON	Malaysia	P0200000798
AAK	AAK	TDM PLANTATION SDN BHD	REKAMAN	Malaysia	P0200000253
AAK	AAK	UNITED INTERNATIONAL ENTERPRISES (M) SDN BHD	UE	Malaysia	P0200000241
AAK	AAK	UNITED PLANTATIONS BERHAD	ENDAMATA	Malaysia	P0200000218
AAK	AAK	UNITED PLANTATIONS BERHAD	ULU BASIR	Malaysia	P0200000240
AAK	AAK	UNITED PLANTATIONS BERHAD	ULU BERHAMI OPTIMILL	Malaysia	P0200000242
AAK	AAK	ADMULIA PALMO LESTARI	ADMULIA PALMO LESTARI	Indonesia	P0200000257
AAK	AAK	SURYA AGRIBUDI REDSA	PSL 2 - SINGINGI	Indonesia	P02000007129
AAK	AAK	SURYA AGRIBUDI REDSA	PSL BASAHU	Indonesia	P0200000418
AAK	AAK	ADMULIA AGROLESTARI	ADMULIA AGROLESTARI	Indonesia	P0200000451
AAK	AAK	AGRO WIRA LUGATSA	AGRO WIRA LUGATSA	Indonesia	P0200000158
AAK	AAK	AGROPALMA S.A.	AGROPALMA	Brasil	P0200000048
AAK	AAK	AGROPALMA S.A.	AMAPALMA	Brasil	P0200000811
AAK	AAK	AGROPALMA S.A.	SPA	Brasil	P0200000017
AAK	AAK	AGROPALMA S.A.	CRAS AGROFAB	Brasil	P0200000047
AAK	AAK	AGROPALMA S.A.	PARAPALMA	Brasil	P0200000495
AAK	AAK	BINA PITI JAYA	BINA PITI JAYA	Indonesia	P0200000419

AAK AAK TAMONA AGRO LESTARI TAMONA AGRO LESTARI Indonesia P0200000435

AAK	AAK	SURYA RETSA BATA	SURYA RETSA BATA	Indonesia

DEFORESTATION ALERTS & ON GOING ACTIONS PLAN

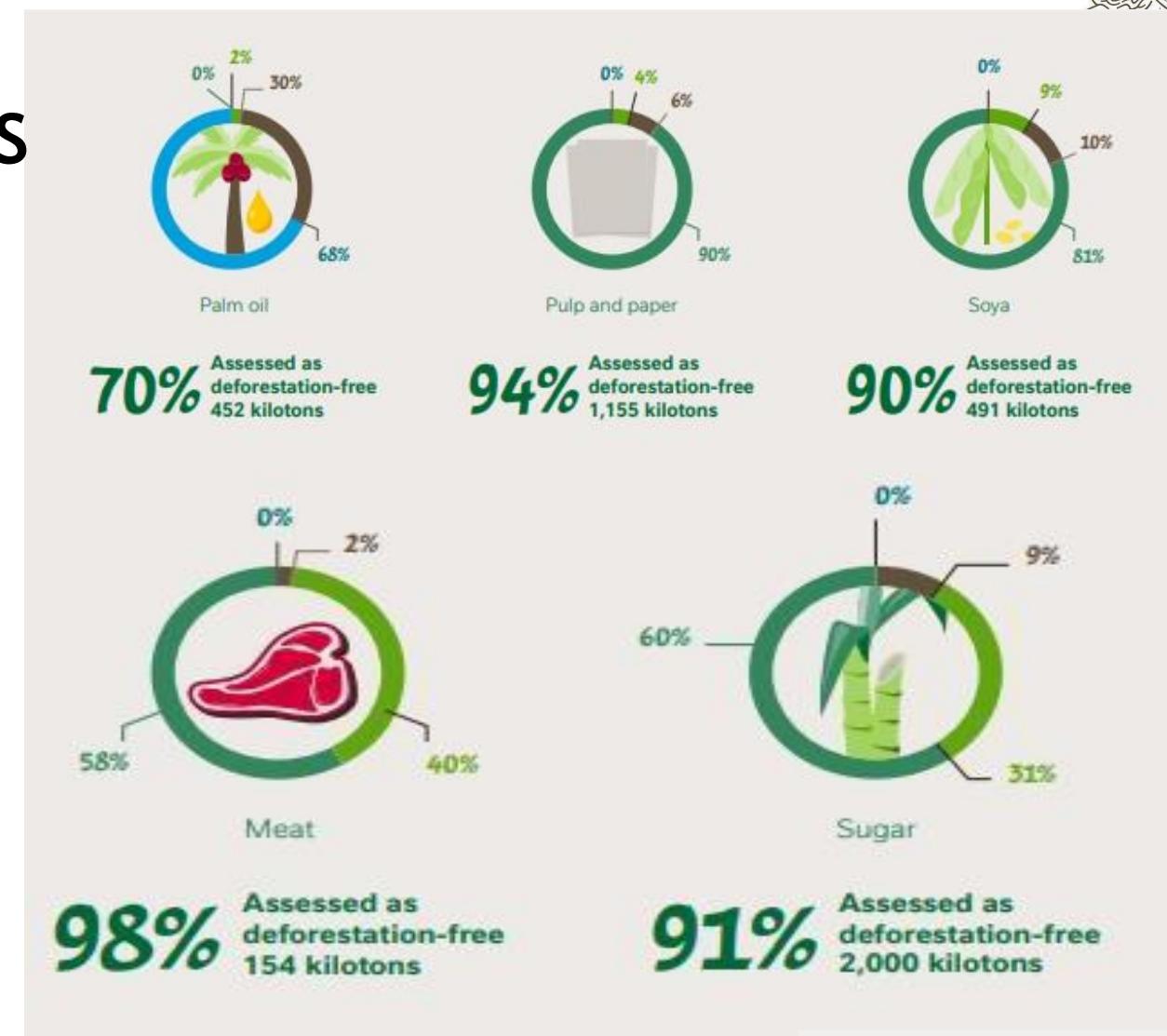
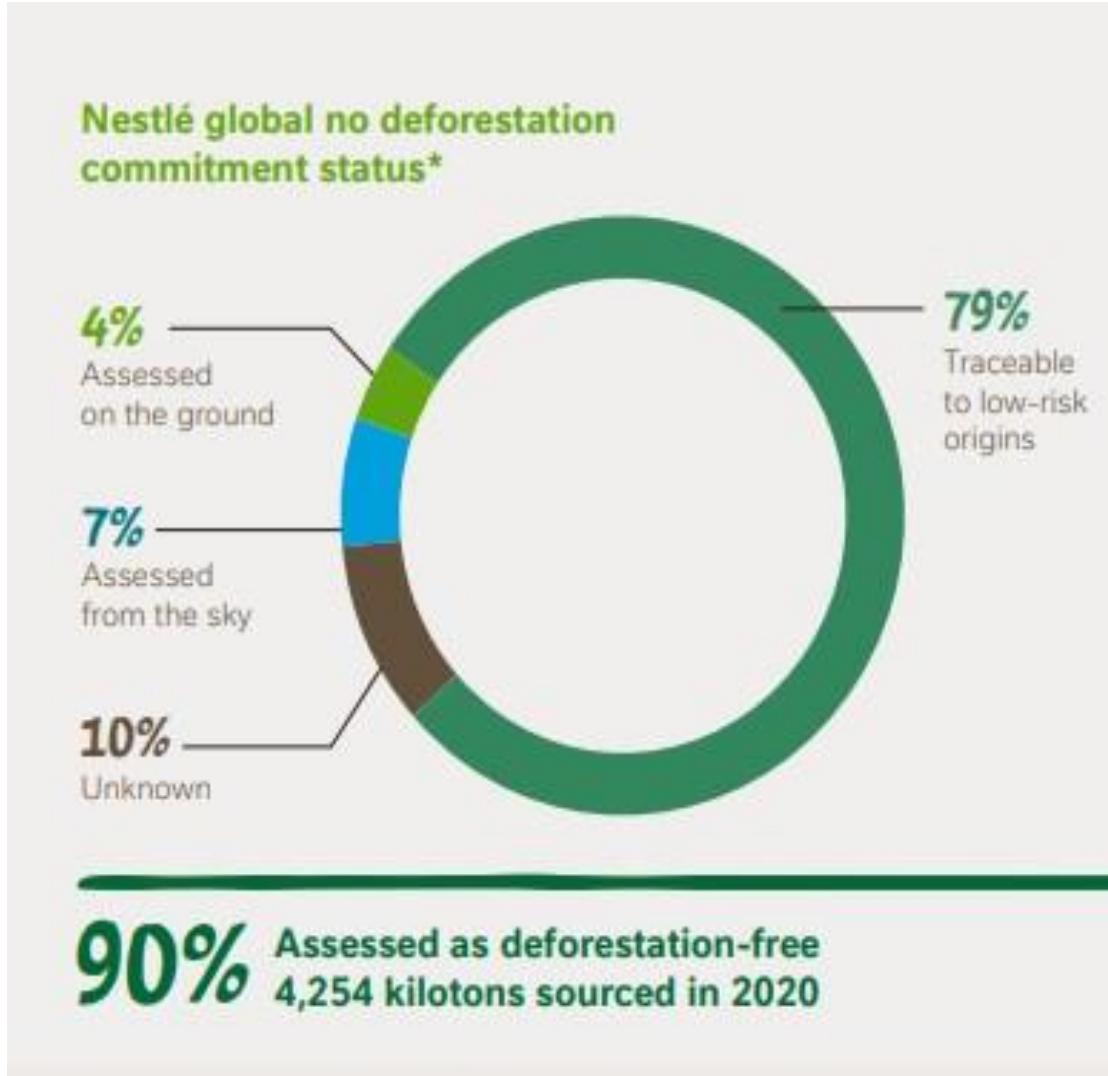


<https://www.nestle.com/sites/default/files/2019-08/supply-chain-disclosure-palm-oil.pdf>



Transparency transforms

2020 DEFORESTATION-FREE RESULTS



- **Traceable to low-risk origins**
Volumes have been traced back to regions classified as at low-risk of deforestation. The traceability exercise is carried out in collaboration with our partners or using technology.
- **Assessed on the ground**
Volumes have been assessed through on-the-ground assessments, such as HCSA and HCV assessments, by our partners and/or through certification such as RTRS and Proterra (soy), FSC and PEFC (paper), and RSPO (palm oil). Only segregated or Identity Preserved volumes are accepted as deforestation-free.
- **Assessed from the sky**
Traceable to origins that are assessed as deforestation-free via satellite monitoring of production sites (farms, mills or supply areas) in our supply chains.
- **Unknown**
Not traced or being traced, but not yet deforestation-free.

3. Don't care only about forests ...

CARE ABOUT INDIGENOUS POPULATION RIGHT

Ex: Asset land right Risk in Nigeria with Landesas' Land Assess



AND WORK WITH LOCAL COMMUNITIES

Ex: The Cavally project working with communities for holistic solutions



Cocoa &
Forests
Initiative



Earthworm

idh the sustainable trade initiative

4. Accelerate through coalition

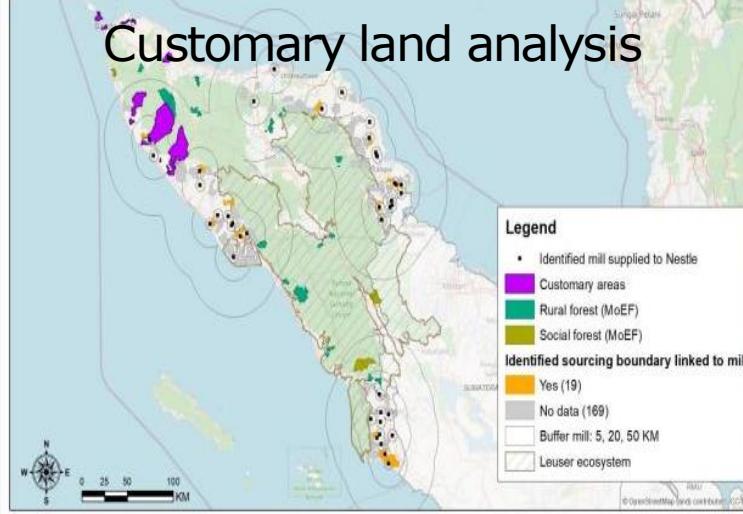
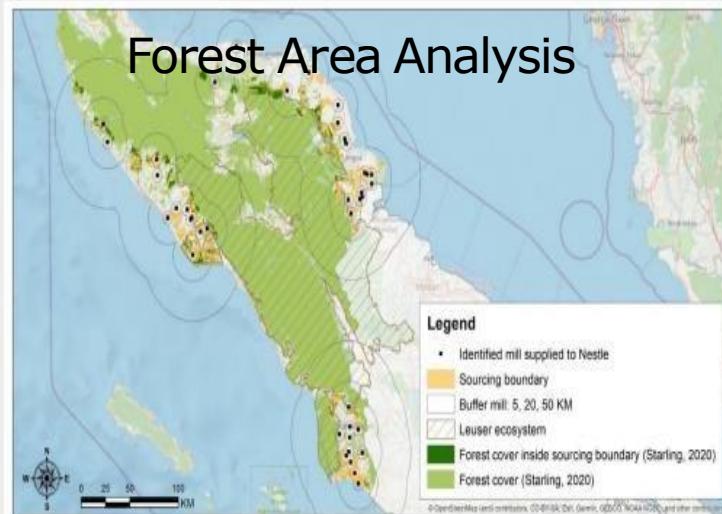
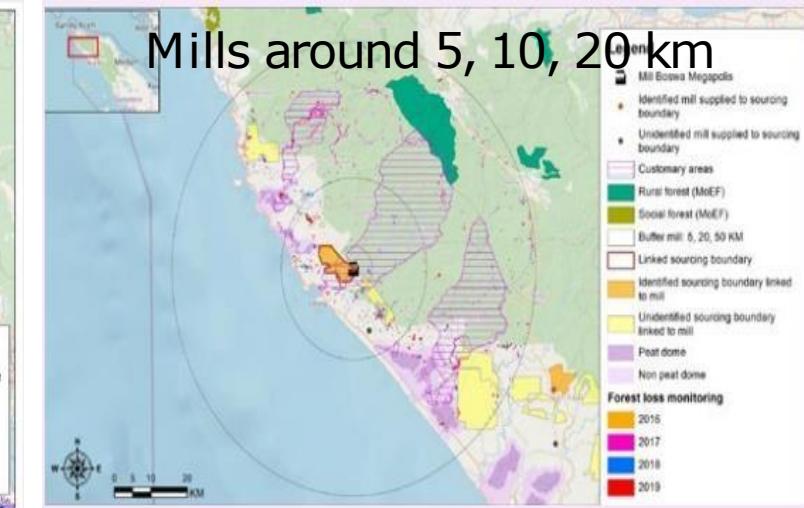
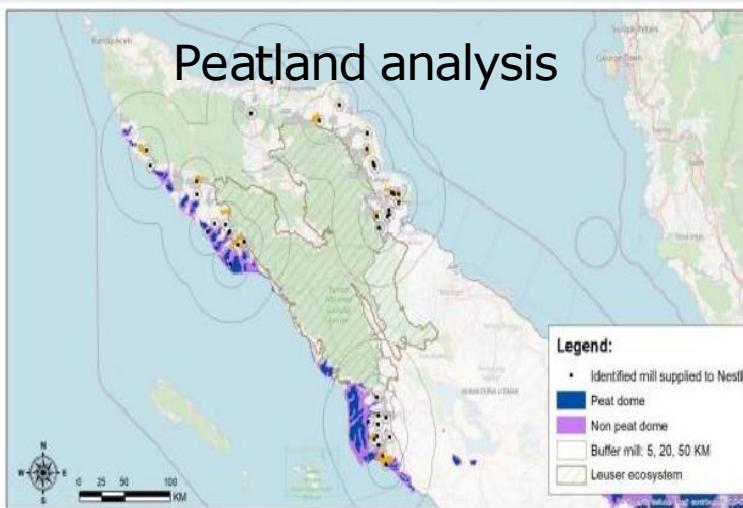
	Partners	Industry and multi-stakeholder platforms
	<ul style="list-style-type: none"> • Earthworm Foundation • Airbus (Starling) • Proforest 	<ul style="list-style-type: none"> • CGF Forest Positive Coalition • Palm Oil Collaboration Group • The Rimba Collective • RADD (Global Forest Watch) • Roundtable for Sustainable Palm Oil (RSPO) • Palm Oil Transparency Coalition
	<ul style="list-style-type: none"> • Earthworm Foundation • Airbus (Starling) 	<ul style="list-style-type: none"> • CGF Forest Positive Coalition
	<ul style="list-style-type: none"> • Proforest 	<ul style="list-style-type: none"> • CGF Forest Positive Coalition
	<ul style="list-style-type: none"> • Proforest 	<ul style="list-style-type: none"> • CGF Forest Positive Coalition • Round Table on Responsible Soy Association (RTRS)
	<ul style="list-style-type: none"> • Proforest 	<ul style="list-style-type: none"> • Bonsucro
	<ul style="list-style-type: none"> • Rainforest Alliance • Earthworm Foundation • Multiple satellite imagery providers • Côte d'Ivoire's Ministry of Water and Forests 	<ul style="list-style-type: none"> • Cocoa & Forests Initiative (World Cocoa Foundation)
	<ul style="list-style-type: none"> • Pur Projet • Solidaridad • Rainforest Alliance • 4C Services / Meo Carbon • Multiple satellite imagery service providers 	<ul style="list-style-type: none"> • Global Coffee Platform • Sustainable Coffee Challenge • International Coffee Organization (ICO) Public Private Taskforce
	<ul style="list-style-type: none"> • One Tree Planted • Pur Projet • SouthPole • Earthworm Foundation 	<ul style="list-style-type: none"> • Tropical Forest Alliance • 1t.org • One Planet Business for Biodiversity (OP2B) • Interlaken Group • High Carbon Stock Approach • LEAF Coalition

A wide-angle photograph of a dense tropical forest. In the foreground, two large, mature trees stand out with their thick trunks and wide, spreading canopies. The forest floor is covered in a thick layer of green undergrowth and smaller plants. The background is filled with the dark green foliage of many more trees, creating a sense of depth. The sky above is a pale blue with some wispy white clouds.

WHAT'S NEXT ?

1. Going ahead deforestation

EX: FOREST FOOTPRINT PILOT AT ACEH

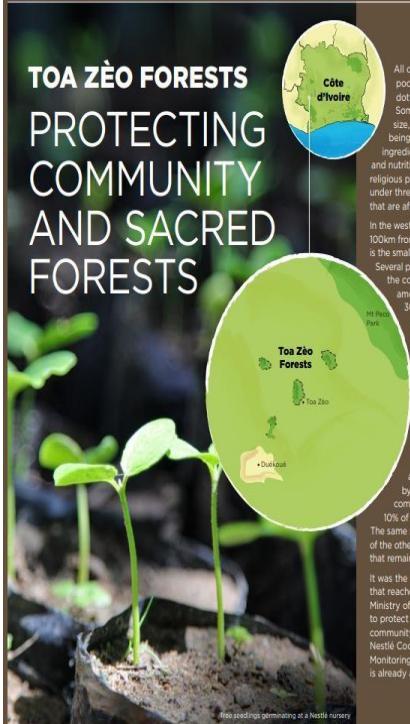
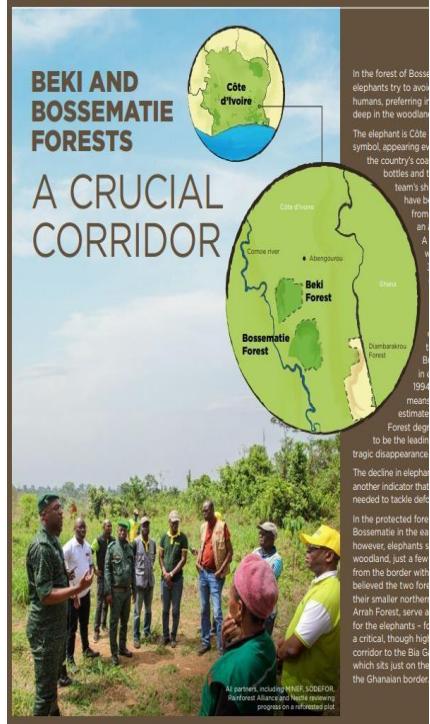
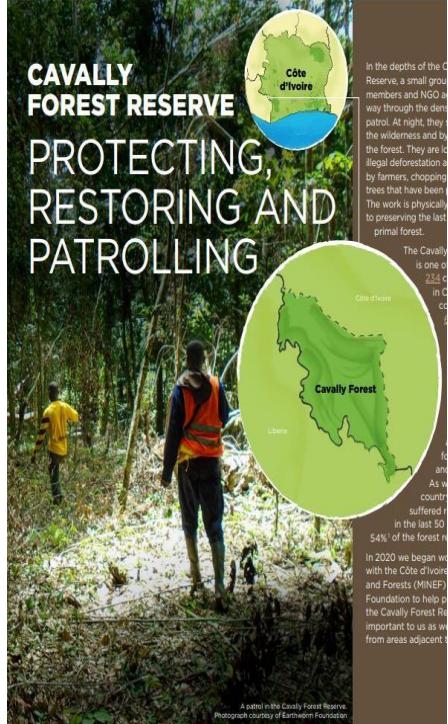


89,000 hectares
of forest and peatland at risk of
potential future clearances within palm
oil concessions

1.45 million hectares of
forested land suitable for palm oil
cultivation located within 50
kilometers of mills in our supply chains

2. Forest restoration & Reforestation program

FOREST RESTORATION PROGRAM



**GLOBAL REFORESTATION PROGRAM :
200 MILLION TREES PLANTED
BY 2030**



3. Landscape approach



“Ultimately, the most important thing is the actual forests that remain. and there are so few that you really have to save those.

if we have a deforestation-free supply chain but someone else cuts down all the forests, it's a pretty empty victory. that's why the wider landscape is important.”

Darrel High Head of Cocoa Plan



Nestlé Forest positive strategy



I. Deforestation-free supply chains

We are working toward achieving and maintaining 100% deforestation-free supply chains for our key ingredients, using tools such as supply chain mapping, on-the-ground assessments, certification and satellite monitoring.

By the end of 2022, 99.1% of our primary supply chains for meat, palm oil, pulp and paper, soy and sugar were assessed as deforestation-free. Our palm oil supply chain presents the greatest opportunity to improve, with 95.6% assessed as deforestation-free.

We are aiming for deforestation-free supply chains for coffee and cocoa by 2025.



II. Long-term forest conservation and restoration in our supply chains

We are working to implement proactive measures to help keep forests standing and restore degraded forests and natural ecosystems while respecting the rights of Indigenous Peoples and Local Communities.



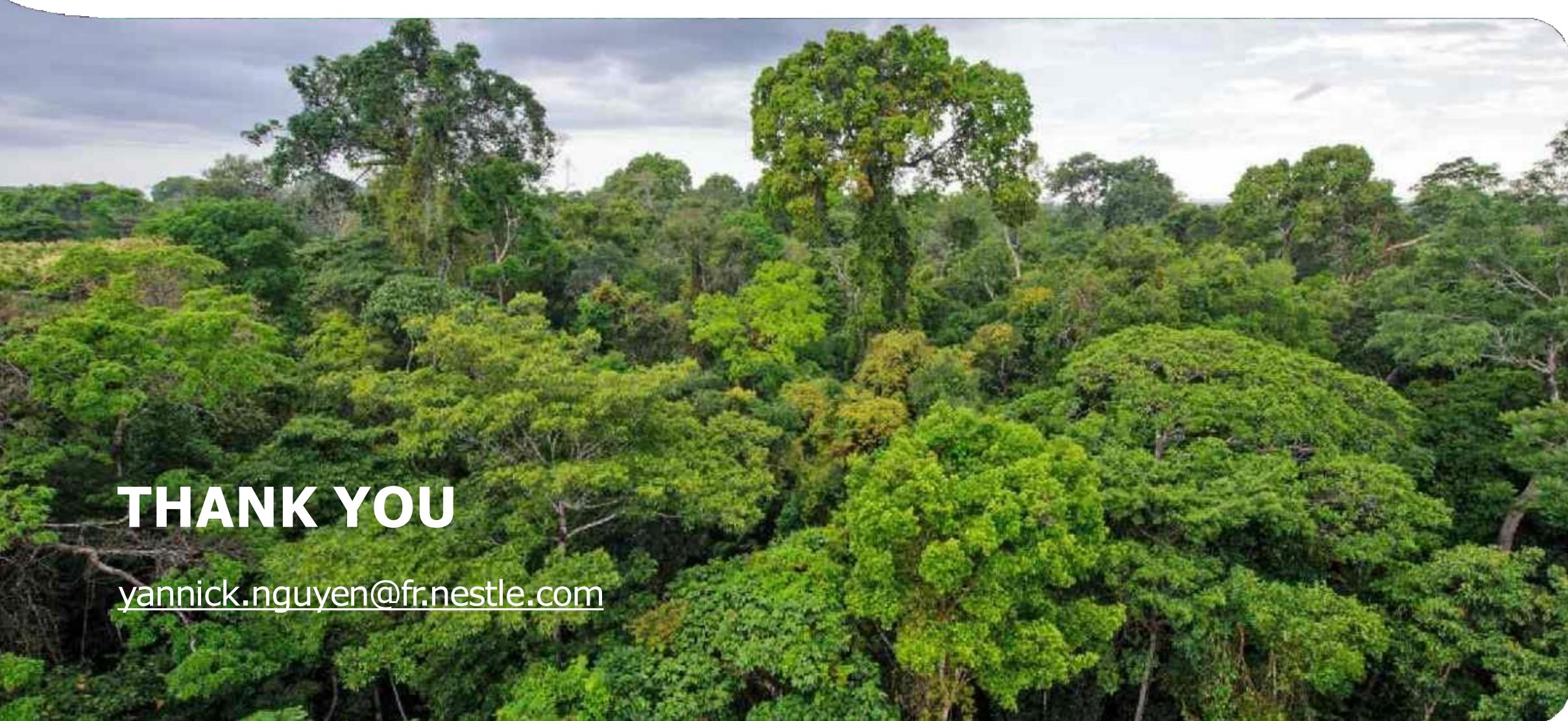
III. Sustainable landscapes

We are working to help transform the key landscapes we source from for the future.



Nestlé

Good food, Good life



THANK YOU

yannick.nguyen@fr.nestle.com