

Particulars

About Your Organisation

1.1 Name of your organisation

Nestlé S.A.

1.2 What is/are the primary activity(ies) or product(s) of your organisation?

- Palm Oil Grower
- Processor and/or Trader
- Consumer Goods Manufacturer
- Retailer
- Bank and/or Investor
- Social and/or Development NGO
- Environmental and/or Conservation NGO
- Affiliate

1.3 Membership number

4-0055-09-000-00

1.4 Membership category

Consumer Goods Manufacturers

1.5 Membership sector

Ordinary

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
 Food Good Manufacturer - third-party brand
 Home & Personal Care Good Manufacturer - own brand
 Home & Personal Care Good Manufacturer - third-party brand
 Ingredient Manufacturers
 Biofuels
 Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil and palm oil products consumed, to enable the RSPO to accurately calculate uptake on a member, sector and total level. ACOP reports without reported volume data will be considered incomplete and will not be accepted.

2.1 Please list down all operations and subsidiaries using palm oil that are owned and/or managed by the member, including those under Group Membership

Applies globally

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Applies globally

2.2.5 Total volume of all palm oil and palm oil products (palm-content only) used in your company's own-brand products and in products produced by your company for third-party brands in the year:

Description	Tonnes
Total volume of crude/refined palm oil (tonnes)	310136.0
Total volume of crude/refined palm kernel oil (tonnes)	144935.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of palm oil/palm kernel oil derivatives and fractions (tonnes)	0.0
Total	455071.0

2.2.6 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2.4) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	80.0
Palm kernel oil-based derivatives and fractions	20.0

2.3 Volume of RSPO-certified palm oil and palm oil products used in your company's own brand products and in products produced by your company for third-party brands in the year (tonnes):

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	118280.0	0.0	0.0	0.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	0.0
Mass Balance (MB)	0.0	0.0	0.0	0.0
Segregated (SG)	80613.0	5302.0	0.0	0.0
Identity Preserved (IP)	13010.0	3230.0	0.0	0.0
Total	211903.0	8532.0	0.0	0.0

2.3.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.3) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Certified Palm oil-based derivatives and fractions	80.0
Certified Palm kernel oil-based derivatives and fractions	20.0

2.4 According to the volume information you have provided in Question 2.2 and Question 2.3, your company's certified palm oil and palm oil products uptake is:

48.44%

2.4.1 If your company has not reached 100% usage of sustainable palm oil through the four supply chain models (RSPO Credits, MB, SG or IP), do you have any plans to cover the gap using RSPO Credits?

Yes

2.5 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question CG.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	35.0
North America	1.0
Malaysia	27.0
Indonesia	1.0
China	0.0
India	2.0
Latin America	17.0
Africa	3.0
Rest of World	14.0

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2010

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2010

3.2.1 If the previous target year for CG.3.2 has not been met, please explain why.

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3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2023

3.3.1 If the previous target year for CG.3.3 has not been met, please explain why.

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3.4 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2025

3.4.1 If the previous target year for CG.3.4 has not been met, please explain why.

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3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

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4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

In 2020 we are working towards 60% of total volume as RSPO certified, with preference for RSPO SG/IP, but to be complemented by MB or Book and Claim, as well as targets of 100% on track to meet our Responsible Sourcing Standard and our No Deforestation commitment. In support of the continuation of the RSPO process and the implementation of RSPO projects we are undertaking an active role within the RSPO by participation in consultations and on the Assurance Standing Committee. Lastly, our work plan includes additional activities promoting sustainable palm oil production, and specifically no deforestation, no peat development, no exploitation, and smallholder inclusion in our supply chains. Examples of these activities in our work plan include: • Global supply chain monitoring of deforestation risk with Starling satellite monitoring, which in combination with traceability to plantation, HCS assessments, and conservation initiatives will work to achieve our 2020 no deforestation commitment. • Supporting the development and use of the NDPE Implementation Reporting Framework within our supply chains. • Working collaboratively for industry transformation via active participation as members of the HCSA Steering Group and the Consumer Goods Forum's Palm Oil Working Group. • Expanding our work with smallholders in our supply chain to develop resilient livelihoods and produce responsible palm oil, to reach smallholders in at least eight countries where we source in pursuit of our ambition of 100% Responsibly Sourced palm oil supply chains that are inclusive of smallholders. • Implementing our Action Plan on Labour Rights in Palm Oil Supply Chains, Nestlé and Verité are currently working on a program to improve Nestlé's palm oil upstream supply chain management for improved labor practices in the global palm oil sector. • As part of our Labour Rights Action Plan, we launched an enhanced helpline co-developed by the solution developer ELEVATE and Responsible Business Alliance, with Sime Darby Plantations, that will allow workers to report on working conditions, recruitment, safety and other labor issues. In 2020, we are working to expand coverage of this helpline to other parts of our supply chain in Malaysia. • In September 2019, Nestle pledged to achieve net-zero GHG emissions by 2050, and in 2020 we are developing the roadmap for achieving this commitment, including in our palm oil supply chains.

6. Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil (RSPO) approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

6.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

6.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

6.1.2 Has your company previously uploaded or linked its Labour & Labour Rights policy in previous ACOP reporting cycles?

Yes

Ethical Conduct & Human Rights

6.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

6.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

6.2.2 Has your company previously uploaded or linked its Ethical Conduct & Human Rights policy in previous ACOP reporting cycles?

Yes

Land Use

6.3 Does your company have a publicly-available Policy covering Land Use?

Yes

6.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

6.3.2 Has your company previously uploaded or linked its Land Use policy in previous ACOP reporting cycles?

Yes

Occupational Health & Safety**6.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?**

Yes

6.4.1 Has your company previously uploaded or linked its Occupational Health & Safety policy in previous ACOP reporting cycles?

No

Climate Change & Greenhouse Gas (GHG)**6.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**

Yes

6.5.1 Does the policy cover:

- Identification and assessment of GHG
- Public reporting of GHG footprint
- Monitored implementation plan to reduce or minimise GHG emissions

6.5.2 Has your company previously uploaded or linked its Climate Change & Greenhouse Gas policy or report in previous ACOP reporting cycles?

Yes

Complaints & Grievances**6.6 Does your company have a Complaints & Grievances Mechanism?**

Yes

6.6.1 Is your Complaints & Grievances mechanism in line with the RSPO's grievance mechanism? For details of the RSPO's grievance mechanism, please go to <https://askrspo.force.com/Complaint/s/>

Yes

Smallholders**6.7 Does your company support oil palm independent smallholder groups?**

Yes

6.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

6.7.2 How is your company supporting them?

Smallholders account for 40% of global palm oil production. Given this, Nestlé is collaborating with the Earthworm Foundation on seven smallholder initiatives under the EF Rurality programme in Indonesia, Malaysia, Ghana, Côte d'Ivoire, Ecuador, Brazil, and Peru. We are supporting an eighth project implemented by Proforest in Mexico. The aim is to build smallholder inclusion into our supply chains, while developing smallholders' resilience and their capability to produce responsibly. These projects aim to create value for everyone along the supply chain: smallholders, mill operators, dealers, suppliers and Nestlé. Depending on the area, these initiatives focus on efficiency, self-sufficiency, diversification, innovation and infrastructure. Additionally, Nestlé is supporting two landscape initiatives in Indonesia with Earthworm Foundation and several other companies, aimed to end deforestation via multi-stakeholder sustainable land use planning and support for local communities. The initiative takes place in Southern Aceh and in Aceh Tamiang. The work in these landscapes includes ongoing analysis and use of information from Starling satellite monitoring to inform the land use planning.

7. Challenges

7.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

The two main challenges have been related to logistics and compliance. For logistics, the challenge has been physically getting traceable and responsibly sourced palm oil in certain markets where the main supply chains come through bulk vessels which introduce additional complexity to segregation and traceable materials. To address this, we try to identify supply chains where there is greater transparency as well as focusing on initiatives to support industry transformation. For compliance, we encounter obstacles in suppliers being able to demonstrate that no deforestation & no peat development is in the supply chain, as well as to address labour issues around which there is lower awareness in the industry. To address this, we have partnered with subject matter expert organizations to develop tools and build capacity in our supply chains

7.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

In 2019, Nestlé joined the newly formed RSPO Assurance Standing Committee as its Consumer Goods Manufacturer representative, and actively participated in the various consultation processes around RSPO's Smallholder Standard (new in 2019) and Shared Responsibility principles.

7.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

2019 Palm Oil Responsible Sourcing Progress report: <https://www.nestle.com/sites/default/files/2020-01/responsible-palm-oil-sourcing-2019.pdf>