

Response from Nestlé

24 September 2020

The Business & Human Rights Resource Centre invited Nestlé to respond to allegations in the following article:

- *"Human rights defenders call on Consumer Goods Forum companies to prevent violence and killings in their supply chains"*, 4 September 2020, Zero Tolerance Initiative: <http://www.forestpeoples.org/en/news-article/2020/human-rights-defenders-call-consumer-goods-forum-companies-prevent-violence>

Nestlé sent the following response:

"Human rights abuses, including violations of Indigenous Peoples' rights, are unacceptable and have no place in our operations and supply chains. We are working hard to address them. We recognize the important role that human rights defenders, play in the promotion and protection of human rights worldwide. We do not tolerate threats, intimidation or physical attacks against human rights defenders in relation to our operations. We expect our suppliers to follow the same approach.

For a number of years, we have been working with partners, including the Danish Institute for Human Rights, Earthworm Foundation, and Verité, to improve transparency, traceability and supplier practices in the palm oil industry. Our approach is to work together with our suppliers to identify and address specific labor or human rights issues. If our suppliers refuse to make improvements, we will end our relationship with them.

In Peru, we've been engaging our palm oil suppliers for a number of years on forest protection, human rights and on company-community relations with the support of our partner, Earthworm Foundation. We are well aware of the complex local context and are committed to contributing to making a positive impact on the ground.

We source directly from Alpamayo, a refinery that buys 100 percent of its volumes from the Olpesa mill. We are aware of the allegations that Olpesa sources from the plantation Ocho Sur, which has been accused of human rights violations.

As part of our Responsible Sourcing program, we aim to achieve full traceability to plantation for all the palm oil that we source to ensure that it is produced responsibly. This work is based on a traceability self-declaration exercise carried out by all our direct suppliers on annual basis. According to this, Olpesa and Alpamayo do not source from Ocho Sur. However, we take the claims against Ocho Sur very seriously and, in 2019, we engaged our partner, Earthworm Foundation, to carry out an investigation on the ground to verify these claims. The investigation included reaching out to civil society organizations. The results were inconclusive as Earthworm Foundation was not able to find evidence linking Ocho Sur to Alpamayo and Olpesa. We have therefore commissioned a robust, independent audit of Alpamayo's and Olpesa's traceability systems. This audit was planned for the second quarter of this year. This had to be rescheduled due to the Covid-19 mobility restrictions and will take place as soon as the situation permits it. The findings will allow us to have a better understanding of the reliability of the company's traceability systems and confirm the origin of the fresh fruit bunch. If any shortcomings in the traceability systems are found, a corrective action plan will be implemented together with Alpamayo and Olpesa.

More broadly, we work with Earthworm Foundation to carry out assessments against our Responsible Sourcing Standard in our palm oil supply chain at the refinery, mill and plantation levels. Based on these, we develop together time-bound action plans, in which suppliers disclose and report progress on closing gaps identified. Where issues have been

identified at a specific mill or plantation, our supplier may also develop a more specific action plan to help track progress on addressing these issues. If suppliers refuse to cooperate, we delist them from our supply chain. We have an action plan with Alpamayo and are currently reviewing it with them to strengthen it.

Finally, we're also supporting a [landscape project](#) in Tocache, in which Alpamayo is involved. Currently this project focuses on forest protection but is transitioning into a more holistic approach. As of 2021, it will also address labor rights as well as community rights."