

Invitation to respond – Report published by Rainforest Action Network

Nestlé's response as of 27 February 2023

Dear Business and Human Rights Resource Center,

Respecting human rights and the environment have long been an important focus of Nestlé's work - both in our operations and across our supply chains. In 2021, we published our <u>Human Rights Framework and Roadmap</u>. This guides our due diligence approach in assessing, addressing, and reporting transparently on actual and potential human rights risks in our business operations and supply chains.

In 2023, we published our salient human rights issue action plans, one of which focuses on indigenous peoples' and local communities' land rights. This action plan will help us strengthen our direct suppliers' capacity to meet our Responsible Sourcing Standard, address risks in our supply chains, and to support indigenous peoples' and local communities' projects centered on landscape conservation and restoration.

Importantly, we require our direct suppliers to demonstrate evidence of Free, Prior and Informed Consent (FPIC) from affected local communities when exercising their agricultural and forestry development activities for the raw materials we source from them.

We are committed to continually increasing the amount of sustainably sourced, deforestation-free palm oil. At the end of 2021, more than 90% of the palm oil we sourced was assessed as deforestation-free thanks to tools such as satellite monitoring systems (e.g., Starling), on-the-ground monitoring via partner organizations, and certification. And we remain focused on making progress in this area.

We understand that the allegations raised by the Rainforest Alliance Network concern the sourcing of pulp and paper from these two entities: PT. Rodamas Tbr Kalimantan and PT. Kemakmuran Berkah Timber. We confirm that pulp and paper from these two entities does not enter our supply chain. Moreover, at the end of 2021, 98% of the pulp and paper we sourced was assessed as deforestation-free. More information is available on our website.

Finally, as part of our <u>Forest Positive Strategy</u>, we continue to focus on landscape initiatives to help protect forests around landscapes where we source key ingredients for our products, and to develop solutions that offer positive benefits for the environment and local communities.

We trust this answers your inquiry.

Nestlé S.A.