

Consumer Goods Forum's Forest Positive Coalition

2023 Progress Report

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INTRODUCTION

Rooted in Nestlé's Net Zero roadmap, our Forest Positive strategy aims to help conserve and restore forests and protect natural habitats while promoting sustainable livelihoods and respecting human and land rights. By working in partnership across the food industry and beyond, we can continue to help build a future for forests that is positive for people and the planet.

Nestlé values the positive change that Consumer Goods Forum (CGF) helps drive globally. Nestlé's CEO is a member of CGF's Board of Director, and our experts are actively involved in different Coalitions. In particular, Nestlé actively contributes to the [Forest Positive Coalition](#): it is committed to leveraging collective action and accelerating systemic efforts towards removing deforestation, forest degradation and conversion from key commodity supply chains (palm oil, pulp & paper, soy and beef).

In addition to being an active member of CGF's Forest Positive Coalition, Nestlé co-leads the CGF's Soy working group and Communication & Engagement working group.

Within the Forest Positive Coalition, we have been contributing to the development of commodity roadmaps that include a set of individual companies' targets, action plan for achieving them, and a set of key performance indicators (KPIs). We are also participating in four Coalition-wide working groups that aim to drive the transformational change needed to achieve the Coalition's goals:

- Supplier & trader engagement
- Government & stakeholder engagement
- Production landscapes
- Transparency & accountability

This document serves as a repository of the Coalition's 2023 reporting requirements as set out by the Coalition's Transparency & Accountability Working Group. It covers the 2022 financial year, unless stated otherwise.

COALITION-WIDE REPORTING

Forest Positive strategy and operational plan (CGF – FPC | 1.1)

Forests are key to preserving biodiversity, fighting climate change, and achieving our commitment [to zero net emissions by 2050](#). They also provide livelihoods to millions of people around the world. We are determined not only to help protect standing forests but also to contribute to restoring degraded ones.

In June 2021, we published our [Forest Positive Strategy](#), which explains how our strategy is moving beyond managing deforestation-risks in our forest-risk commodity supply chains towards targeting a positive impact on the critical landscapes we source from.

Our strategy focuses on three pillars:

- i. Deforestation-free supply chains*
- ii. Long-term forest conservation and restoration in our supply chains*
- iii. Sustainable landscapes*

Nestlé builds on a commitment made in 2010 to end deforestation in its supply chain and at this time we were one of the first companies to make such commitment. This commitment is operationalized in our [Responsible Sourcing Standard](#), which sets out requirements that we ask our direct suppliers and their sub-tier suppliers to respect and to adhere to at all times when conducting business with us.

We are working towards deforestation-free supply chains through a risk-based approach. We map our supply chains to identify where our raw materials come from. In at-risk sourcing origins, we take steps to assess that our sourcing is not contributing to deforestation or the conversion of natural habitats.

Based on this approach, volumes are assessed as deforestation-free when they are:

- **Traceable to low-risk origin:** Volumes are traced back to regions classified as at low risk of deforestation, using tools such as Maplecroft. The traceability exercise is carried out in collaboration with our partners (e.g. Earthworm Foundation and Proforest) or using technology (such as SupplyShift).
- **Assessed on the ground:** Volumes are assessed through on-the-ground assessments, including by High Carbon Stock Approach and High Conservation Value assessments, by our partners (e.g. Earthworm Foundation, Proforest and SGS) and/or through certification such as Roundtable on Responsible Soy and Proterra (soya), Forestry and Stewardship Council and PEFC (paper) and Roundtable on Sustainable Palm Oil. Only segregated volumes are accepted as deforestation-free.
- **Assessed from the sky:** Volumes are assessed through satellite monitoring of production sites (farms, mills or supply areas) in our supply chain identified through a traceability exercise.

As of end of 2022, [99.1 percent of the key forest-risk commodities](#) that we source (palm oil, pulp & paper, meat, soy and sugar) were assessed as deforestation-free. We engaged with EY to provide independent assurance on this key performance indicator (KPI).

Our operational plan is laid out below (CGF – FPC | 1.2)

Nestlé’s Forest Positive Strategy Pillar	Commitments	Actions
Pillar 1: Deforestation Free Supply Chains	<ul style="list-style-type: none"> We are working toward deforestation-free palm oil, sugar, soy, meat, and pulp and paper supply chains by end of 2022. We are aiming to achieve deforestation-free supply chains for coffee and cocoa by end of 2025. 	<ul style="list-style-type: none"> 99.1 % of in-scope materials (palm oil, sugar, soy, meat, and pulp and paper) were assessed deforestation-free across our primary supply chains in 2022.
Pillar 2: Long-term forest conservation and restoration in our supply chains	<ul style="list-style-type: none"> We aim to integrate the Forest Footprint tool <i>into our positive action plan to help identify the forests and communities that are on the frontlines of expansion of industrial logging and agriculture and to develop strategic interventions to prevent deforestation and rights violations</i>¹ by end of 2024 We aim to plant 200 million trees in our sourcing origins by end of 2030. 	<ul style="list-style-type: none"> The Forest Footprint approach uses an integrated range of public and private datasets to analyze where forest areas are most vulnerable in order to keep them standing. High risk areas include those around sourcing boundaries or concessions that are at risk for commodity expansion. In 2022, Nestlé refined the forest footprint methodology and scaled up the approach from 1 to 5 geographies (Mexico, Argentina, Colombia, Southeast U.S. and Indonesia)- on Palm, Pulp and Paper, Coffee, Soy, and Cacao. In 2022, we secured 12.4 million trees for planting within the year. This contributes to reaching 37 million trees planted out of the target of 200 million trees planted by 2030.
Pillar 3: Sustainable landscapes	<ul style="list-style-type: none"> We aim to develop a Sustainable Landscape strategy and a landscape due diligence framework by the end of 2024. We aim to maintain our support at least 15 landscape initiatives in key sourcing origins by end of 2024. 	<ul style="list-style-type: none"> In 2022, our palm oil team mapped sourcing regions with the greatest land rights risks against volumes of palm oil sourced from those regions. This will improve our understanding of land rights risks. The results are being used to develop a strategy for identifying landscape-level projects that Nestlé can support and/or participate in and can be duplicated for other raw materials. Learning from projects in Africa, in our cocoa sourcing areas, we believe the model of working at a small scale has the potential to be rolled out to other communities in the country, and collectively to make a large impact. In line with our ambition to support 15 sustainable landscape initiatives by 2023, we now have active landscape projects in different countries, like Brazil, Chile, Côte d’Ivoire, Indonesia, Malaysia, Mexico, Peru.
Enabler: Respect for Indigenous people & local communities’ land rights	<ul style="list-style-type: none"> We aim to develop and publish an Indigenous Peoples and Local Communities’ land rights action plan by end of 2022, as part of our Human Rights Framework and Roadmap. 	<ul style="list-style-type: none"> The IPLC Land Rights Action Plan (developed during 2022 and published in February 2023) helps put people at the center within the Forest Positive Strategy, recognizing the intersections between human rights, land rights, and forest conservation and restoration. Nestlé’s vision is to respect the land and natural resource rights of IPLCs and strengthen these rights in high-risk landscapes, both within the company value chain and through collective action and collaboration. Nestlé will support

¹ Forest footprint refers to the total area of forests, peatlands, and customary lands that have been, or could be, impacted by a company’s consumption of forest-risk commodities.

		IPLC-centric projects as part of its on-the-ground efforts, such as the Global Reforestation Program portfolio and landscape initiatives.
Enabler: Reporting & Transparency	<ul style="list-style-type: none"> We aim to report annually on progress made in implementing our Forest Positive strategy through our Creating Shared Value and Sustainability report. 	<ul style="list-style-type: none"> Please refer to Nestlé 2022 Creating Shared Value and Sustainability report: https://www.nestle.com/sites/default/files/2023-03/creating-shared-value-sustainability-report-2022-en.pdf
Enabler: Advocacy & Engagement	<ul style="list-style-type: none"> We will continue to advocate for more engagement with producers and producer countries, strengthened supply chain transparency and due diligence requirements, increased international collaboration and direct finance and investment towards more sustainable supply chains through ongoing policy processes in the European Union, in the UK, in the US and COP 27. 	<ul style="list-style-type: none"> In the European Union, Nestlé supported the development of legislation on deforestation-free supply chains. This legislation aims to reduce greenhouse gas emissions and biodiversity loss as well as reducing the EU’s impact on global deforestation and forest degradation. During the development phase, Nestlé joined other business leaders across the food industry to support ambitious action by the European Union to increase supply chain transparency and traceability for commodities that may be linked to deforestation. In June 2022, Nestlé’s and Unilever’s CEOs co-released a joint advocacy position to make deforestation-free supply chains in the Financial Times. (https://www.ft.com/content/d0224863-6071-436d-a628-d7f3a71cb36f) Nestlé was present in Sharm-El-Sheikh and focused on supporting the launch of a business Call to Action, under the leadership of the World Business Council on Sustainable Development (WBCSD) and co-signed with industry peers to “Put food on the Table at COP27 and beyond.” For Nestlé and its peers, it was crucial to broadly mobilize public and private sector actors, including at COP27, to help illustrate how food systems can move from being a contributor to climate change and biodiversity loss to part of the solution, with positive outcomes for food producers, companies and consumers. This journey continues in 2023. Also, in 2022, we publicly supported the Business for Nature’s campaign for mandatory disclosure of impacts and dependencies on biodiversity by large companies and financial institutions at the CBD COP15 negotiations in Montreal. Nestlé participated in the negotiation process throughout 2022, meeting government representatives directly to advocate for an ambitious agreement. In Montreal, Nestlé shared various platforms with stakeholders to continue demonstrating the commitment of business to addressing biodiversity loss, and to support policies that help halt and reverse the loss of nature by 2030.

Supply chain disclosure (CGF – FPC | 2.1)

Since 2019, Nestlé discloses the list of suppliers alongside a variety of data of our priority raw materials that are part of our Responsible Sourcing program. This disclosure aims at increasing transparency in the agri-food sector. Disclosures, including for palm oil, pulp & paper and soy, are available [here](#) and regularly updated (e.g. see the list of [palm oil](#) suppliers as of December 2022).

Landscape initiatives

As part of our Forest Positive strategy, we support landscape initiatives with the objective of helping to tackle the drivers of deforestation and conversion and contribute to sector-wide transformation.

To date we are supporting 15 landscape initiatives in palm oil, pulp & paper, and soy, including 11 that are prioritized under the CGF's Principles of Collective Action in Production Landscapes. These initiatives aim to improve the livelihoods of local communities and safeguard human rights, address systemic issues to shared landscape-level goals, and develop shared landscape-level goals with other stakeholders. Please see annex 1 for more information on these landscape initiatives.

Priority production landscapes identified (CGF – FPC | LI 4.1)

We are currently refining our landscape strategy, including the methodology through which subnational landscapes will be prioritized for collective action through landscape and jurisdictional initiatives. This methodology focuses on both risks to forests and natural ecosystems as well as land and natural resources rights (LRR) risks – which are typically strongly place-based issues. In 2021, the forest risk prioritization was completed for all palm origins and in 2022 the LRR was completed. This is being expanded to other commodities in 2023 and will be completed in 2024.

Nestlé will continue to assess land rights risk in more landscapes in 2023 and 2024. Forest and land rights priorities will be re-assessed every 3-5 years based on new information and trends, including from landscape and supplier monitoring. Nestlé has also developed other issue specific strategies and action plans (e.g. salient Human Rights action plans) which include taking action at scale in different ways, such as via landscape initiatives where appropriate or sectoral initiatives. This builds on Nestlé's existing investments in production landscapes globally, selected based on entry points for engagement as well as known risks.

Methodology used to identify priority production landscapes (CGF – FPC | LI 4.2)

Current investments were identified based on landscapes that produce at least one of our forest-risk commodities. We have traced these commodities, and the systemic risks of their origins to define them as a priority landscape. This approach is being reviewed as part of the development of our landscape strategy. We will prioritize landscapes we support based on:

- 1) Identified risks and opportunities to standing forests and natural ecosystems
- 2) Land and natural resources risks
- 3) Volumes sourced
- 4) Opportunity to engage / enabling environment

Public reporting on CGF-FPC KPIs in 2023:

Commodity	Indicate whether your company will report on this commodity publicly by 30 June 2023		
Palm Oil <i>(CPO and PKO)</i>	<input checked="" type="checkbox"/> Reporting	<input type="checkbox"/> Not reporting yet	<input type="checkbox"/> The commodity is not material – not reporting
Palm derivatives <i>(CPO derivatives and PKO derivatives)</i>	<input type="checkbox"/> Reporting	<input type="checkbox"/> Not reporting yet	<input checked="" type="checkbox"/> The commodity is not material – not reporting
Direct soy	<input checked="" type="checkbox"/> Reporting	<input type="checkbox"/> Not reporting yet	<input type="checkbox"/> The commodity is not material – not reporting
Embedded soy	<input checked="" type="checkbox"/> Reporting only as narrative	<input type="checkbox"/> Not reporting yet	<input type="checkbox"/> The commodity is not material – not reporting
PPP <i>(Pulp, paper and fibre-based packaging)</i>	<input checked="" type="checkbox"/> Reporting	<input type="checkbox"/> Not reporting yet	<input type="checkbox"/> The commodity is not material – not reporting
Beef and other cattle-derived products	<input checked="" type="checkbox"/> Reporting	<input type="checkbox"/> Not reporting yet	<input type="checkbox"/> The commodity is not material – not reporting

COMMODITY-SPECIFIC REPORTING

PALM OIL

The scope of the palm oil reporting excludes palm oil derivatives².

CGF Forest Positive Coalition Indicator	Nestlé KPI (FY 2022)
Element 1 : Own supply chain	
Mill list using the conventions of the Universal Mill List (CGF – FPC 1.3)	https://www.nestle.com/sites/default/files/2019-08/supply-chain-disclosure-palm-oil.pdf
Percentage of volumes assessed as deforestation-free (CGF – FPC 1.4) – New KPI	95.6% of our palm oil volumes were assessed as deforestation-free through one of the following verification methods: <ul style="list-style-type: none"> - 89% assessed from the sky - 6% assessed on the ground - 1% traceable to low-risk origin
Progress of mills toward NDPE (CGF – FPC 1.5)	75% of our supply base was coming from mills and refineries with time bound Action Plans towards NDPE compliance or Coming from RSPO certified origins
Percentage of volumes traceable to mill (CGF – FPC 1.6)	99% in 2022 97% in 2021

² Today there is no standardized method to calculate the fraction of a derivative coming from palm oil industry (e.g. glycerin) so we don't have the ability to trace this material and assess its sustainability practices.

Percentage of volumes traceable to FFB sources (CGF – FPC 1.7)	96% in 2022 68% in 2021
Percentage RSPO certified (CGF – FPC 1.8)	In 2022, 71% of our palm oil volumes were RSPO certified with the following chains of custody: <ul style="list-style-type: none"> - Segregated: 19.99% - Mass balance: 1,65% - Credits: 49.3%
Element 2: Suppliers and traders	
Supplier list (CGF – FPC 2.1)	Palm oil suppliers as of December 2022 https://www.nestle.com/sites/default/files/2019-08/supply-chain-disclosure-palm-oil.pdf
Percentage of direct suppliers engaged and informed of the 'Forest Positive Suppliers' Commitment and 'Forest Positive Approach' (CGF – FPC 2.2)	<p>77% of our palm volumes were from suppliers that have been informed and engaged about Forest Positive Approach.</p> <p>We communicated to all Nestlé Palm Oil suppliers in 2022 what were the expectations regarding all the elements of Forest Positive Approach. 26% of Nestlé direct suppliers have been actively engaged on their Performance as they supply about 75% of Nestlé volumes in partnership with implementing partners.</p>

Performance of direct suppliers against the elements of the Forest Positive Approach and changes over time including progress on delivery across entire palm oil business (CGF – FPC 2.3)							
		Forest Positive Requirement	Starting Action	Progressing towards meeting Requirement	Delivering	Tail-End Supply (Not Assessed)	Total
	1	Public commitment to 'forest positive'	13.1%	50.3%	27.2%	9.4%	100%
	2	Process for regular supplier and trader engagement including supplier due diligence/selection	17.1%	49.3%	24.2%	9.4%	100%
	3	Mechanism to identify and to respond to grievances	13.1%	49.4%	28.1%	9.4%	100%
	4	Support initiatives delivering forest positive development at landscape and/or sectoral level	19.7%	18.2%	52.8%	9.4%	100%
5	Regular monitoring and public reporting on effectiveness of actions against key KPIs	17.1%	48.3%	25.2%	9.4%	100%	

Element 3: Monitoring & Reporting

Summary of grievance process (CGF – FPC 3.1)	See annex 2
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Summary of progress of grievance cases (CGF – FPC 3.2)	In 2022, we received grievances related to deforestation and environmental degradation in connection to 17 companies. The status of these grievances as end of December 2022 was the following: Monitoring: 4 Investigating: 13
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Coverage of deforestation & peat monitoring (CGF – FPC 3.3)	97.3% of our supply base is covered by deforestation and peat monitoring aligned with CGF Forest Positive monitoring minimum requirements. We use Starling satellite monitoring for in-depth analysis of every point of origin identified in our palm oil supply chain. In 2021, this included concession boundaries and 50km radius area around over 1,760 mills, to determine whether the origins were assessed as deforestation-free or whether further supplier engagement and investigation was needed. We worked with Earthworm Foundation to conduct in- depth supply chain engagement with our direct suppliers to investigate and address potential risks detected through Starling. More information on how we use Starling is available here .
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<p>% of supply mills with, or potentially linked to, deforestation & peat grievances (CGF – FPC 3.5)</p>	<p>4.4% of our volumes have not yet been assessed as deforestation-free as of December 2022. (9% in 2021)</p> <p>As of December 2022, 15.1% of mills in Nestlé’s supply chain are buying from at least one sourcing boundary with detected deforestation). These volumes do not necessarily indicate origins are deforested, but rather reflect supply chains with insufficient transparency to allow for assessment. In some cases, producers are unwilling to share their farm locations, in the other cases, there are dealers in the supply chain who collect fruit from many producers but do not provide the origin information, and other times supply chains are very complex, comprised of many smallholder producers that add challenges to mapping. Work will continue to identify additional plantations connected to our supply chain.</p>
<p>% of deforestation & peat grievances where action taken in line with MRF steps and requirements (CGF – FPC 3.6)</p>	<p>0.35% of Nestlé’s total volume is engaged to investigate detected deforestation. 5.7% of the mills in Nestlé supply chain are engaged to investigate detected deforestation.</p> <p>We investigate all grievance cases that come in through our grievance management process to identify potential supply chain links and relevant suppliers to engage corrective actions to address the issues raised. We monitor progress through resolution across all cases. In 2022, we started developing more detailed supplier guidance and minimum requirements for non-compliant suppliers including remediation and recovery planning, forest loss assessment and engagement with affected communities.</p>
<p>Element 4: Landscapes engagement</p>	
<p>Number of landscape initiatives currently engaged in</p>	<p>We are currently engaged in seven landscape initiatives focusing on palm oil, including four that are part of the CGF Forest Positive Learning Portfolio of Landscape Initiatives. (See Annex 1)</p>

SOY

Scope of reporting currently excludes soybean oil and lecithin volumes (reporting to start in 2023) as well as soy embedded in other animal-based products. For embedded soy, we have developed a [methodology for estimating our soy footprint](#) and assessing deforestation and conversion risks.

CGF Forest Positive Coalition Indicator	Nestlé KPI Direct Soy	Nestlé KPI Embedded Soy
Element 1 : Own supply chain		
Soy Footprint across all product categories (CGF – FPC 1. 3)	Total soybean equivalent volume estimated 1,174,408 tonnes	
Methodology for soy footprint calculation (CGF – FPC 1. 4)	Extract, clean, adjust and convert volumes purchased to fresh equivalent tons. Estimate feed intake Different Feed Conversion Ratios (FCR) were used according to each product’s category to measure the animal’s efficiency to convert feed mass into the desired product. Estimate soybean intake through feed. Allocate soybean equivalent volume using economic allocation factor.	
Percentage of soy with known origin (CGF – FPC 1. 5) % Traceable to at-risk origin (country or subnational) without further assurance of DCF status (adjusted KPI)	98% - this has been assessed as deforestation free. Our scope of reporting covers 90% of our purchased soy volumes. It currently excludes soybean oil and lecithin volumes as well as soy embedded in other animal-based products.	The origin itself of the embedded soy is still unknown. However, as a very first step we have identified the soy embedded in the products we buy, by calculating the soy footprint and estimating the exposure to high-risk origins.
Percentage from high-risk origins or unknown origins (CGF – FPC 1. 6)	20% <ul style="list-style-type: none"> - 2% is unknow: not traced or being traced and not yet assessed as deforestation-free. - 18% is coming from high-risk origins and assessed on the ground as deforestation-free <p>81% of our soy volumes in scope were mapped to regions classified as at low risk of deforestation using tools like Maplecroft along with national and international public geospatial data sources (e.g. PRODES Amazon and PRODES Cerrado in Brazil) and relevant literature (e.g. scientific papers and NGO reports).</p>	32% of the soybean equivalent volume was exposed to high-risk origins in priority countries (Brazil, Argentina and Paraguay).

<p>Percentage of deforestation and conversion free (DCF) supply from high-risk areas (CGF – FPC 1. 7)</p> <p>% DCF supply and break-down into: % DCF negligible risk origin % DCF certified % DCF monitored (<i>adjusted KPI</i>)</p>	<p>18%</p> <p>(98% of total volume is DCF: 80% traceable to low risk origin; 18% from high risk origin and assessed on the ground). Supply chain mapping exercise carried out by Proforest (public DCF methodology available)</p>	<p>See our Our approach to Deforestation & Conversion risks for embedded soy</p>
<p>Progress on ensuring soy is conversion-free for high-risk origins (CGF – FPC 1. 8)</p> <p>a) Year on year change in DCF volume %b) % of non-DCF volume under engagement, and change compared to previous year (<i>adjusted KPI</i>)</p>	<p>Nestlé has been taking the following steps to work toward deforestation and conversion-free (DCF):</p> <ol style="list-style-type: none"> 1. Incorporation of DCF criteria into the RFP Tender, a tool through which buyers negotiate future purchases with suppliers 2. Close support to Procurement team to ensure DCF purchases only 3. Engagement with suppliers to present Nestlé’s commitments and provide guidance on DCF criteria as well as request evidence to confirm DCF volumes 4. Analysis of evidence provided by suppliers to confirm DCF volumes, with the support from our partner Proforest. 	
<p>Element 2 : Suppliers & Traders engagement</p>		
<p>Supply chain disclosure (CGF – FPC 2.1)</p> <p>Direct supplier list (<i>new for manufacturers buying direct soy</i>)</p>	<p>20200604 2019 Supply Chain Disclosure - SOY.xlsx (nestle.com)</p>	<p>NA</p>
<p>% of T1 suppliers to whom the Forest Positive Approach and its implementation have been communicated (CGF – FPC 2.2)</p>	<p>24%: Developed a supplier engagement approach to engage with suppliers of Nestlé’s direct soy supply chain risk (e.g. sourcing from high deforestation and conversion risk countries such as Brazil, Paraguay and Argentina). Scorecards will be used to assess supplier performance and to monitor and report on continual improvement towards compliance with both the CGF FPC asks and Nestlé requirements. Nestlé T1 suppliers assessed comprise 24% of Nestlé’s 2022 volumes.</p>	<p>No report in 2023</p>
<p>Performance of T1 suppliers against Forest Positive</p>	<p>Scorecards will be used to assess supplier performance and to monitor and report on continual improvement towards compliance with both</p>	<p>No report in 2023</p>

<p>Approach including progress on delivery across entire operations (updated reporting guidance) (CGF – FPC 2.3)</p>	<p>the CGF FPC asks and Nestlé requirements. Nestlé T1 suppliers assessed comprise 24% of Nestlé’s 2022 volumes</p>	
<p>Summary of Forest Positive Approach for suppliers and traders (CGF – FPC 2.5)</p>	<p>Our Theory of Change for soy is centered on engaging key suppliers to build capacity, improve policies, cascade implementation, and demonstrate progress within and beyond our supply chain.</p> <p>Nestlé are building on the CGF’s Forest Positive Guidance to Suppliers, to ensure that our suppliers work towards compliance with the 5 key elements of the Forest Positive Approach listed within the CGF Soy Roadmap, as well as Nestlé’s own additional requirements and overarching commitments.</p> <p>As part of our 2022 workplan, we have developed a supplier engagement approach to engage with suppliers who represent 100% of Nestlé’s direct soy supply chain risk (e.g. sourcing from high deforestation and conversion risk countries such as Brazil, Paraguay and Argentina).</p> <p>Scorecards will be used to assess supplier performance and to monitor and report on continual improvement towards compliance with both the CGF FPC asks and Nestlé requirements. Nestlé Tier one suppliers assessed comprise 24% of Nestlé’s 2022 volumes. In addition, these suppliers have also been engaged collectively or individually to communicate the Forest Positive Approach and its implementation. These includes SCF members such as ADM, Bunge, Cargill, Louis Dreyfus and also CJ Selecta. One to one engagements happen on a yearly basis.</p> <p>In 2019 we started engaging animal protein suppliers in Brazil, undertaking an initial assessment of their sustainability awareness and performance. Based on this assessment, in 2021 we prioritized and provided capacity building activities³ to nine poultry, pork and beef suppliers that together represent 4.2% of our volume sourced in Brazil in 2020 that was exposed to high deforestation and conversion risk origins.</p> <p>Additionally, in early 2022 we supported one of the suppliers that participated in the training to review their sustainable policy, develop a deforestation/conversion-free commitment and an implementation plan. We are planning to expand both the capacity building and the Embedded Soy Pilot to more suppliers in 2022, as well as keep supporting this supplier to improve their traceability and achieve their commitment.</p>	

³ Based on [The Soy Toolkit](#) and [The Beef Toolkit](#) training materials.

PULP & PAPER

Scope of reporting excludes office paper, paper labels and flexibles (e.g. pouches, flow-wraps, etc.).

Element 1 : Own supply chain	
Percentage of recycled fiber and of virgin fiber (CGF – FPC 1.3)	61% recovered fibre, 39% virgin fibre We collect this information from our suppliers via our annual traceability campaign which is based on volumes sold to Nestlé.
Percentage of virgin supply certified, and percentage per scheme and chain of custody model (CGF – FPC 1.4)	78.6% of our virgin fiber supply was certified with the following certification schemes and chain of custody: <ul style="list-style-type: none"> - FSC FM: 23.1% - FSC CW: 55.3% - PEFC FM: 0.24% - PEFC CS: 0.04% Certification is one of the tools we use to support work towards our assessed deforestation-free supply chain commitment for pulp & paper. In our methodology, we distinguish FSC FM from FSC CW or PEFC FM/CS as we consider former certification scheme chain of custody model more robust. We collect this information from our suppliers via our annual traceability campaign.
% of virgin supply traceable to origin (at least to country of harvest) (CGF – FPC 1.5)	99.7% of our virgin fiber supply was traceable to country of harvest.
Percentage of our pulp & paper assessed as deforestation-free	99.9% of our pulp & paper was assessed deforestation-free, including: <ul style="list-style-type: none"> - 99.6% traceable to low-risk origin - 0.29% assessed on the ground

Percentage of supply from high-risk sources (CGF – FPC 1.6)	0.1% of our pulp & paper volumes have not been assessed as deforestation-free or have not been traced back to country of harvest. As such, they can consider as at-risk of deforestation.
Actions being taken for supply from high-risk sources (CGF – FPC 1.7)	To close the 0.1% gap we are working with our direct suppliers to increase traceability, develop time-bound action plans and engage our upstream supply chain. We are also investing in on-the-ground projects. For more information, visit our website .
Element 2: Suppliers & Traders	
Supply chain disclosure (CGF – FPC 2.1)	nestle-pulp-mill-transparency.pdf

<p>Proportion of suppliers informed about the Forest Positive Suppliers approach (CGF – FPC 2.2)</p>	<p>100% of our suppliers were informed via communication about Nestle deforestation-free commitments sent during the annual traceability campaign.</p> <p>Other efforts:</p> <ol style="list-style-type: none"> 1. Public commitment to ‘forest positive’ (including deforestation free and respect for IPLC rights) across Nestle 2. Selective pulp & paper supplier engagement where high risks exist including supplier due diligence 3. Grievance tracking 4. Support initiatives delivering forest positive development at landscape and/or sectoral level 5. Regular monitoring and public reporting on effectiveness of actions against key KPIs
<p>Number or proportion of suppliers identified as priority for engagement, and % engaged (CGF – FPC 2.3)</p>	<p>9% suppliers identified as priority and engaged. We define priority suppliers as suppliers that are sourcing from at-risk origins. We engaged suppliers via procurement team to support taking action leading to transition to become assessed deforestation free e.g. get certified, change mill or feedstock, field visit on ground, etc. In 2023, we are working on developing a supplier engagement strategy to engage suppliers more systematically.</p>

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BEEF

Meat by-products are excluded from the scope of our no deforestation work.

<i>Element 1 : Own supply chain</i>	
Beef footprint across all product categories (CGF – FPC 1. 3)	Total in-scope beef ingredient footprint across the Nestlé global supply chain is approximately 27,000 tonnes

<p>% with known origin (CGF – FPC 1.4)</p>	<p>99% of our meat volumes are traceable to low-risk origins and have been assessed as deforestation-free.</p> <p>Desktop assessment, country of origin for in-scope meat products. Traceable to low-risk origin: Volumes have been traced back to regions classified as at low risk of deforestation using tools such as Maplecroft. The traceability exercise is carried out in collaboration with our partners (e.g. Earthworm Foundation, Control Union and Proforest) or using technology (e.g. SupplyShift).</p>
<p>Progress on ensuring beef is free from deforestation, conversion, and conflict for high-risk areas (CGF – FPC 1.5)</p>	<p>0.05% of our total in-scope animal sourced ingredients are cattle products sourced from Brazil. We do not currently have traceability of these volumes into specific biomes. However, we have engaged multiple suppliers on how to establish and implement responsible sourcing commitments for beef. Upon completion of the process, the suppliers will be expected to report volumes of at-risk ingredients in the Nestlé supply chain.</p>
<p><i>Element 2: Suppliers and Traders</i></p>	
<p>Direct supplier list of identified major upstream suppliers, up to slaughterhouse when possible. (CGF – FPC 2.1)</p>	<p>nestle-supply-chain-disclosure-meat-tier1.pdf nestle-supply-chain-disclosure-meat-upstream.pdf</p>
<p>Tier 1 suppliers to whom the Forest Positive Approach and its implementation have been communicated (CGF – FPC 2.3)</p>	<p>Eight suppliers were engaged through a dedicated partner pilot program. One has progressed to the point of implementing additional internal controls aligned with CGF Forest Positive standards.</p>

<p>Performance of T1 suppliers against Forest Positive Approach including progress on delivery across entire operations (CGF – FPC 2.4)</p>	<p>Change in performance at this time is evaluated using number of suppliers engaged with our partner-led training and support program to build guidelines and internal capacity to meet responsible sourcing standards and due diligence.</p>
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For more information, please visit:

Nestlé CSV & Sustainability report: <https://www.nestle.com/sites/default/files/2023-03/creating-shared-value-sustainability-report-2022-en.pdf>

[Forest Positive Strategy](#)

[Nestlé Responsible Sourcing Standard](#)

Forest Positive External Advisory Council report: <https://www.nestle.com/sites/default/files/2023-04/forest-positive-external-advisory-council-report.pdf>

[Supply chain disclosure documents](#)

[2020 No Deforestation Progress report](#)

[Responsible sourcing of palm oil](#) and [Palm oil Transparency Dashboard](#)

[Responsible sourcing of Pulp & Paper](#)

[Responsible sourcing of Soya](#)

[Responsible sourcing of Meat](#)

Annex 1: List of landscapes

	Palm Oil	Pulp & Paper	Soy	Beef
Number of landscape initiatives currently engaged in (CGF – FPC LI 4.3)	7	2	2	0
For each landscape initiative your company is currently engaged in, information on (CGF – FPC LI 4.3): 1) Name, location, timeline and other partners involved 2) Report on type of engagement (e.g. disbursed financial support, in-kind support, capacity, preferential sourcing) 3) Specific actions or projects that are supported 4) How the actions intend to address systemic issues and contribute to delivering forest positive goals (at least one of conservation, restoration, positive inclusion of farmers and communities, landscape-level multi-stakeholder platforms or partnerships) 5) Linkages to shared landscape-level goals developed through multi-stakeholder processes	See below the description of 11 Landscape Initiatives Two other initiatives complete our 2022 Landscapes portfolio: - The Cavally Forest Reserve – as part of Nestlé Cocoa Plan - The Rimba Collective			

Area for Priority Transformation	
Location	Aceh, Indonesia, Aceh (Aceh Tamiang, Aceh Selatan, Subulussalam, and Aceh Singkil)
Partner	Earthworm Foundation
Commodity	Palm oil
Timeline of engagement	2021-2025
Type of engagement	Disbursed financial support
Other partners involved	https://www.earthworm.org/our-work/projects/aceh-indonesia
Specific actions or projects that are supported	<p>Forest protection and restoration Aim: Contribute to reducing deforestation rate and transforming the supply chain by the installation of monitoring, traceability, and No Deforestation No Peat No Exploitation (NDPE) monitoring and verification systems through satellite monitoring, high carbon stock (HCS) and high conservation value assessments.</p> <p>Resilient farmers Aim: Helping farmers to adopt Good Agricultural and Best Management Practices (GAP).</p>
Linkages to shared landscape-level goals developed through multi-stakeholder process (in case cases where the landscape level initiative has defined goals that are different from or additional to the elements of the CGF Forest Positive strategy)	<p>Work and families Aim: Addressing plantation labor issues and improving farmers working conditions via activities with companies and the government.</p> <p>Community rights Aim: Developing participatory land use and land tenure; promoting conflict resolution</p>

	<p>Stakeholder support, capacity building Aim: Securing government's support and building capacity.</p>
<p>How the actions intend to address systemic issues and contribute to delivering forest positive goals</p>	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Restoration and rehabilitation of deforested areas and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development • Addressing plantation labor issues and improving farmers working conditions • Securing government support and building capacity • Promoting community rights

Sabah Landscapes Program	
Location	Malaysia, Sabah (Beluran, Telupid, Tongod, Kinabatangan, and parts of Lahad Datu).
Partner	Earthworm Foundation
Commodity	Palm oil
Timeline of engagement	2021-2025
Type of engagement	Disbursed financial support
Other partners involved	https://www.earthworm.org/our-work/projects/sabah-malaysia
Specific actions or projects that are supported	<p>Forest protection and restoration, supply chain transformation Aim: Reducing deforestation by companies and communities, including no new land clearings for palm oil development and protection elephant range through Human-Elephant Conflict (HEC) mitigation activities Aim: Help palm oil mills have action plans to address NDPE issues and are traceable to plantations.</p> <p>Resilient farmers Aim: Implementing smallholder inclusiveness in companies through good agricultural practices, income diversification, sustainability and conservation initiatives.</p>
How the actions intend to address systemic issues and contribute to delivering forest positive goals	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Restoration and rehabilitation of deforested areas and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development • Addressing plantation labor issues and improving farmers working conditions • Securing government support and building capacity

<p>Linkages to shared landscape-level goals developed through multi-stakeholder process (in case cases where the landscape level initiative has defined goals that are different from or additional to the elements of the CGF Forest Positive strategy)</p>	<p>Work and families Aim: Improving welfare and working conditions for workers, ensuring the well-being of children and young persons.</p> <p>Stakeholder support, capacity building Aim: Formalizing collaboration with government agencies.</p>
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The Southern Central Forest Spine (CFS) Landscape	
<p>Location</p>	<p>Malaysia, Pahang (Rompin, Pekan, Kota Tinggi and Segamat).</p>
<p>Partner</p>	<p>Earthworm Foundation</p>
<p>Commodity</p>	<p>Palm oil</p>
<p>Timeline of engagement</p>	<p>2021-2025</p>
<p>Type of engagement</p>	<p>Disbursed financial support</p>
<p>Other partners involved</p>	<p>https://www.earthworm.org/our-work/projects/scfs-malaysia</p>
<p>Specific actions or projects that are supported</p>	<p>Forest protection and restoration, supply chain transformation Aim: Reducing deforestation by companies and local communities, including no new land clearing for palm oil development, improving the spatial monitoring and management of key corridors and reducing human-wildlife conflict. Aim: Helping palm oil mills have action plans to address NDPE issues and are traceable to plantations.</p> <p>Resilient farmers Aim: Implementing smallholder inclusiveness in companies, improving smallholder farmers’ livelihoods through training in good agricultural practices, income diversification, sustainability, and conservation.</p>
<p>How the actions intend to address systemic issues and contribute to delivering forest positive goals</p>	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Restoration and rehabilitation of deforested areas and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development • Addressing plantation labor issues and improving farmers working conditions • Securing government support and building capacity
<p>Linkages to shared landscape-level goals developed through multi-stakeholder process (in case cases where the landscape level initiative has defined goals</p>	<p>Work and families Aim: Improving welfare and working conditions for migrant workers through raising awareness of companies on forced and child labor and worker voice tool.</p>

that are different from or additional to the elements of the CGF Forest Positive strategy)	<p>Community rights Aim: Improving land tenure rights and promoting inclusivity of indigenous communities in the landscape area.</p> <p>Stakeholder support, capacity building Aim: Formalizing collaboration with government agencies.</p>
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Sungai Linau	
Location	Sungai Linau, Riau, Indonesia
Partner	Proforest
Commodity	Palm oil
Timeline of engagement	2022
Type of engagement	Disbursed financial support
Other partners involved	https://www.proforest.net/what-we-do/projects/the-sungai-linaiu-landscape-conservation-and-livelihoods-programme-slp-14172/
Specific actions or projects that are supported	<ul style="list-style-type: none"> • Support implementation of community-based land use development • Protection of HCV and HCS forest in the long term • GHG emissions reduction through forest & peat protection • Support and strengthen village members' livelihoods • Scale-up to the wider landscape
How the actions intend to address systemic issues and contribute to delivering forest positive goals	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development

Riau Peat	
Location	Riau, Indonesia
Partner	Winrock
Commodity	Palm oil
Timeline of engagement	2021-2022
Type of engagement	Disbursed financial support
Other partners involved	https://www.theconsumergoodsforum.com/wp-content/uploads/2022/11/2022-FPC-Business-Case-for-Landscape-Engagement-Report.pdf

Specific actions or projects that are supported	The initiative aims to support the sustainable peatland management of land reallocated to local communities as part of Indonesia's agrarian reform program called the TORA, with the aim of: <ul style="list-style-type: none"> - Having a positive impact on the quality of the environment in the 4000ha the TORA area covers and its surrounding. - Help improve the income for approx. 4000 farmers in the area. - Develop and promote alternative commodity production that are wetland friendly to contribute to the food security of the local area.
How the actions intend to address systemic issues and contribute to delivering forest positive goals	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development

Holistic palm project	
Location	Chiapas, Mexico
Partner	Proforest
Commodity	Palm oil
Timeline of engagement	Since 2018
Type of engagement	Disbursed financial support
Other partners involved	https://www.theconsumergoodsforum.com/wp-content/uploads/2022/11/2022-FPC-Business-Case-for-Landscape-Engagement-Report.pdf
Specific actions or projects that are supported	This initiative supports the sustainable development of the Mexican palm oil sector through: <ul style="list-style-type: none"> • Smallholder inclusion • Strengthening and provision of training on sustainability issues • Promotion of NDPE
How the actions intend to address systemic issues and contribute to delivering forest positive goals	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development

Smallholder hub	
Location	Aceh, Indonesia
Partner	Musim Mas
Commodity	Palm oil
Timeline of engagement	From 2021
Type of engagement	Disbursed financial support
Other partners involved	https://www.musimmas.com/musim-mas-partners-with-aak-and-nestle-to-address-deforestation-outside-of-concession-areas/
Specific actions or projects that are supported	This initiative aims to support smallholder livelihoods and address deforestation risks in Aceh around the Leuser Ecosystem. Training will be provided to 40 village extension officers on good agricultural practices and NDPE. The officers will then train and upskill oil palm smallholders in their assigned areas. The program will help smallholders increase yields and earnings from their existing farmland and reduce the risk of encroachment into protected areas.
How the actions intend to address systemic issues and contribute to delivering forest positive goals	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development

Riau landscape	
Location	Riau, Indonesia
Partner	Earthworm Foundation
Commodity	Pulp & Paper
Timeline of engagement	2021-2025
Type of engagement	Disbursed financial support
Other partners involved	https://www.earthworm.org/our-work/projects/riau-indonesia Private companies (downstream brands & upstream suppliers) and local communities
Specific actions or projects that are supported	<p>Aim: Balancing production, forest conservation, sustainable livelihoods and good social & labor practices at scale</p> <ul style="list-style-type: none"> - Collective Action Plan was submitted to the Siak district government for approval that will form the basis of activities on sustainable development in the district going forward.

	<ul style="list-style-type: none"> - Pelalawan district government, EF, the Indonesian Community Mapping Network (JKPP -Jaringan Kerja Pemetaan Partisipatif), and the CORE consortium (consisting of Proforest, Rainforest Alliance, and Daemeter) agreed to collaborate on mapping smallholder plantations inside forest status areas in Pelalawan district - farmer's cooperatives to scale up the business capacity and start preparing for replanting old oil palm plantations. The cooperatives represent 2,650 farmers with 5,300 hectares of oil palm plantation. - Good Agricultural Practices (GAP) training & technical assistance to the Bratajaya Cooperative to implement GAPs - Promoting ecotourism to protect 200 ha of customary forest in the buffer zone of the Giam Siak Kecil Bioreserve - Participatory Land Use Planning (PLUP) process and agreement to conserve 42,222 hectares - Raise awareness of farm workers on workers' rights, occupational health and safety, and child labor.
<p>How the actions intend to address systemic issues and contribute to delivering forest positive goals</p>	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Restoration and rehabilitation of deforested areas and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development • Addressing plantation labor issues and improving farmers working conditions • Securing government support and building capacity
<p>Linkages to shared landscape-level goals developed through multi-stakeholder process (in case where the landscape level initiative has defined goals that are different from or additional to the elements of the CGF Forest Positive strategy)</p>	<p>Stakeholder support & capacity building</p> <ul style="list-style-type: none"> - 4 collective action plans in the target districts implemented. Target districts: Bengkalis, Siak, Pelalawan and Indragiri Hulu - NDPE considerations formally embedded in district spatial plans and development regulations - 5,000 stakeholders engaged and utilizing data and/or learnings generated. - Forest Protection & Restoration - 362.030 ha indicative forest cover under protection and with formal management plans <p>Community Rights</p> <ul style="list-style-type: none"> - 30 forest-dependent communities with stronger land tenure and security - 10 at-risk communities with established effective conflict resolution systems - Resilient Farmers - 3,000 farmers adopt Good Agricultural and Best Management Practices - 3 farmers business units empowered to produce, manage, and market sustainable products (indirect impact 3,200 people) <p>Workers & Families</p> <ul style="list-style-type: none"> - 1,500 workers facilitated with improved working conditions (indirect number: 8,500 workers)

Empowering Community based Restoration in Nahuelbuta	
Location	Nahuelbuta, Chile
Partner	WWF Chile and NGO Arca Sur
Commodity	Pulp and paper
Timeline of engagement	2022 - 2023
Type of engagement	Disbursed financial support
Other partners involved	https://www.theconsumergoodsforum.com/wp-content/uploads/2022/11/2022-FPC-Business-Case-for-Landscape-Engagement-Report.pdf
Specific actions or projects that are supported	Strengthen community-based enterprises that conduct and support landscape restoration and provide sustainable livelihood for vulnerable communities in contribution to the goal of 7,000 ha under restoration in Nahuelbuta defined by the Nahuelbuta Restoration Council.
How the actions intend to address systemic issues and contribute to delivering forest positive goals	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Restoration and rehabilitation of deforested areas and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development

Low-carbon regenerative commodity production in the Cerrado biome: Fostering adoption of integrated agricultural production systems	
Location	Cerrado, Tocantins state
Partner	Conservation International Brazil (CI)
Commodity	Soy
Timeline of engagement	2022-2024
Type of engagement	Disbursed financial support
Other partners involved	https://www.theconsumergoodsforum.com/wp-content/uploads/2022/11/2022-FPC-Business-Case-for-Landscape-Engagement-Report.pdf
Specific actions or projects that are supported	<p>Positive inclusion of farmers and communities through:</p> <p><i>1) Capacity building for Low-Carbon production</i></p>

	<p>Capacity-building for a low-carbon, regenerative production model, through rural extension services to support the adoption of the Integrated Crop-Livestock-Forest (ICLF) production model. This will be co-implemented with Embrapa (Brazilian Agricultural Research Corporation) and supported by the ICLF Network.</p> <p><i>2) Creating incentives through improved access to credit</i></p> <p>Supporting climate resilient finance mechanisms effectiveness, by engaging financial institutions, government entities and Embrapa to jointly develop an economic and science-based risk analysis framework to improve private and public banks credit system to the benefit of local producers</p>
How the actions intend to address systemic issues and contribute to delivering forest positive goals	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development

Sustainable Landscapes in Mato Grosso: Downscaling Mato Grosso's PCI strategy to upscale impacts	
Location	Cerrado, Mato Grosso state, Brazil
Partner	Instituto de Pesquisa Ambiental da Amazônia (IPAM), Producing Right, Produce Conserve Include Institute (PCI) and Proforest
Commodity	Soy
Timeline of engagement	2022-2024
Type of engagement	Disbursed financial support
Other partners involved	https://www.theconsumergoodsforum.com/wp-content/uploads/2022/11/2022-FPC-Business-Case-for-Landscape-Engagement-Report.pdf
Specific actions or projects that are supported	<p>Overall aim: Create the conditions and implement governance processes to enable transformation of soy and cattle producing landscapes to ensure forest and ecosystem conservation and restoration, safeguard human rights of indigenous peoples and local communities and improve smallholders production and livelihoods.</p> <p>1. Governance: consolidate 6 local Governance group sat municipality level and define shared goals and monitoring systems connected to PCI state level strategy</p>

	<p>2. Local actions: Forest asset assessment in 2 municipalities; support system for Payment for Ecosystem Services (PES) in 1 municipality; Smallholder assessment in 4 municipalities; development of safeguards for rights of Indigenous Peoples and Local Communities; promote Forest Code compliance and certification in soy farms; start restoration projects in smallholding farms.</p>
<p>How the actions intend to address systemic issues and contribute to delivering forest positive goals</p>	<ul style="list-style-type: none"> • Conservation and sustainable management of forests and natural ecosystems • Positive and lasting inclusion and resilience of farmers and local communities • Sustainable partnership development

Annex 2 – Palm Oil

Summary of our grievance process for palm oil

The foundation of our grievance process is our palm oil supply chain traceability data. Assessing and addressing risks related to NDPE starts with knowing where the palm oil we source comes from. As such, we are working toward increasing traceability to plantation, in addition to aiming to obtain concession maps. The second step is the monitoring our palm oil supply chain for deforestation risks via Starling satellite imagery. With Starling, we monitor 50km radius' around mills, or the specific origins where we do have full traceability to plantation (TTP) with concession maps. More information on how we use Starling can be found on our [Transparency Dashboard](#).

We also assess our suppliers against our [Responsible Sourcing Standard](#). When gaps are found, our suppliers are asked to develop robust, time-bound action plans. These action plans lay out the steps to bring these supply chains into alignment with our Standard.

The below describes our grievance process for palm oil:

Step	Actions taken
1. Receipt of grievance	Grievance is received, logged in our grievance trackers and receipt acknowledged to the complainant (where appropriate). Note: Grievances may be received through ' Speak Up ', our non-compliance reporting system, directly through non-governmental organizations, individuals or other stakeholders contacting us or through Starling satellite monitoring system alerts.
2. Determination of nature of grievance and relationship to Nestlé's supply chain	<ul style="list-style-type: none"> a. Grievance is reviewed to ensure that it is in scope (i.e. related to Nestlé Responsible Sourcing Standard and relevant policies) b. Supply chain mapping is reviewed to determine link to Nestlé's supply chain c. If grievance is in scope and the link to Nestlé's supply chain is confirmed, we will proceed to step 3. If grievance is not in scope nor connected to our supply chain, we will close the case (and notify complainant where appropriate)
3. Investigation of the grievance	<ul style="list-style-type: none"> a. If the grievance is related to a direct supplier, Nestlé will lead the investigation together with its partner. b. If the grievance is related to a supplier that does not directly supply to Nestlé, we will work through our direct supplier to understand whether the grievance is known, what is its status and whether the direct supplier needs to take additional investigative steps. c. If the grievance is confirmed, we move to step 4. If the investigation is discarded, the case is closed and the result of the investigation is communicated to the complainant (where appropriate).
4. Take action	<ul style="list-style-type: none"> a. If the grievance is confirmed, actions or remediation that are needed will be agreed with the supplier and communicated to the complainant (where appropriate). b. If there is no willingness to engage, the supplier is suspended. Note: in the case that deforestation inside a concession we source from is confirmed, we suspend and then engage the supplier. The supplier will remain suspended until a Stop Work Order, Forest Clearance Moratorium, NDPE policy, and remediation plans are in place.
5. Engagement and Monitoring	<ul style="list-style-type: none"> a. Nestlé will monitor that the actions agreed are being taken within the agreed timeframe and will continue to engage with (or through) its direct supplier. b. If the agreed actions are not taken or completed, the supplier is suspended. c. When agreed actions and remediation are completed, the case is closed and the grievance tracker is updated accordingly.

