

Nestle

Palm oil is not a major raw material for us and, as we use only processed palm oil, we have no direct link to the plantations. Nestlé has undertaken a detailed review of its supply chain to establish the source of its palm oil supplies and has made a global commitment to using only "Certified Sustainable Palm Oil" by 2015, when sufficient quantities should be available. Initially we will mainly buy Greenpalm certificates but will extend the volume of certified physical oil as it becomes feasible. We are currently investigating opportunities to use 'Certified Sustainable Palm Oil' in products that are manufactured in the UK

1. How much palm oil do you use in your products?

Globally we use about 0.7 per cent of global supply (320,000MT)

2. How much of that volume is from a sustainable source?

Nestlé has undertaken a detailed review of its supply chain to establish the source of its palm oil supplies and has committed to using only "Certified Sustainable Palm Oil" by 2015, when sufficient quantities should be available.

3. Who do you source your palm oil from?

Nestlé does not use crude palm oil nor has any direct links to the palm oil plantations. The Company uses palm kernel oil for some of its confectionery and dairy products, but it is not a major raw material used. Nestlé also buys processed palm oil and processed oil mixes which often comes from multiple sources. Nestlé continues to work with suppliers to investigate the traceability of all possible sources of any palm oil used.

4. Do you source your palm oil via a middle trader or directly from Palm Oil companies? If you source it through a middle trader, do you know which palm oil companies supply them?

Our suppliers are large corporations with assets (refineries) in Europe as well as at the origins (refineries, and plantations). They have also acknowledged compliance to the Nestle Supplier Code.

5. To avoid any confusion, question 5 has not been reproduced here because it contained references to some specific organisations not referenced in Panorama: Dying for a Biscuit.

6. What are your plans with regard to the use of sustainable palm oil?

See (a) below

a. Have you set a deadline for when your products will contain only sustainable palm oil?

Nestlé shares the concern about the serious environmental threat to rainforests and peat fields in South East Asia caused by the planting of palm oil plantations. Palm oil is not a major raw material for us and, as we use only processed palm oil, we have no

direct link to the plantations. The company does however recognise the need for effective multi-stakeholder solution to this complex problem and is prepared to play a full part.

According to the Nestlé Policy on Environmental Sustainability, the company commits itself to give preference to suppliers who continuously strive towards improving the efficiency and sustainability of their operations and use of resources.

As part of this policy, Nestlé has undertaken a detailed review of its supply chain to establish the source of its palm oil supplies and has committed to using only "Certified Sustainable Palm Oil" by 2015, when sufficient quantities should be available.

Nestlé has been closely associated with the Round Table on Sustainable Palm Oil (RSPO) through the Sustainable Agriculture Initiative Platform since its inception and the company is now a member .

b. Have you bought any green palm certificates? If so, when did you buy them and how many?

Initially we will mainly buy Greenpalm certificates but will extend the volume of certified physical oil as it becomes feasible. In fact we have already purchased some identity preserved certified oil.

We believe that the purchase of Greenpalm certificates is currently the most cost effective way to support improved palm oil practices where most of the money is actually supporting tangible improvements in the plantations. In contrast much of the additional cost of full identity-preserved palm oil goes into the physical segregation of different supply streams without any corresponding benefits for the environment.

As more volumes of identity-preserved palm oil enter the market we will review our position.

c. Are you a member of the RSPO?

Yes

d. When was the last time you updated the RSPO about your actions?

We have recently joined and information was provided at the time of our application.

7. Do your products that contain palm oil state that on the label? If not, why not?

Palm oil is used as one of several vegetable oils (illipe, sal, shea, kokum gurgi and mango kernel) in the production of chocolate. The exact composition Nestlé receives from our vegetable fat supplier varies because of the variable availability and quality of the natural fats; hence we list them as 'vegetable oil'.

8. Which of your products contain palm oil or palm kernel oil?

In Nestlé , palm kernel oil is generally used in confectionery and dairy. Palm oil is generally used in some beverages and culinary. We use about 0.7 per cent of global supply (320,000MT)

9. We understand that the following products contain palm oil or palm kernel oil. If this is not the case please can you clearly state NO next to the product listed.

All yes for UK

Kit Kat

Quality Street

Aero