

**Nestlé and TFT:**  
**Working towards traceable and sustainable palm oil**  
**through innovation and leadership**

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Nestlé views the destruction of tropical rainforests and peatlands as one of the most serious environmental issues facing us today. In 2010, Nestlé committed to ensuring that its products do not lead to deforestation. This commitment applies to all commodities associated with deforestation and is an integral part of Nestlé's Creating Shared Value approach focusing on nutrition, water and rural development.

Also in 2010, Nestlé embarked on a partnership with The Forest Trust (TFT) to achieve Nestlé's ambition of purchasing 100% of its palm oil from sustainable sources by 2015. Together with TFT, Nestlé has established Responsible Sourcing Guidelines (RSGs) to ensure that Nestlé's palm oil purchases will:

- Be derived from plantations operating in compliance with local laws and regulations
- Protect high conservation value (HCV) forest areas
- Support the free prior and informed consent of indigenous and local communities
- Protect peatlands
- Protect high carbon stock (HCS) forest areas

The Nestlé RSGs are complementary to existing RSPO principles and criteria and introduce specific safeguards on the protection of peatlands and high carbon value forest areas. The Nestlé TFT model is composed of three pillars: defining values and providing clear guidance (RSGs), transparency and traceability in the supply chain, and collaborative work with supplies to ensure they can meet the guidelines. Since 2010, palm oil supply chains for Nestlé's markets in China, India, Thailand have been mapped and assessments against the RSGs have been performed. Action plans are being developed with each supplier which includes technical assistance to those who currently don't meet the guidelines but who are committed to achieving them. The results achieved by Nestlé and TFT to date demonstrate that it is possible to innovate and transform the palm oil industry towards transparency and traceability and thereby to protect tropical forests and support local livelihoods.