



Good food, Good life

# Nestlé Forest Positive External Advisory Council (EAC)

2021 & 2022 Report





## Reflections from Nestlé Leadership

*“The External Advisory Council is instrumental to Nestlé’s Forest Positive Strategy. It feeds us with critical watch outs in regards to the nexus between forests and people. For 2023 onwards, Nestlé aspires to further embrace the opportunities of working on landscape and soil restoration, always keeping agricultural communities at the heart of it. I want to thank each EAC member for assisting Nestlé in its forest positive journey to date and look forward to further collaboration.” - Benjamin Ware, Global Head of Climate & Sustainable Sourcing*



# Background



This report summarizes the structure and status of the Nestlé Forest Positive Strategy, priority topics in 2021 and 2022, and key recommendations received from the External Advisory Council.

In releasing this report, Nestlé seeks to offer insight into the company's Forest Positive journey and how it is leveraging knowledge and experience from leading experts to raise ambition and achieve credible impacts.

# What is the Nestlé Forest Positive External Advisory Council?

Nestlé established the “External Advisory Council” (EAC) to serve in a strategic advisory role to help guide Nestlé’s Forest Positive Strategy. The mission of the External Advisory Council is to assist Nestlé in steering the direction and objectives of Nestlé’s interventions in order to support the achievement of the intended impact, align with best practice guidance in the field, and promote ongoing application of core integrity principles of the program.

The EAC also provides input regarding opportunities identified by Nestlé for Forest Positive interventions and provide subject matter expertise where needed to support that the Nestlé interventions are meaningful and credible, and contribute to delivering Nestlé’s Forest Positive ambitions.

The current EAC membership consists of eight independent experts from civil society, academia, and technical organizations representing a diverse set of perspectives and geographies. As of December 2022, EAC membership consists of:



**Rod Taylor**  
Global Forests Director  
World Resource Institute (WRI), USA



**Leah Samberg**  
Scientist, Global Policy  
Rainforest Alliance, USA



**Bryson Ogden**  
Associate Director, Strategic Analysis and Global Engagement  
Rights & Resources Group (RRG), USA



**Fabiola Zerbin**  
Director, Forests, Land Use and Agriculture  
WRI Brasil



**Gita Syahrani**  
Head of Secretariat  
Lingkar Temu Kabupaten Lestari (LTKL), Indonesia



**Bonnie Waring**  
Senior Lecturer, Grantham Institute  
Imperial College London, United Kingdom



**Violaine Berger**  
Senior Manager Learning & Impact – Landscapes  
The Sustainable Trade Initiative (IDH), Switzerland



**George Livingston**  
Nature Based Solutions Manager  
Cargill, USA

The EAC meetings started in Summer 2021 and happen on a quarterly basis.

# Nestlé's Forest Positive Strategy

Launched in June 2021, Nestlé's Forest Positive strategy builds on a decade-long effort to end the risk of deforestation in the company's supply chains. For Nestlé, Forest Positive means moving beyond managing deforestation risks to targeting a positive impact on broader sourcing landscapes. This strategy aims to help conserve and restore forests and natural ecosystems while promoting sustainable livelihoods, respecting human rights and empowering Indigenous Peoples and Local Communities to be stewards of critical natural ecosystems. This strategy forms part of the broader set of actions Nestlé is undertaking to advance regenerative food systems at scale.

The Forest Positive Strategy consists of three pillars:

- I. Deforestation-free supply chains:** We are working towards achieving and maintaining 100% deforestation-free supply chains using tools like farm assessments, certification and satellite monitoring. By 2022 for palm oil, sugar, soy, meat, and pulp and paper; and by 2025 for coffee and cocoa.
- II. Long-term forest conservation and restoration:** We aim to implement proactive action to help keep forests standing and restore degraded forests and natural ecosystems while respecting the rights of Indigenous Peoples and Local Communities.
- III. Sustainable landscapes:** We aim to help transform the key landscapes we source from for the future.

Additional information about the Forest Positive Strategy can be found in Nestlé's "[Towards a Forest Positive Future](#)" report published in June 2021.



# Setting the Stage: Forest Positive as a Nestlé Priority



Nestlé is taking an integrated approach towards a forest-positive future. The Forest Positive Strategy is at the nexus of several other company priorities including climate action (see [Nestlé's Net Zero Roadmap](#)), sustainable livelihoods and human rights (see [Human Rights Framework and Roadmap](#)), regenerative agriculture (see [Nestlé's Agriculture Framework](#)) and a just transition (see [A just transition discussion](#) with Nestlé's CEO).

In the year ahead, Nestlé seeks to operationalize these intersections and advance the Forest Positive Strategy, to help advance regenerative food systems at scale (see [Creating Shared Value and Sustainability Report](#)).



# Report structure



- The subsequent sections highlight key areas through which Nestlé is seeking to operationalize the Forest Positive Strategy.
- Nestlé focused on these priority topics during 2021-2022 EAC meetings to solicit EAC recommendations for overcoming challenges, capitalizing on opportunities, and ensuring alignment between proposed activities and the Forest Positive Strategy pillars.
- The EAC also provided valuable insight on wider developments and the role Nestlé can play to accelerate action.

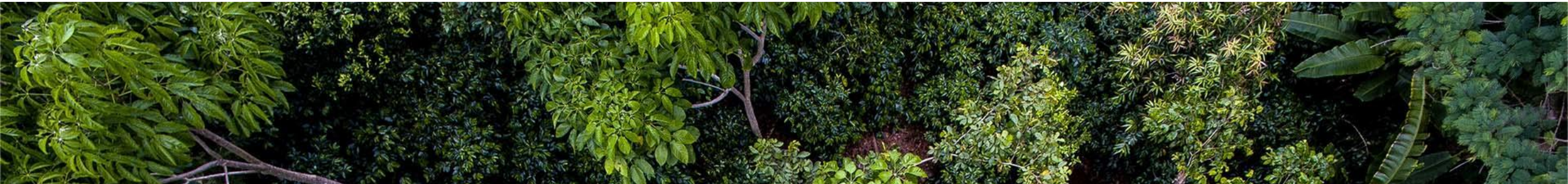




# **PILLAR 1 – DEFORESTATION-FREE SUPPLY CHAINS**



# Forest Footprint



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. 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. Nestlé launched the first pilot for deploying a Forest Footprint in 2020 to explore how this approach could allow the company to identify forest positive actions and engagement opportunities within the supply chain. In 2021, Nestlé began scaling it up with supplier engagement and company collaboration. The analysis included palm, pulp and paper in three locations: Aceh, East and North Kalimantan and Sumatra. In 2022, Nestlé refined the methodology and scaled up the approach from 1 to 5 geographies (Mexico, Argentina, Colombia, Southeast U.S. and Indonesia) and other ingredients (Palm, Pulp and Paper, Coffee, Soy, and Cacao).

## Key EAC recommendations included:

- Prioritize engagement with stakeholders on the ground including suppliers, farmers, communities, and local governments and governance systems. Nestlé can connect with emerging initiatives to form relationships around individual landscapes and have a clear message about mutual expectations when engaging with local communities.
- Engage in collaborative processes with other companies to provide consistent guidance and messaging for producers.
- Operate on the assumption that there are existing IPLC (Indigenous People and Local Community) claims and rights for each tract of land and proper Free Prior and Informed Consent (FPIC) processes are implemented.

## Nestlé actions in 2023:

- In 2023, Nestlé build action plans working with Nestlé raw material leads using the global forest risk area assessment and implement actions with suppliers and other key stakeholders to help keep forest standing both in our supply chain and in the wider landscape. Capture and share learnings from applying this approach to different commodity supply chains, supplier engagement processes, and collaboration efforts with other companies as well as community engagement where relevant.



# Nescafé Plan 2030 Strategy



Since 2010, the Nescafé brand has invested in sustainability through the Nescafé Plan. Building on the foundations of the first decade of the [Nescafé Plan](#), in late 2022, the brand launched the [Nescafé Plan 2030](#). The Nescafé Plan 2030 is an integrated strategy to use regenerative agriculture to help address climate change, reduce GHG emissions, increase farmers' income and create better social conditions. This integrated plan of action contributes to Nestlé's Net Zero commitment, including the goal to be 100% responsibly sourced/deforestation-free by 2025, as well as the broader company aim of advancing regenerative food systems at scale. The strategy's four integrated interventions are: 1) Deploying regenerative farming practices and capturing carbon with trees in and around farms; 2) Building resilience and incomes for vulnerable farmers through better yield and cost of production; 3) Supporting vulnerable smallholders through conditional incentives & income protection; and 4) Reinforcing Human Rights and child protection efforts across green coffee value chains. The Nescafé Plan 2030 is a clear example of the integration of Nestlé's Forest Positive Strategy with company programs on climate, regenerative agriculture, human rights, and just transition ambitions.

## Key EAC recommendations included:

- Distinguish emission reductions from regenerative agriculture and sequestration from forest conservation and restoration. Measure non-carbon benefits such as water, soil health, biodiversity, and human empowerment.
- Incorporate actions to help prevent future deforestation associated with new or expanded coffee growing regions and consider that in some cases intensification may in fact increase the attractiveness of agriculture thus increasing pressure on forests.
- Consider outreach and engagement with governments regarding land clearing for coffee production.

## Nestlé actions in 2023:

- Explore innovative methods to integrate and measure soil, biodiversity, water, and human empowerment dimensions and how this can be communicated in context of regenerative agriculture efforts.
- Ensure clear understanding of approach regarding what is tracked as an emission reduction vs. sequestration from forest conservation and restoration.



# Cocoa Income Accelerator



Nestlé's Cocoa Plan seeks to achieve “better farming, better lives, better cocoa.” Nestlé is committed to sourcing 100% of its cocoa through Nestlé's Cocoa Plan by 2025 and aims that all the cocoa that Nestlé buys is deforestation free by the end of 2025. Addressing deforestation in cocoa supply chains is complex and requires a collaborative approach with other industry players. In addition, for a lasting and meaningful impact, Nestlé will actively work towards conserving and restoring forests while promoting sustainable livelihoods and respecting human rights. The Income Accelerator Programme aims to address child labour risks by incentivizing and supporting change in the cocoa farming households and to help them towards a living income. It does this through a cash incentive and support across four areas: cocoa farm productivity, child education, agroforestry and additional incomes. Women and gender equality is a key focus. The Accelerator offers an example of the Forest Positive Strategy being integrated with respect of human rights, good agriculture practices, agroforestry, and diversified incomes.

## **Key EAC recommendations included:**

- Transform the supply chain through developing partnerships and supporting registries and trainings, given that most cocoa production operations currently send their cocoa to collection sites where all cocoa production from region gets aggregated.
- Be willing to accept participants exhibiting a variety of land rights or ownership models.
- Seek to incorporate indicators that can be used for the quality of habitat.

## **Nestlé actions in 2023:**

- Continue to expand the scope of the Nestlé Cocoa Plan with the aim of reaching 100% of Nestlé's supply chain and move to a segregated supply chain approach.
- Continue to roll out the program to an estimated 160,000 households between 2024-2030, starting in Ghana.





## **PILLAR 2 – LONG-TERM FOREST CONSERVATION & RESTORATION IN OUR SUPPLY CHAINS**



# IPLC Land Rights Action Plan



Within the broader context of its [Human Rights Framework and Roadmap](#), Nestlé has developed [action plans for its 10 salient issues](#) across the company's value chain, one of which covers IPLC land rights. These plans are supported by enablers such as Nestlé internal policies and control systems, engagement and advocacy activities, strategic partnerships, and other actions. 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 IPLC-centric projects as part of its on-the-ground efforts, such as the Global Reforestation Program portfolio and landscape initiatives.

## Key EAC recommendations included:

- Recognize that strengthening indigenous land rights is the best way to support conservation, as research shows that IPLCs do the best job with conserving land.
- Consider how Nestlé is engaging with national governments on IPLC issues. Strengthening collaboration with local jurisdictions offers another policy engagement avenue.
- Make grievance mechanisms present, high-quality, and accessible to local communities to be meaningful as a source of information.

## Nestlé actions in 2023:

- Strengthen Nestlé's risk assessment approach and engage and build capacity of suppliers on the topics of land rights and human rights defenders.
- Identify government engagement opportunities to strengthen respect for IPLCs' land rights.
- Review and strengthen requirements and safeguards on IPLCs' land rights within existing programs (e.g., Global Reforestation Program) and support IPLC-centered landscape conservation and restoration projects.



# Nestlé's Global Reforestation Program



Where forest degradation has happened, Nestlé has set an ambitious goal to plant and grow 200 million trees by 2030 in Nestlé's supply chain and sourcing landscapes through the Global Reforestation Program (GRP). Nestlé's aim is to create a positive long-term impact on people, nature and the climate. Projects include growing trees to restore natural forest landscapes, introducing agroforestry systems for suitable crops such as cocoa and coffee and supporting other natural ecosystem restoration activities.

They aim to have co-benefits including restoring degraded lands, helping to improve water conservation, contributing to biodiversity, mitigating climate change and supporting local livelihoods and the rights of Indigenous People and Local Communities. Within this context, diverse topics relevant to the program were presented to the EAC:



# Nestlé's Global Reforestation Program

## Land Rights in Projects



Nestlé seeks to ensure that land rights risks are appropriately assessed and addressed in the projects and programs it is undertaking, in line with the [IPLC Land Rights Action Plan](#). Respect for land rights is considered a key component of and critical enabler for Forest Positive Strategy projects.

### **Key EAC recommendations included:**

- Work with other organizations and governments when the land code is uncertain. Constructively engage with local governments on land regularization where possible.
- Listen carefully to indigenous peoples and their representatives and build on agreed upon priorities and advancements.
- Learn from existing efforts such as the Central African Forest Initiative.

### **Nestlé actions in 2023:**

- Review and strengthen requirements and safeguards on IPLCs' land rights within existing programs (e.g., Global Reforestation Program)
- Support IPLC-centered landscape conservation and restoration projects.



# Nestlé's Global Reforestation Program

## Insetting Framework for Carbon Removals in Nestlé's Supply Chain and Sourcing Landscapes\*



The Nestlé removals framework guides the implementation of Natural Climate Solutions (NCS) projects within Nestlé's supply chain and sourcing landscapes as part of Nestlé's Net Zero Roadmap. The Framework serves as guidance on 1) where Nestlé should implement NCS projects, ensuring a link to the supply chain locations of ingredients Nestlé sources (distinguishing on-farm and sourcing landscapes); and 2) what verification and monitoring requirements these NCS projects need for credible and robust carbon claims.

### **Key EAC recommendations included:**

- Consider that the scale of proposed projects will have a significant impact on specific landscape ecology.
- Engage in complex landscapes, recognizing the time and resources that will be necessary to effectively engage communities and local authorities.
- Monitor legal frameworks that countries and jurisdictions are developing.
- Account for carbon rights, permanence, and costs, including those from farmer engagement and training.

### **Nestlé actions in 2023:**

- Communicate what it takes to implement projects at scale, particularly on important topics such as engagement of communities and local stakeholders and integration of local considerations (e.g., native tree species).
- Share learnings regarding carbon rights set-up, permanence planning, etc.





# Nestlé's Global Reforestation Program

## Interventions types



Nestlé is exploring how to determine the best Natural Climate Solution (NCS) interventions for specific geographies. Currently, many Global Reforestation Program (GRP) projects focus on planting and growing trees (e.g., reforestation, agroforestry). Other NCS activities such as assisted natural regeneration (ANR), peatland/mangrove/grassland restoration, and emerging blue carbon methods are also within the scope of GRP. Each project aims to measure carbon benefits and other environmental and social benefits following aligned methodology with implementation partners. The Forest Positive Strategy is acted upon through such interventions.

### **Key EAC recommendations included:**

- Develop a framework for balancing project attributes (e.g., carbon, biodiversity, livelihoods).
- Consider greater focus within the strategy on natural forest regeneration in addition to reforestation efforts.
- Consult with conservation biologists or landscape ecologists to assist in program implementation.

### **Nestlé actions in 2023:**

- For the coming year(s), prepare to expand Nestlé's Global Reforestation Program to include additional project types in the portfolio beyond reforestation e.g., natural regeneration.
- Capture additional benefits such as biodiversity, water and socio-economic benefits, beyond carbon via a metrics framework.



# Nestlé's Global Reforestation Program

## Farmer Benefit Sharing from Carbon Projects



Benefit sharing is about identifying how financial and non-financial benefits of carbon projects are allocated to stakeholders and how the distributions should be determined and implemented. Nestlé considers benefit sharing critical to the Global Reforestation Program and empowerment of farmers and communities as part of Nestlé's journey to advance regenerative food systems at scale. Benefit sharing is particularly challenging because there are many risks and to date, few successful examples globally. This led Nestlé, in collaboration with partners, to develop a draft benefit-sharing framework model to examine benefit-sharing approaches for local people pitched by local project partners, which are workable and transparent.

### **Key EAC recommendations included:**

- Share lessons learned as Nestlé pursues benefit-sharing efforts, as best practices do not yet exist. Connect with other organizations that are also exploring the issue of benefit sharing such as World Resources Institute (WRI) and the Voluntary Carbon Market Integrity Initiative (VCMi).
- Permanence and additionality need to be adequately considered and accounted for.
- Provide a 'menu' to farmers of non-financial benefits they can expect in particular regions or markets, as non-financial benefits are very context dependent. Seek to quantify these benefits while distinguishing them from financial benefits.

### **Nestlé actions in 2023:**

- Testing and continuous improvement to Nestlé's benefit sharing approach integrating lessons learned in context of Global Reforestation Program.
- Share lessons learned on how benefit sharing proposals are developed that are country-specific with local context in mind and developed together with communities on the ground.





## **PILLAR 3 – SUSTAINABLE LANDSCAPES**

Nestlé is committed to supporting a transformation towards sustainable landscapes through the application of integrated strategies that help address the many deforestation drivers in the key regions from which the company sources raw materials. By bringing together the private sector, governments, smallholder farmers and Indigenous Peoples and Local Communities, Nestlé can help achieve a regenerative and equitable agricultural system. The EAC has encouraged Nestlé to engage in complex landscapes while recognizing the time and resources that will be necessary to effectively engage communities and local authorities. Building on related discussions in 2021 and 2022, sustainable landscapes will be a primary focus of the EAC in 2023 in support of Nestlé’s goal of supporting 15 landscape-level projects by the end of the year.



# Engagement and Advocacy

## Natural Climate Solutions Engagement and Advocacy Priorities



Nestlé considers civil society engagement, industry collaboration, and government advocacy critical enablers to the success of the Forest Positive strategy. Nestlé uses science-based learnings from on-the-ground activities to inform its actions and seeks to pursue open dialogue regarding challenges. Nestlé convenes and participates in industry-level discussions to help develop standards, policies, and approaches, as well as policy-level discussions to inform the development of legislations aiming to tackle global deforestation. Nestlé’s approach encompasses a spectrum of activities across the company including communications, engagement, thought leadership, and advocacy.

### **Key EAC recommendations included:**

- Support alignment of climate and supply chain initiatives to address deforestation, avoiding misaligned sets of rules being created.
- Enhance engagement with producer countries and better reflect their perspectives through partnerships and in the development of legislation aiming to tackle global deforestation.
- Elevate deforestation-free within the food and agriculture agenda, including through international conferences/events.

### **Nestlé actions in 2023:**

- Continue engagement with technical working groups (GHG Protocol, SBTi FLAG, SBTN, etc.) to ensure new accounting rules drive appropriate actions for food and agriculture companies with regards to climate and supply chains as well as explore opportunities for engagements with local and national governments for partnerships to drive action on the ground (e.g., via landscape projects, etc.)
- Continue to support awareness raising and advocacy on the role that removals can play for food and agriculture companies in the context of net zero and nature positive strategies.



# Engagement and Advocacy

## United Nations Climate Change Conferences: COP26 and COP27



Nestlé has been an active participant at recent United Nations Climate Change (COP) Conferences – in Glasgow, Scotland in 2021 (COP26) and Sharm El-Sheikh, Egypt in 2022 (COP27). At COP26, there was a strong sense of momentum around forests including the Glasgow Leaders’ Declaration on Forests and Land Use, major commitments of public and private capital, pledges from multi-lateral institutions, business announcements such as from the agricultural traders, and significant funding commitments for Indigenous Peoples and Local Communities (IPLCs). COP26 provided an opportunity to raise awareness of Nestlé’s Forest Positive Strategy and forge a stronger enabling environment.

At COP27, food systems were featured, including a focus on food and water security, and resilience and adaptation. There was recognition of the key role of agriculture and food as both sources of greenhouse gas (GHG) emissions and potential solutions. Looking ahead to future COPs, building trust and demonstrating that Nestlé is making progress will be critical. Nestlé is already engaging in the planning for COP28, working to elevate food systems to the same level as renewable energy at the next conference in Dubai.

### Key EAC reflections and insights included:

- Accountability and implementation mechanisms are necessary to realize the commitments made during COPs. There is an opportunity for the private sector to enhance engagement with producer countries and better reflect their perspectives through partnerships and in the development of legislation aiming to tackle global deforestation.
- Indigenous peoples and local communities (IPLCs) were well-represented in last COP. However, there were limited venues where IPLCs were able to engage directly with governments or the private sector.
- There is a disconnect between Scope 3 (supply chain) greenhouse gas accounting and target setting guidelines and discussions around landscape approaches, regenerative agriculture, and carbon markets. These discussions need to better reflect and integrate Science-Based Targets methodology.

### Nestlé actions in 2023:

- Continuing to advocate for bold action on food systems in 2023, Nestlé will engage in several international events and processes, including the UN Food Systems Stocktaking event in July in Rome and COP28 in UAE. The Global Public Affairs team is also considering how best to engage around events like New York Climate Week, through a nature lens.
- Continue work on refreshing and updating global advocacy priorities in the company’s Net Zero Roadmap.
- Cascading advocacy objectives to Nestlé market teams to facilitate engagement opportunities, including the development of appropriate framework legislation on climate change.



# Looking Ahead: Tackling the Forest-Food-Climate Nexus



Nestlé recognizes the many intersections between food systems, forests, climate, nature, and community empowerment. Collaboration and continued learning will be critical to unlocking progress within Nestlé and across a broader ecosystem of actors.

In 2023, Nestlé will consider further addressing the linkages between deforestation-free and forest restoration and reforestation aims within commodity strategies and roadmaps, prioritize partnerships to achieve “radical collaboration” to support more systemic transformation of agriculture systems, and further engage with communities as per Nestlé’s Human Rights Framework and Action Plans.





**Nestlé** Good food, Good life

# Acknowledgements

Nestlé would like to thank current and previous External Advisory Council members for their valuable contributions, as well as Meridian Institute for planning, facilitating, and documenting the results of EAC meetings.

Nestlé would also like to express appreciation for its partners –Earthworm Foundation, ProForest, Innovation Forum, Landesa, NatureCo, and One Tree Planted – which have contributed to EAC meeting discussions and support implementation of the Forest Positive Strategy.