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NESTLÉ CHAIRMAN CALLS FOR A MORATORIUM ON DEFORESTATION

Nestlé Chairman, Peter Brabeck-Letmathe, this week repeated the Company's call for a moratorium on the destruction of the world's rainforests and blamed the biofuel industry for the growth in deforestation.

Addressing a question from Greenpeace at the Company's Annual General Meeting in Lausanne on April 15, Mr Brabeck-Letmathe condemned the use of food for fuel and said Nestlé had recognised the danger many years ago when it called for a moratorium on the destruction of rainforest in Brazil.

Mr Brabeck-Letmathe told shareholders that in 2009 the UK, Germany and Italy alone used 500,000 tonnes of palm oil for biodiesel, compared with the 320,000 tonnes of palm oil used by Nestlé throughout the world.

"We view deforestation as one of the most serious environmental issues facing us today on a global level," Mr Brabeck-Letmathe said.

He called on Greenpeace to constructively join Nestlé to help bring about a moratorium on the destruction of rainforests.

"We are the first people who would work with you in this struggle," he said.

In an earlier letter to the co-ordinator of the International Forest Campaign at Greenpeace, Mr Pat Venditti, Mr Brabeck-Letmathe said Nestlé had consistently emphasised its concern with deforestation not only from palm oil but for any reason.

He reiterated to Mr Venditti, Nestlé's 2008 call for the creation of a wide-ranging co-alition of stakeholders from industries which impact deforestation as well as representatives from government to make the moratorium a reality.

It is estimated that the destruction of the world's rainforests contributes to about 20 per cent of greenhouse gases – more than the entire transport sector. Mr Brabeck-Letmathe said the growing use of bio-fuels was a serious factor in this destruction – something which the company has vigorously condemned.

Ends

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For video download of Mr Brabeck's answer, click on the link below
http://www.nestle.com/InvestorRelations/Events/AllEvents/143rd_Annual_General_Meeting.htm

Regarding Palm Oil, Nestlé has taken the following steps:

- Nestlé has reduced its use of palm oil by 42,000 tonnes over the past few years.
- Nestlé has stopped all purchases of palm oil from the Sinar Mas Company. This will continue as long as there is verifiable evidence of rainforest destruction by that company. Nestlé's past purchases of palm oil from Sinar Mas was limited to supplying our factories in Indonesia, and we have now identified alternative suppliers.
- Nestlé has written to its suppliers of blended palm oil, including Cargill, stating that it will not tolerate the presence of oil from non-sustainable sources.
- Nestlé is an active member of the Roundtable on Sustainable Palm Oil.
- Nestlé has pledged to source only certified sustainably sourced palm oil by 2015. We are working with providers of certified palm oil to increase availability.
- Palm Oil is not a major raw material in Nestlé's products. The company uses 320,000 tonnes worldwide, or just 0.7 per cent of global production. In 2009, the UK, Germany and Italy alone consumed 500,000 of palm oil bio diesel.
- Eighteen percent of Nestlé's Palm Oil has been covered by GreenPalm Certificates with a target of 50 per cent by the end of 2011. In Oceania, Nestlé had committed to covering 100 per cent of its palm oil usage with GreenPalm Certificates.

Regarding packaging, Nestlé has taken the following steps:

- Nestlé buys no products from Asian Pulp and Paper and is committed to eliminating from our supply chain any packaging which can be traced to paper pulp derived from rainforest deforestation.
- Nestlé has called for organisations such as Greenpeace and relevant stakeholders to work together to find a solution on sourcing packaging from sustainable sources.