

# salling group



## Sustainable Palm Oil

Palm oil is a highly versatile vegetable oil, and the most utilized oil globally. The oil is applied in a wide range of everyday products across product categories, e.g. within different foods, personal care products, candles, as well as indirectly applied in animal feed.

250.000 tons of palm oil is imported to Denmark every year, whereof 150.000 tons is applied in products sold nationally.

The conventional production of palm oil is often associated with negative impacts on the environment, the workers, and local communities involved. Salling Group has focused on the subject sustainable palm oil for more than a decade and is committed, as member of the Danish Alliance for Responsible Palm Oil, to source only sustainably produced palm oil.

### Our Aim

- Move towards the increase in sustainably produced palm oil import to Denmark
- Contribute to reducing deforestation and conversion in high value nature areas in Southeast Asia, in particular Malaysia and Indonesia
- Contribute to the protection of endangered species, wetlands and wide zones, soil conditions, air- and water quality
- Contribute to safe use of agro-chemicals
- Ensure better labour conditions, workers rights and livelihoods as well as to the inclusion of smallholders, in palm oil producing communities

### Our Effort

- Contribute to the increased market demand for and availability of Segregated and Identity Preserved RSPO certified palm oil across product categories
- Initiate an in-depth data compilation process to ensure a transparent and documented palm oil supply chain
- Guide, collaborate with, and monitor our suppliers with the purpose of complying with our PO policy, and ensuring continuous improvements
- Actively participate in- and collaborate with the Danish Alliance for Responsible Palm Oil

### Our Target

- Move towards using only physically certified palm oil, with the highest level of traceability possible, in Salling Group's private label products by 2025



## Our Position and Current Status

Salling Group offers a wide selection of mostly foods, but also near- and nonfood Private Label (PL) products, that contain palm oil, to the Danish consumer. As the largest retailer in Denmark, we play an important role in the Danish demand for palm oil import from Southeast Asia and the subsequent negative environmental and social consequences.

To address the significant challenges that are associated with palm oil cultivation, we joined the Retailer's Initiative for Responsibly Produced Palm Oil, in 2014, and committed ourselves to source only responsibly produced palm oil in our PL products. We have additionally actively participated in the development of the Danish Alliance for Responsible Palm Oil, which was established in 2020, as a continuation of our efforts. Today, all our PL products are covered by the internationally recognized standard, RSPO, following different supply chain models.

## Our Journey

Salling Group's transformation from utilizing conventional to RSPO certified palm oil has not been straightforward.

The palm oil supply chain involves many actors, and in particular third-party suppliers of Fresh Fruit bunches (FFB) that collect FFB from various sources, including independent smallholders, which complicates supply chain mapping and the overall traceability.

Lack of traceability is a major barrier in the implementation of necessary social and environmental commitments throughout the entire palm oil supply chain.

As part of our engagement to the Alliance and our work with sustainably produced palm oil, we have developed an action plan that foremost consists of an in-depth data compilation process. Once our supply chain has been mapped, it will provide greater opportunities for implementation, follow-up, and maintenance of remediation in relation to identified critical issues.

## Plan of Action

### 2021

- We will focus on data compilation to enforce our established policy, herein;
  - Initiate mapping of the individual palm oil supply chains
  - Attain an overview of our total amount of palm oil utilized annually
  - Obtain an overview of palm oil types used, and their share, in our Private Label products (direct, indirect, derivatives)

### 2022

- Based on the data gathered during 2021, we will investigate whether our palm oil scope should be modified and decide where our efforts will bring most value
- We will assess the requirements across product types and evaluate whether an upgrade to a different RSPO certification model is feasible
- We will work towards better consumer information regarding the use of responsible palm oil
- Our work on supply chain mapping will continue

### 2023 - 2025

- We will continue our efforts to reach our overall 2025 target



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