

Palm Oil Policy

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 are imported to Denmark every year, whereof 150,000 tons are 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 sustainably produced palm oil for more than a decade and is committed, as a member of the Danish Alliance for Responsible Palm Oil, to source only physical certified palm oil.

Our scope is own-brand products covering the following palm oil types:

- Crude palm oil
- Palm kernel oil
- Palm oil derivatives

Additional we are looking into palm oil expeller, and will add more specific requirements once we have reached a sufficient data foundation.

Our policy covers Salling Group, Denmark, and in 2022 we are expanding our requirements across countries to include Netto Germany and Netto Poland.

Our Commitments

Salling Group is aiming for deforestation- and conversion-free palm oil supply chains. In our work with more sustainable sources of palm oil we apply the Roundtable on Sustainable Palm Oil certification system (RSPO).

According to the RSPO certification system certain principles and criteria must be fulfilled. If these principles and criteria are respected properly negative impacts of palm oil cultivation on the environment and communities can be reduced. Compliance with the RSPO Principles and Criteria is always determined via a third-party verification and certification by an independent, accredited certification body.

More specifically Salling Group sets the following requirements regarding supply chain model levels:

- Palm oil within our own-brand Food products must be physically certified, minimum RSPO Segregated
- Palm oil within our own-brand Nonfood and Nearfood products must be physically certified, minimum RSPO Mass Balance, but preferably Segregated (where feasible)

Salling Group is committed to ensure that our products are produced with respect for the environment and people. With offset in our Code of Conduct, which is an integrated part of our trade agreement, we approach the challenges within the palm industry and more specifically emphasize on labour conditions, workers' rights and livelihoods as well as on rights of indigenous people, local communities and other groups which may be affected by our activities.

Salling Group is committed to engaging its own-brand suppliers to share its ambition concerning deforestation- and conversion-free palm oil supply chains.

Supplier Expectations

Salling Group is working with its own-brand suppliers to map our palm oil supply chains, and we are aiming towards traceability back to mills level, preferably plantation level where feasible.

Requirements to Salling Group own-brand suppliers:

- The supplier must be committed to and implement policies to only purchase palm oil that is verifiable deforestation- and conversion-free, and respect human rights of affected people and local communities
- The supplier must have traceability back to palm oil mill(s), and even better back to plantations
- The supplier must implement processes to monitor and manage environmental and social risks in their palm oil supply chains