

PALM OIL SOURCING - 2022 UPDATE

We are hugely concerned about the enormous social and environmental impact caused by the production of palm oil in tropical regions. The rainforest destruction caused by palm plantations is not only exacerbating the climate crisis and threatening the survival of many wildlife species (orangutans, tigers, bears and more) but also displacing indigenous people and destroying their way of life.

We've been working on this issue for many years now; auditing our product range, carrying out extensive research, collaborating with like-minded organisations and campaigners to work out the most effective approach and talking to suppliers about what they can do. The boxes below and overleaf explain our current position on palm, with some more background to this overleaf.

Palm oil as an ingredient: In 2016, we decided that we would only stock products containing palm if it was either organic or RSPO certified. We also promised that by 2017 we would have moved further; only stocking RSPO palm that was certified through their 'segregated supply chain' model - one of their strictest, most robust levels of certification. Since then, we've worked closely with our suppliers to improve the traceability of the palm in our products and are pleased to say that we have very nearly accomplished this goal.

Currently, all the palm oil in our products is either:

• Certified Organic – ensuring a segregated, traceable supply from plantations that have not been planted on recently deforested land.

OR

 Certified by the Roundtable on Sustainable Palm Oil (RSPO) through their 'segregated supply chain' model - one of their strictest, most robust levels of certification* **

Where we've been unable to encourage suppliers to switch to organic or 'segregated supply' in their products, we have generally de-listed them. This has meant losing some popular lines!

- *We have made one exception for a small business supplying our deli, who have genuinely struggled to find a suitable margarine, and therefore use one containing palm sourced with a lower level of RSPO certification.
- **Please also note that suppliers sometimes change their ingredient sourcing without letting us know but we will keep checking back.

Although we are a drop in the ocean, we feel that this approach has created some pressure back through the supply chain for a segregated supply of sustainable palm – something campaigners have identified as crucial (see overleaf).

The use of fairly traded palm oil will of course also be encouraged, although supply of this is sadly very limited. This generally comes from countries that have a long tradition of smallholder palm growing. And as always, we continue to add to our growing range of palm-free options.

Palm oil derivatives: Unfortunately, at the moment manufacturers are unable to source a guaranteed segregated supply of the many palm derivatives that may be used. This means our suppliers are relying on either sourcing from manufacturers who are members of the RSPO or on the Green Palm voucher scheme, or both.

For products that contain these palm derivatives (mostly household cleaners and toiletries, as well as some food items) we are keeping in touch with the manufacturers to ensure that these ingredients are being sourced as responsibly as possible and contributing to pressure up the supply chain for sustainable palm derivatives to be made available from a certified segregated supply. Most of our suppliers are already contributing to that pressure themselves. We will also continue to look for palm free choices.

Background to our position on palm oil

As <u>Greenpeace</u> have noted, "if truly sustainable palm oil is ever to exist, globally we have to use less of it". We believe a varied supply of vegetable oils, with more local supply & alternatives to palm where possible, is a better approach than relying on a mass-produced mono-crop exported from tropical climates.

We have stopped selling many products containing un-certified palm, and we have sourced lots of new palm-free products too. Currently however, an outright ban on palm oil would be barely achievable for us as a business – margarine, biscuits and pastries would become almost impossible to supply. Furthermore, we do also recognise that because of palm oil's high yield per hectare, the alternative oils are not always a more sustainable option. If a move away from palm took the industry towards an alternative tropical source of oil with similar properties (e.g. coconut oil), the same problems of deforestation & habitat loss would probably be re-created. "If all consumer goods companies stopped using palm oil, demand would switch to another vegetable oil – perhaps soy, rapeseed or sunflower. When grown in vast quantities all of these alternative oils have serious environmental problems, including rainforest destruction. The reason palm oil's popularity rocketed in the first place was due to it being a very land-efficient crop. You get a lot of oil per hectare, it requires relatively few pesticides and it's highly versatile" Greenpeace

Up until now, we've felt that keeping the pressure on back up through the supply chain for palm oil that hasn't caused deforestation was the way to go. Pressure up the supply chain has been recommended by many of the campaigning groups such as Greenpeace and Friends of the Earth in the move towards sustainably produced palm, and we've felt we could play our part in this. See also Ethical Consumer's <u>palm consumer guide</u>.

Greenpeace's 2019 Burning Down the House report made sobering reading however, linking RSPO-certified producers to illegal rainforest burning, damning the industry for a "decade of dithering" and concluding that the sector, "part of a broken global food and agriculture system…has been unwilling to reform". They report on their difficult decision to step away from negotiations with industry leaders to establish a genuinely credible supply chain monitoring platform, revealing that eight months of discussions had failed to deliver agreement on even the most basic elements of such a platform "due in large part to the lack of serious commitment by the companies".

We've always known that even the strictest RSPO standards were no guarantee of genuine sustainability, but we had believed them to be at least worth using as a starting point. On the basis of recent evidence this now seems questionable, so in the coming months we will be keeping a close eye on the advice coming from environmental experts at Greenpeace and elsewhere.