



Palm oil policy

Background

Palm oil and its derivatives are used in a wide range of products. It is used as an ingredient in food like chocolate and bread, as well as cosmetics, medicines and detergents.

However, its increased popularity has been linked to deforestation, particularly in areas of sensitive eco-systems or where cultivation is on high peat soils which can incur high greenhouse emissions. As such, ensuring the palm oil used in Asda brand products is sustainably sourced is a priority for us.

Approach

We support the use of palm oil as an ingredient in a wide variety of food and non-food products. To make sure that using it does not lead to negative consequences (both environmental and ethical) the palm oil and palm oil derivatives used in all Asda / George brand products (both food and non-food products) must be sustainably sourced.

All palm oil used in food products must be sourced through physically certified means (either mass balance or segregated) by January 2020. Any supplier providing Asda / George brand non-food products whose total production with Asda / George contains more than 25 tonnes of palm oil (this can be across numerous SKUs) must also source palm oil through physically certified means (either mass balance or segregated) by January 2020.

Additionally, we require that the palm oil in our supply chain is sourced from deforestation and conversion free sources that respects human rights. We are working with our supply base to identify a fixed cut off date for this commitment.

Our suppliers must ensure that that all palm oil and palm oil derivatives (including palm kernel oil):

- Come from plantations operating fully in line with local laws and regulations
- Do not come from forest areas which have a high conservation value
- Do not come from development on forests with a high carbon stock
- Do not come from development on peat lands; and
- Support free, prior and informed consent of indigenous and local communities

Every year we survey all suppliers to check on their progress compared with the previous year and we expect to see steps taken towards segregated CSPO.



Glossary

Deforestation: Loss of natural forest as a result of i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation

Conversion: Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function)