

A CASE STUDY ON SUSTAINABLE PALM OIL BY

Jerónimo Martins Group



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APPROACH AND KEY ACHIEVEMENTS

Palm oil is linked to deforestation risks. According to the [Intergovernmental Panel on Climate Change](#), good farming practices, preservation of forest areas, reforestation and limitation of deforestation are key for keeping global warming between 1.5°C and 2°C. That is why we have joined the Consumer Goods Forum (CGF) [Forest Positive Coalition of Action](#) and its previous Deforestation Resolution.

We have repeatedly increased Roundtable on Sustainable Palm Oil (RSPO) certification among all our distribution banners and [92% of the palm oil we currently source is RSPO certified](#) through Mass Balance (81.5%), Segregated (18.3%) and Book & Claim (0.2%) supply chain models. We are also members of RSPO and the [Polish Coalition for Sustainable Palm Oil](#) (PKZOP). We disclose our efforts through annual [RSPO ACOP](#) and [CDP Forests](#) reporting and have scored 'A-' for palm oil every year since 2016 for the latter.

ROADBLOCKS AND SOLUTIONS

Being a retailer with over 4,200 food stores in Portugal, Poland and Colombia and a growing Private Brand and Perishable products portfolio, our palm oil supply chain is particularly complex. In many cases, palm is present in small quantities, as a component of compound ingredients, and its primary producer is several tiers upstream in our supply chain.

A lack of awareness regarding RSPO, difficulties in the certification process, market competition with non-certified palm oil, and higher costs associated with certification are the main barriers our Perishables and Private Brand suppliers face when looking to source 100% sustainable palm oil.

Ensuring supply chain certification, especially in the case of smaller or less representative suppliers is a challenge. To address this issue, we decided to map the presence of palm oil in our Private Brand and Perishable products, as well as engage our suppliers on the oil's origin, volumes and sustainability. We also made efforts to promote the use of certified palm oil, notably by leading RSPO training sessions; displaying the RSPO trademark on our Pingo Doce and Recheio Private Brands' packaging; and engaging consumers through our website and social media. As a result of our efforts, we reached 100% RSPO

certification for our banners in Portugal and Poland and 30% in Colombia in 2019.

POST-2020 ACTION PLANS

We will continue to work with suppliers which use palm oil as an ingredient in our Private Brand and Perishables products, to ensure it is entirely sustainably sourced. Such supplier engagement and monitoring activities are taking place across all three geographies we operate in: Portugal (through our banners Pingo Doce and Recheio), Poland (through our banners Biedronka and Hebe) and Colombia (through our banner Ara).

In 2020, we started including the RSPO Trademark on our Pingo Doce and Recheio banners' Private Brands product packaging. We also raised consumers' awareness on our actions to fight deforestation through our [website](#) and [social media](#).

We will keep following the developments of the "Acuerdo de Voluntades para la Deforestación Cero en la Cadena de Palma en Colombia," a multi-stakeholder initiative led by the Colombian Government. This voluntary agreement aims to use spatial planning and reporting to ensure that palm oil production does not contribute to deforestation. Tackling this issue has become a top priority for us, since the palm oil in Ara's Private Brand and Perishables products is primarily sourced from Colombia.

In Poland through our banner Biedronka, we will continue to work alongside [PKZOP](#), of which we are founding members, to achieve 100% certified palm oil through physical supply chain models in our Polish operations by 2023.

Additionally, Jerónimo Martins joined the CGF Forest Positive Coalition of Action which seeks to promote deforestation-free supply chains. Its main goals include removing commodity-driven deforestation from members' own supply chains; engaging with suppliers and traders to remove deforestation from their entire supply base; promoting transformational change in commodity landscapes; and publicly reporting on progress.



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