

A CASE STUDY ON SUSTAINABLE PALM OIL BY

ALDI SOUTH Group

© WWF-Germany / M. Radday

APPROACH AND KEY ACHIEVEMENTS

The ALDI SOUTH Group decided to support sustainable palm in 2011 based on our [Corporate Responsibility Principles](#) and our stakeholders' expectations.

Our key achievements include **reaching 100% Roundtable on Sustainable Palm Oil (RSPO) certified palm**, including derivatives and fractions (D&F), from physical supply chains (Mass Balance, Segregated, Identity Preserved) by the end of 2018 for our global operations; productive **collaboration** with actors in our own supply chains, and pre-competitively with other retailers (Retailers' Palm Oil Group [RPOG] and Palm Oil Transparency Coalition [POTC]), including developing and improving the first importer assessment; and **developing and implementing our approach to smallholder inclusion** in 2017, including participating in the RSPO Smallholder Standing Committee, supporting a [project](#) in Côte d'Ivoire (2017-2021) to pave the way for sustainable palm cultivation among 2,100 smallholders as well as purchasing RSPO Independent Smallholder credits.

ROADBLOCKS AND SOLUTIONS

Key challenges we encountered during our journey to sustainable palm oil were linked to the **complexity of the palm supply chain**.

A major obstacle we faced was the **limited availability of RSPO physically certified derivatives and fractions** for non-food products. In order to meet our global commitment to reach 100% certified palm from physical supply chains, we closely collaborated with our ingredient suppliers. We conducted surveys at the global level in order to obtain concrete information about the availability of D&F from physical supply chains and the challenges linked to their procurement. In addition, we have set up an e-learning module for our suppliers, comprising general information about the palm supply chain, certification, reporting and D&F.

To promote transparency and encourage progress beyond certification, we have taken the road of pre-competitive collaboration: As a founding member of the POTC, we seek to encourage major international importers — as they play a central role in the palm oil supply chain — to review and revise how they are

tackling deforestation and exploitation in their palm oil supply chains.

POST-2020 ACTION PLANS

We will increase our share of **RSPO Segregated palm oil** within the next few years. As market realities differ from one country to another, different national milestones are in place. In Germany, we reached an 84% share of Segregated palm oil in 2019. In the UK, we aim to reach a share of more than 80% Segregated palm oil by the end of 2021. We will continue to leverage our presence in **markets outside of Europe** (United States, Australia, China) to make sustainable palm the norm by setting an example with our palm policies, raising awareness and pushing for transition.

As **smallholder inclusion** is a crucial topic for us, we will keep up our three-pillar smallholder approach mentioned above.

We are currently conducting a **deforestation-risk assessment** in order to improve the measures we have taken to limit deforestation in our supply chains. Results and concrete recommendations are expected by the end of 2020 and will lead to further engagement.

We will also continue to contribute to the next **RSPO Principles & Criteria** revision with the aim of further strengthening RSPO's approach towards zero deforestation and exploitation and increasing its applicability.

We believe that our continuous work with **POTC** and its outcomes (trader assessment, public report) go far beyond our own supply and are instrumental in tackling the biggest lever in the palm supply chain (importers). We review and strengthen the trader questionnaire annually, aiming for "clean global supply." Internally, we are developing ways to improve the integration of the POTC results into buying. We think developing joint solutions through transparency coalitions to address key bottlenecks in supply chains, such as traders, is a blueprint applicable to other commodities such as cocoa and soy.

We are supportive of the planned **European Union legislation** to halt deforestation in order to introduce a level playing field and to establish certified palm as the norm.

