



TARGETS & PLAN of ACTION | Part of the Danish Alliance for Responsible Palm Oil

Revised, March 2023



Danish Alliance for Responsible Palm Oil

Salling Group is an active member of the Danish Alliance for Responsible Palm Oil.

Being part of the Alliance brings great value since we get the opportunity to gain insights, discuss best practices and relevant solutions. It is essential to talk openly about the complex challenges associated with palm oil production and understand them from the perspectives of various stakeholders.

Via the Alliance Salling Group works with the following definition of sustainable palm oil [Dansk Alliance for Ansvarlig Palmeolie - Etiskhandel](#), which is in alignment with the framework of the Accountability Framework Initiative.

Key initiatives

- Yearly in-depth data compilation to ensure a good level of transparency, traceability and well documented palm oil supply chains
- Guide, collaborate with, and monitor our suppliers with the purpose of complying with our PO policy, and ensuring continuous improvements
- Continuous revision of our Policy and Plan of Action to fulfill stakeholders' expectations
- Active participation in the Danish Alliance for Responsible Palm Oil
- Yearly reporting to the Danish Alliance for Responsible Palm Oil

Key challenges

The palm oil supply chain involves many actors, and in particular third-party suppliers of Fresh Fruit bunches (FFB) that collect FFB from various sources, including independent smallholders, which complicates supply chain mapping and the overall traceability.

Lack of traceability is a major barrier in the implementation of necessary social and environmental commitments throughout the entire palm oil supply chain.

As part of our engagement to the Alliance and our work with certified produced palm oil, we have developed a plan of action that foremost consists of in-depth data compilation and the processes involved. Once our supply chains have been mapped, it will provide greater opportunities for implementation, follow-up, and maintenance of remediation in relation to identified critical issues.

Our experience from last year is that traceability remains one of the biggest challenges, but we continue our dialogue with trading partners to gain more accurate data.

Through certification and our Alliance work we pursue the following

Deforestation- and conversion-free palm oil supply chains in high value nature areas in Southeast Asia, in particular Malaysia and Indonesia

Contribute to the protection of endangered species, wetlands and wide zones, soil conditions, air- and water quality

Contribute to safe use of agro-chemicals

Ensure better labour conditions, workers rights and livelihoods as well as to the inclusion of smallholders, in palm oil producing communities.

Respect the rights of indigenous people, local vulnerable communities and other groups which may be affected by our activities

Targets & Actions

Targets

- We want to achieve a 100% physical certified palm oil supply chain for our Private Label Products by 2024 (the minimum certification supply chain model level is outlined in our Palm Oil Policy), covering our Danish Commercial Buying processes.
- We want to contribute to an increased market demand for and availability of Segregated RSPO certified palm oil across product categories. On a yearly basis we evaluate the possibility of sharpening our certification level requirements. First in line is to move from Mass Balance to Segregated on our Nonfood/Nearfood products. A transformation we aim for to be redeemed by 2026.
- We want to align processes and requirements in our company across countries by 2024 (establishing a group policy covering Denmark, Germany and Poland).
- We want to increase our level of transparency being able to specify applied mills and eventually plantations. Aiming for full traceability in 2026.

Plan of action

2023

- Transforming our local palm oil policy to a group policy (also covering Netto Germany and Poland)
- Continue our work on supply chain mapping, and continue pursuing 100% certificated in-scope private label products
- In collaboration with the Danish Alliance, we will contribute to more nuanced consumer information regarding palm oil
- In collaboration with the Danish Alliance, we will investigate potential projects targeting small holders

2024

- Continue transformation from local palm oil policy to group policy
- Prepare our suppliers for new requirements on nearfood and nonfood products (moving from MB to SG certified level)
- Continue our establishment of a group policy
- Pursue our other internal targets
- Consider RSPO membership



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