Tesco Forest Risk Commodities Mapping (Palm and Soy)

September 2019
Overview

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2. Tesco UK (including Booker)
   • Mapping results overview
   • Importer assessments

3. Tesco International (Republic of Ireland, Central Europe & Asia)
   • Mapping results overview
   • Importer assessments

Central Europe = Czech Republic, Hungary, Poland, Slovakia
Asia = Malaysia and Thailand
Introduction

As part of our Little Helps Plan, and through our membership of the Consumer Goods Forum, Tesco is committed to achieving zero-net deforestation by 2020, including our sourcing of palm oil and soy.

While certification status is an important starting point for delivering our commitment, we recognise the importance of mapping further information about the palm oil and soy used in our supply chain. This includes countries of origin and the names of the companies responsible for importing these commodities into the markets where we operate. This visibility helps us to achieve our zero deforestation objectives at both geographic and industry levels.

Palm oil and soy are globally traded commodities used within our supply chain. This includes palm oil used as an ingredient in a finished product or soy in animal feed for meat or dairy products. However, the complexity of these supply chains can limit visibility and traceability to specific countries or importing companies.

In order to improve our transparency, we engage our direct product suppliers to map as much of this information as possible.

The following slides present palm oil and soy mapping results so far based on data from the 2018 calendar year.

We will continue to work with our suppliers to further refine the data to support our progress towards achieving our 2020 commitment.
Tesco UK (including Booker)
Where our UK palm oil comes from

- Global annual production of palm oil is 73 million tonnes.
- UK 2017/18 annual imports 426,507 tonnes.
- Tesco UK Own Brand products use 8% of all palm oil imported into the UK.
- 100% palm oil in Tesco UK Own Brand products is RSPO certified - 69% of is from Segregated sources.
# UK Palm Oil – Mapping Results Overview

<table>
<thead>
<tr>
<th>Volume (tonnes)</th>
<th>Country of Origin</th>
<th>Sub-National Origin (where known)</th>
<th>Importers</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,983</td>
<td>Papua New Guinea, the Solomon Islands</td>
<td>West New Britain, Ramu Valley, Milne Bay, Poliamba and Higaturu (PNG); Guadalcanal Province</td>
<td>New Britain Palm Oil</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Solomon Islands)</td>
<td></td>
</tr>
<tr>
<td>3,219</td>
<td>Indonesia, Malaysia</td>
<td>Sabah (Malaysia)</td>
<td>AAK</td>
</tr>
<tr>
<td>2,473</td>
<td>Indonesia</td>
<td>Not yet attributable</td>
<td>Cargill</td>
</tr>
<tr>
<td>1,091</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>Stepan</td>
</tr>
<tr>
<td>925</td>
<td>Malaysia, Indonesia, Colombia, Honduras</td>
<td>Cesar and Magdalena (Colombia)</td>
<td>Olenex</td>
</tr>
<tr>
<td>5,963</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>Various low volume importers (BASF, KLK, Bunge, Olympic Oils, Olam and others).</td>
</tr>
<tr>
<td>7,204</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
</tr>
</tbody>
</table>

Not yet attributable = Volumes not currently attributable to a specific importer and/or origin.
# UK Palm Oil – Importer Assessments

<table>
<thead>
<tr>
<th>Known Importers (% share)</th>
<th>Public Transparency</th>
<th>Link to Transparency</th>
<th>Status of Tesco Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Britain Palm Oil (36%)</td>
<td>Mill list provided</td>
<td>Published <a href="#">mill list</a></td>
<td>All fully segregated and RSPO certified</td>
</tr>
<tr>
<td>AAK (10%)</td>
<td>Mill list provided</td>
<td>Published <a href="#">mill list</a></td>
<td>POTC engagement</td>
</tr>
<tr>
<td>Cargill (8%)</td>
<td>Mill list provided</td>
<td>Published <a href="#">mill list</a></td>
<td>POTC engagement</td>
</tr>
<tr>
<td>Stepan (3%)</td>
<td>None</td>
<td>None</td>
<td>POTC engagement</td>
</tr>
<tr>
<td>Olenex (3%)</td>
<td>Mill list provided</td>
<td>Refineries map with associated mills</td>
<td>POTC engagement</td>
</tr>
<tr>
<td>Various low volume (22%)</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>Supplier engagement to separate importers</td>
</tr>
<tr>
<td>Not yet attributable (18%)</td>
<td>None</td>
<td>None</td>
<td>Supplier engagement to map non-attributable volumes</td>
</tr>
</tbody>
</table>

*Not yet attributable = Volumes not currently attributable to a specific importer and/or origin.*

*POTC = The [Palm Oil Transparency Coalition](#) provides an annual ranking of the zero deforestation performance of palm oil importers across their entire operations to enable members of the coalition, like ourselves, to ensure that our suppliers are sourcing palm oil from companies that are making progress on their zero deforestation commitments beyond the RSPO certified palm oil supplied to us.*

*None/partial = Where sufficient public transparency is not yet provided we are engaging with our supply chain to achieve this as soon as possible.*
Where our UK soymeal comes from

- Global production of soybean is 337 million tonnes
- Approximately 3.2 million tonnes of soymeal (as animal feed) is used in UK supply chains
- Tesco represents 17% of the UK’s soymeal footprint
- Approx. 90% comes from South America
- Tesco UK (excluding Booker) is now implementing its *UK Zero Deforestation Soy Transition Plan* to ensure all South America soy used is certified zero deforestation by end of 2020.

<table>
<thead>
<tr>
<th>Country</th>
<th>UK soymeal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>516,673</td>
</tr>
<tr>
<td>Verified Deforestation Free %</td>
<td>29%</td>
</tr>
<tr>
<td>Not Yet Verified Deforestation Free %</td>
<td>71%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of supply from each country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;25%</td>
<td></td>
</tr>
<tr>
<td>15% - 25%</td>
<td></td>
</tr>
<tr>
<td>5% - 15%</td>
<td></td>
</tr>
<tr>
<td>&lt;5%</td>
<td></td>
</tr>
</tbody>
</table>

_Tesco UK 2018 footprint_
<table>
<thead>
<tr>
<th>Volume (tonnes)</th>
<th>Country of Origin</th>
<th>Sub-National Origin (where known)</th>
<th>Importers</th>
</tr>
</thead>
<tbody>
<tr>
<td>105,000</td>
<td>Argentina, Brazil, USA, Canada</td>
<td>Not yet attributable</td>
<td>Cefetra</td>
</tr>
<tr>
<td>80,000</td>
<td>Argentina, Brazil, Paraguay</td>
<td>Atlantic Forest region (Paraguay)</td>
<td>Cargill</td>
</tr>
<tr>
<td>16,000</td>
<td>Brazil</td>
<td>Mato Grosso (Brazil)</td>
<td>Amaggi</td>
</tr>
<tr>
<td>5,000</td>
<td>Brazil, Paraguay</td>
<td>Mato Grosso (Brazil)</td>
<td>ADM</td>
</tr>
<tr>
<td>2,500</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>R&amp;H Hall</td>
</tr>
<tr>
<td>324,309</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
</tr>
</tbody>
</table>

*Not yet attributable* = Volumes not currently attributable to a specific importer and/or origin.
# UK Soy – Importer Assessments

<table>
<thead>
<tr>
<th>Known Importers (% share)</th>
<th>Public Transparency</th>
<th>Link to Transparency</th>
<th>Status of Tesco Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cefetra (19%)</td>
<td>None</td>
<td>None</td>
<td>Majority of soy from Cefetra is certified zero deforestation (CRS)</td>
</tr>
<tr>
<td>Cargill (15%)</td>
<td>Partial (Brazil)</td>
<td>Published sourcing from high-risk areas in Brazil</td>
<td>SoS Cerrado engagement</td>
</tr>
<tr>
<td>Amaggi (3%)</td>
<td>Partial (Brazil)</td>
<td>Published map of mills</td>
<td>Soy from Amaggi is from certified zero deforestation (ProTerra); SoS Cerrado engagement</td>
</tr>
<tr>
<td>ADM (1%)</td>
<td>Brazil (Brazil)</td>
<td>Published sourcing from high-risk areas in Brazil</td>
<td>SoS Cerrado engagement</td>
</tr>
<tr>
<td>R&amp;H Hall (1%)</td>
<td>None</td>
<td>None</td>
<td>Supplier engagement</td>
</tr>
<tr>
<td>Not yet attributable (61%)</td>
<td>Not yet attributable</td>
<td>None</td>
<td>Supplier engagement to map non-attributable volumes</td>
</tr>
</tbody>
</table>

**Not yet attributable** = Volumes not currently attributable to a specific importer and/or origin.

**SoS Cerrado** = the Statement of Support (SoS) for the Cerrado is a collaboration of over 100 of the world’s biggest food companies and investors working with local and international stakeholders to achieve an effective industry-wide approach to zero deforestation soy in the Brazilian Cerrado.

**None/partial** = Where sufficient public transparency is not yet provided we are engaging with our supply chain to achieve this as soon as possible.
Tesco International

(Republic of Ireland, Central Europe, Asia)
Where our International palm oil comes from

- Global annual production of palm oil is 73 million tonnes.
- 45% of the palm oil used in Tesco International’s Own Brand products is RSPO certified.
- ROI and Central Europe have 100% RSPO certification.
- Sourcing from Malaysia and Indonesia has been priority for RSPO certification due to known deforestation risk.
- Thailand is our biggest market in Asia where our palm oil comes from local Thai sources.
- Thailand and Malaysia currently implementing plans to achieve RSPO certification – majority of uncertified palm oil to be RSPO certified by the end of 2019.
# International Palm Oil – Mapping Results Overview

<table>
<thead>
<tr>
<th>Volume (tonnes)</th>
<th>Country of Origin</th>
<th>Sub-National Origin (where known)</th>
<th>Importers/Producers</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,363</td>
<td>Thailand</td>
<td>Not yet attributable</td>
<td>Lam Soon</td>
</tr>
<tr>
<td>6,270</td>
<td>Thailand</td>
<td>Not yet attributable</td>
<td>Patum</td>
</tr>
<tr>
<td>2,614</td>
<td>Malaysia, Indonesia</td>
<td>Peninsular Malaysia, Sarawak and Sabah (Malaysia); Jakarta (Indonesia)</td>
<td>Sime Darby</td>
</tr>
<tr>
<td>2,011</td>
<td>Indonesia</td>
<td>Not yet attributable</td>
<td>Cargill</td>
</tr>
<tr>
<td>446</td>
<td>Papua New Guinea, the Solomon Islands</td>
<td>West New Britain, Ramu Valley, Milne Bay, Poliamba and Higaturu (PNG); Guadalcanal Province (Solomon Islands)</td>
<td>New Britain Palm Oil</td>
</tr>
<tr>
<td>199</td>
<td>Indonesia, Malaysia, Colombia, Honduras</td>
<td>Cesar and Magdalena (Colombia)</td>
<td>Olenex</td>
</tr>
<tr>
<td>1,052</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>Various low volume importers</td>
</tr>
<tr>
<td>8,386</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
</tr>
</tbody>
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# International Palm Oil - Importer Assessments

<table>
<thead>
<tr>
<th>Known Importers (% share)</th>
<th>Public Transparency</th>
<th>Link to Transparency</th>
<th>Status of Tesco Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lam Soon (24%)</td>
<td>None</td>
<td>None</td>
<td>Moving to RSPO certification</td>
</tr>
<tr>
<td>Patum (24%)</td>
<td>None</td>
<td>None</td>
<td>Moving to RSPO certification</td>
</tr>
<tr>
<td>Sime Darby (10%)</td>
<td>Mill list provided</td>
<td>Published mill list</td>
<td>POTC engagement</td>
</tr>
<tr>
<td>Cargill (8%)</td>
<td>Mill list provided</td>
<td>Published mill list</td>
<td>POTC engagement</td>
</tr>
<tr>
<td>New Britain Palm Oil (2%)</td>
<td>Mill list provided</td>
<td>Published mill list</td>
<td>POTC engagement</td>
</tr>
<tr>
<td>Olenex (1%)</td>
<td>Mill list provided</td>
<td>Refineries map with associated mills</td>
<td>POTC engagement</td>
</tr>
<tr>
<td>Various low volume importers (4%)</td>
<td>None</td>
<td>None</td>
<td>Supplier engagement</td>
</tr>
<tr>
<td>Not yet attributable (31%)</td>
<td>None</td>
<td>None</td>
<td>Supplier engagement to map non-attributable volumes</td>
</tr>
</tbody>
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Global production of soybean is 337 million tonnes.
Tesco (excl. UK) represents <1% of global soybean use.
Over 90% comes from South America.
Thailand is the single biggest market for soymeal in livestock feed (poultry) outside the UK.
Currently developing our plan to achieve zero deforestation soy for our International operations.
# International Soy – Mapping Results Overview

<table>
<thead>
<tr>
<th>Volume (tonnes)</th>
<th>Country of Origin</th>
<th>Sub-National Origin (where known)</th>
<th>Importers</th>
</tr>
</thead>
<tbody>
<tr>
<td>17,000</td>
<td>Brazil, Argentina</td>
<td>Not yet attributable</td>
<td>Louis Dreyfus</td>
</tr>
<tr>
<td>16,000</td>
<td>Argentina, Brazil, Paraguay</td>
<td>Atlantic Forest region (Paraguay)</td>
<td>Cargill</td>
</tr>
<tr>
<td>8,500</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>R&amp;H Hall</td>
</tr>
<tr>
<td>6,500</td>
<td>USA, Brazil, Argentina</td>
<td>Central USA; Cerrado (Brazil); Chaco (Argentina)</td>
<td>Bunge</td>
</tr>
<tr>
<td>4,500</td>
<td>Argentina, Brazil, USA, Canada</td>
<td>Not yet attributable</td>
<td>Cefetra</td>
</tr>
<tr>
<td>269,112</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
<td>Not yet attributable</td>
</tr>
</tbody>
</table>
## International Soy – Importer Assessments

<table>
<thead>
<tr>
<th>Known Importers (% share)</th>
<th>Public Transparency</th>
<th>Link to Transparency</th>
<th>Status of Tesco Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louis Dreyfus (5%)</td>
<td>Partial (Brazil)</td>
<td>Published sourcing from high-risk areas in Brazil</td>
<td>SoS Cerrado engagement</td>
</tr>
<tr>
<td>Cargill (5%)</td>
<td>Partial (Brazil)</td>
<td>Published sourcing from high-risk areas in Brazil</td>
<td>SoS Cerrado engagement</td>
</tr>
<tr>
<td>R&amp;H Hall (3%)</td>
<td>None</td>
<td>None</td>
<td>Supplier engagement</td>
</tr>
<tr>
<td>Bunge (2%)</td>
<td>Partial (Brazil)</td>
<td>Published sourcing from high-risk areas in Brazil</td>
<td>SoS Cerrado engagement</td>
</tr>
<tr>
<td>Cefetra (1%)</td>
<td>None</td>
<td>None</td>
<td>Supplier engagement</td>
</tr>
<tr>
<td>Not yet attributable (51%)</td>
<td>None</td>
<td>None</td>
<td>Supplier engagement to map non-attributable volumes</td>
</tr>
</tbody>
</table>

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End.