

Particulars**About Your Organisation****Organisation Name**Tesco Stores Ltd

Corporate Website Address<http://www.tescopl.com/>

Primary Activity or Product

- Wholesaler and/or Retailer
-

Related Company(ies)No

Membership

Membership Number	Membership Category	Membership Sector
3-0012-06-000-00	Ordinary	Retailers

Retailers

Operational Profile

1.1 Please state what your main activities are within retailing

- Own-brand

Operations and Certification Progress

2.1 Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

2.2.1 Total volume of Crude Palm Oil processed and/or traded in the year:

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2.2.2 Total volume of Palm Kernel Oil processed and/or traded in the year:

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2.2.3 Total volume of other Palm Oil Derivatives and Fractions processed and/or traded in the year:

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2.2.4 Total volume of all palm oil and palm oil derived products you processed and/or traded in the year:

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2.3 Palm Oil volume used in the year in your own brand products that is RSPO certified

No	Description	Crude Palm Oil (Tonnes)	Palm Kernel Oil (Tonnes)	All other palm-based derivatives and fractions (Tonnes)
2.3.1	Book & Claim			3680.20
2.3.2	Mass Balance			6128.85
2.3.3	Segregated			21097.15
2.3.4	Identity Preserved			
2.3.5	Total volume of palm oil used that is RSPO-certified:			30906.20

2.4 Volume of all other palm-based derivatives and fractions covered by Book & Claim

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Time-Bound Plan

3.1 Date expected to start (or year started) using RSPO-certified palm oil products - own brand

2007

3.2 Date expected to be (or already) using 100% RSPO certified palm oil products from any supply chain option - own brand

2012

3.3 Date expected to be using 100% RSPO certified oil palm from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products

2015

Comment:

Our public commitment was to 100% mass balanced or segregated palm for O/L products by 31st December 2015. For the calendar year 2015, 88% of palm used within our combined food and health and beauty/household own brand products was from either a mass balance (20%) or segregated source (68%). For our food products alone (excluding our ranges of health and beauty/household) the percentage for the calendar year 2015 was 95%. From 1st January 2016, 99.6% of palm used in our food products is from either a mass balance (25%) or segregated source (75%). We have plans in place with our suppliers to convert an additional 1334 tonnes of palm from Book&Claim to MB over Qtr 2 & Qtr 3 2016 which will take our business total (food and health and beauty/household ranges combined) to 95% palm supplied through physical supply chains with 68% SG and 27% MB

3.4 Does your company use palm oil in products you sell on behalf of other companies?

No

3.5 Do your (own brand) commitments cover your companies global use of palm oil?

No

3.6 Which countries that your organization operates in do the above own-brand commitments cover?

- United Kingdom

3.7 What are your interim milestones towards achieving these RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies

In 2012 we reached our first major milestone, to use 100% RSPO certified oil palm from any supply chain route (Green Palm, Mass Balance or Segregated) in all our own label products. Over the course of 2014/15 we worked with our suppliers towards our target of 100% fully segregated palm oil by the end of 2015. In practice this included: - a programme of supplier-wide training/upskilling, a qualitative survey drilling down into both our suppliers' own commitments (identifying specific challenges) and a specific focus on our Health and Beauty and Household categories, meeting all our major suppliers in these sectors to understand the unique challenges faced within their industry and the difficulties in developing certified sustainable supply chains for small volume derivatives. Following the work described above we took the decision to amend our existing commitment (100% segregated palm oil) to allow for the use of Mass Balanced CSPO where segregated material was not available and not likely to be available before the end of 2015. This decision was taken in response to the review in particular of our health and beauty and household supply chains where it was evident that it was not achievable goal to require segregated sources of palm oil derivatives within the timescales we had set ourselves. For the calendar year 2015 we can confirm that we have reached an overall position where 88% of the palm oil used within our combined food and health and beauty/household own brand products was from either a mass balance (20%) or segregated source (68%). We are very pleased with this achievement and the hard work of all of our suppliers in helping to make it happen. For our food products alone (excluding our ranges of health and beauty/household) the percentage for the calendar year 2015 was 95%. From 1st January 2016, 99.6% of palm used in our food products is from either a mass balance (25%) or segregated source (75%). We have plans in place with our suppliers to convert an additional 1334 tonnes of palm from Book&Claim to MB over Qtr 2 & Qtr 3 2016 which will take our business total (food and health and beauty/household ranges combined) to 95% palm supplied through physical supply chains with 68% SG and 27% MB. The remaining palm that is not from a physical supply chain is all covered by Book&Claim (Green Palm certificates) and sits within our health and beauty and household ranges where there remains significant challenges for these industries to develop physical supply chains for what are comparatively small volumes of complex palm derivatives.

3.8 Does your company have a Time-Bound Plan for the use of palm oil in the products you sell on behalf of other companies?

No

Trademark Related

4.1 Do you use or plan to use the RSPO Trademark on your own brand products?

- End-product manufacturer
- Ingredient manufacturer
- Food Goods
- Home & Personal Care Goods
- Own-brand
- Manufacturing on behalf of other third party brands
- Biofuels
- Adhesives
- Manufacturer of candles
- Trade Association
- Other:

Actions for Next Reporting Period**5.1 Outline actions that you will take in the coming year to promote CSPO use along the supply chain**

Tesco made a commitment to certified sustainable palm from mass balance and segregated sources by the end of 2015 which we have largely achieved (88% as of EO 2015 calendar year, moving to 95% by end of Qtr 3 2016) Our task now is to: 1) develop a roadmap for sustainable palm for the remainder of the Tesco Group recognising the challenge this may pose for our Asian and Central European businesses. 2) develop an appropriate response, in conjunction with our suppliers, to the on-going environmental and social concerns linked to the expansion of palm oil production, continuing to engage with RSPO NEXT and global palm oil producers in relation to their zero-deforestation commitments.

Reasons for Non-Disclosure of Information**6.1 If you have not disclosed any of the above information, please indicate the reasons why****Application of Principles & Criteria for all members sectors****7.1 Do you have (a) policy/ies, that are in line with RSPO P&C such as:**

- Water, land, energy and carbon footprints
Uploaded file: [R-Policies-to-PNC-waterland.pdf](#)
- Ethical conduct and human rights
Uploaded file: [R-Policies-to-PNC-ethicalconducthr.pdf](#)
- Labour rights
Uploaded file: [R-Policies-to-PNC-laborrights.pdf](#)
- Stakeholder engagement
Uploaded file: [R-Policies-to-PNC-stakeholderengagement.pdf](#)
- None of the above

7.2 What steps will/has your organization taken to support these policies?

Please see our policies attached in our response to question 7.1

Commitments to CSPO uptake

8 As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions: Do you have plans to?

Yes

Please specify:

For the calendar year 2015 we can confirm that we have reached an overall position where 88% of the palm oil used within our combined food and health and beauty/household own brand products was from either a mass balance (20%) or segregated source (68%). We are very pleased with this achievement and the hard work of all of our suppliers in helping to make it happen. For our food products alone (excluding our ranges of health and beauty/household) the percentage for the calendar year 2015 was 95%. From 1st January 2016, 99.6% of palm used in our food products is from either a mass balance (25%) or segregated source (75%). We have plans in place with our suppliers to convert an additional 1334 tonnes of palm from Book&Claim to MB over Qtr 2 & Qtr 3 2016 which will take our business total (food and health and beauty/household ranges combined) to 95% palm supplied through physical supply chains with 68%SG and 27% MB The remaining palm that is not from a physical supply chain is all covered by Book&Claim (Green Palm certificates) and sits within our health and beauty and household ranges where there remains significant challenges for these industries to develop physical supply chains for what are comparatively small volumes of complex palm derivatives.

8.1 Do you have plans to immediately cover the differences/gap using Book & Claim?

Yes

The remaining 7% (not already from a SG or MB physical supply chain route) is currently already covered using Book&Claim (Green Palm certificates)

Concession Map**GHG Emissions****10.1 Are you currently assessing the GHG emissions from your operations?**

Yes

10.2 Do you publicly report the GHG emissions of your operations?

Yes

Please upload related report:

Related report:

URL: <http://www.tescopl.com/index.asp?pageid=89>

Challenges

1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

In 2007 we set ourselves the most stretching target, to achieve 100% of our palm oil from certified CSPO segregated sources by the end of 2015. We believe this helped to set the the right level of ambition, alongside other UK and European retailers who adopted similar targets, to support and drive the development of physical supply chains for sustainable palm. As our knowledge and that of our suppliers deepened, we recognised that a 'segregated only' approach was not realistic across the wide food and formulated non-food products ranges of own label products and could, in some cases, be inadvertently holding back the development of MB supply routes. At this stage, early 2015, we amended our policy to to allow for the use of certified palm oil from a mass balance source where segregated sources were not available nor likely to be. We have made good progress overall in partnership with our suppliers, but challenges remain in converting some of the smaller volumes of more complex palm oil derviatives used as ingredients in our health and beauty and household ranges to phyical sources of certified palm oil. We have made good progress even in these areas and will continue to work with our suppliers on these challenges. Availability and cost of CSPO have been the key concerns through this journey in addition to more pragmatic issues such as chain of custody certification (cost to acquire and maintain) for suppliers (not those trading or distributing) handling palm oil ingredients in very small volumes. Beyond this, our two key challenges for us are: 1) to develop a roadmap for sustainable palm for the remainder of the Tesco Group recognising the challenge this may pose for some of our Asian and Central European businesses. 2) To develop an appropriate response, in conjunction with our suppliers, to the on-going environmental and social concerns linked to the expansion of palm oil production, engaging with RSPO NEXT and global palm oil producers in relation to their zero-deforestation policies.

2 How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

Yes

Robust:

Yes

Simpler to Comply to:

Yes

3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

Our key role, since 2006, has been to clearly signal our commitment, alongside other major UK retailers, to sustainable palm oil and the work of the RSPO. We believe the influence of UK retailers, with the support of our combined supply bases, has been a significant driver in changing purchasing behaviour and increasing the demand for sustainable palm oil. As active members of the Sustainability Group within the Consumer Goods Forum we have committed, alongside other members, to achieving zero net deforestation by 2020 through initiatives on a range of commodity products including palm oil. The CGF membership includes other global retailers and brandowners such as Walmart, Unilever and P&G - we believe that acting together in this way we have been able to help begin the transformation of the palm oil market. Tesco attended the RSPO RT event in Malaysia in 2015 and smallholder workshops in Thailand preceeding the RT. I believe our presence, alongside Marks and Spencers and Belinda Howell representing the European Retailer Palm Oil Group, helped to reinforce the committment shown by retailers to work alongside all players in the supply chain towards a common goal.

4 Other information on palm oil (sustainability reports, policies, other public information)

To confirm the position in 3.7 above, For the calendar year 2015 we reached an overall position where 88% of the palm oil used within our combined food and health and beauty/household own brand products was from either a mass balance (20%) or segregated source (68%). We are very pleased with this achievement and the hard work of all of our suppliers in helping to make it happen. For our food products alone (excluding our ranges of health and beauty/household) the percentage for the calendar year 2015 was 95%. From 1st January 2016, 99.6% of palm used in our food products is from either a mass balance (25%) or segregated source (75%). We have plans in place with our suppliers to convert an additional 1334 tonnes of palm from Book&Claim to MB over Qtr 2 & Qtr 3 2016 which will take our business total (food and health and beauty/household ranges combined) to 95% palm supplied through physical supply chains with 68%SG and 27% MB The remaining palm that is not from a physical supply chain is all covered by Book&Claim (Green Palm certificates) and sits within our health and beauty and household ranges where there remains significant challenges for these industries to develop physical supply chains for what are comparatively small volumes of complex palm derivatives. We continue to work with fellow UK and European retailers through our Palm Oil Group and have devoted time in the last year to meeting and reviewing the palm oil policies of all the major palm oil importers and refiners into Europe. Through this work we have gained a much greater understanding of producers' zero-deforestation commitments and the progress they have been able to make to date. We believe our work, in a pre-competitive space, has demonstrated the continuing commitment of European retailers to greater traceability and stronger standards around palm oil production.
