

Document Reference:	Prepared By:	Document Owner:	Version: 07	Issued:
POL.022	Environment Specialist	Climate and Environment Chapter	Audience: External	September 2023

Background

Woolworths Group Limited is a signatory to the Consumer Goods Forum's Deforestation Resolution of 2010 for achieving net-zero deforestation. As part of the 2025 Sustainability Plan, Woolworths has pledged to ethically source high-impact commodities such as Palm Oil to minimise the risk of deforestation and its impacts on both people and the planet.

This policy sets out Woolworths minimum sourcing standards for Palm (Kernel) Oil and derivatives used in Woolworths Own Brand products to ensure it is procured from independently certified sources by the end of 2025. It must be followed in its entirety with exemptions sought in instances of non-compliance.

Woolworths is committed to sourcing Palm (Kernel) Oil and all its derivatives and fractions, including where it occurs in a compound ingredient in an environmentally and socially responsible way that promotes positive outcomes against the following criteria:

- No deforestation of High Carbon Stock (HCS) forest
- No deforestation of High Conservation Value (HCV) areas
- Deforestation cut off date of January 2020
- No use of fire for land clearance
- No new development on peatlands, regardless of depth
- Reduction of Greenhouse Gas Emissions
- Respecting the human rights of indigenous and local communities, workers and other groups affected by the activities of the sourced commodity

Scope

This policy applies to all Palm (Kernel) Oil as well as any derivatives, fractions, emulsifiers, additives, and compound ingredients containing/sourced from Palm (Kernel) Oil used in Woolworths Own Brand products.

In Scope	Out of Scope
- Core/Seasonal Own Brand Food and Formulated Non-Food	- Vendor Brands - Processing Aids used in the manufacture of Own Brand products

Policy

Sourcing

Woolworths Own Brand products containing Palm (Kernel) Oil and its derivatives or compound ingredients containing Palm (Kernel) Oil and its derivatives will have a low risk of contributing to deforestation by the end of 2025 shall be procured from independently certified sources such as:

- Roundtable on Sustainable Palm Oil (RSPO), or
- International Carbon and Sustainability Certification (ISCC)

Low Volume Suppliers

Suppliers of Woolworths Own Brand seasonal or core range products containing a total annual projected use of less than one metric tonne of Palm (Kernel) Oil and its derivatives must purchase certified sustainable ingredients according to the above-prescribed certifications. Low volume suppliers are not required to attain supply chain certification for their sites of manufacture.

High Volume Suppliers

Suppliers of Woolworths Own Brand seasonal or core range products containing a total annual projected use of more than one metric tonne of Palm (Kernel) Oil must supply independently certified products according to the above-prescribed certifications through either Mass Balance, Segregated, or Identity Preserved Supply chain models.

Woolworths Brand Macro Food Products

Macro Food product suppliers must transition to Segregated or Identity Preserved supply chains and be able to trace Palm (Kernel) Oil back to the plantation or first importer into Australia/New Zealand by the end of the financial year 2025.

Mass Balance will only be accepted when it can be demonstrated that Segregated or Identity Preserved palm oil is not available.

Labelling

It is Woolworths preferred where Palm (Kernel) Oil is used as an ingredient it should be labelled in the ingredient list. The use of the generic term 'Vegetable Oil' should only be used where there are multiple sources of vegetable oil.

Labelling around the use of Sustainable Palm (Kernel) Oil and its derivatives may only be made where a product/end-product manufacturer has been independently certified through the prescribed schemes.

Definitions

Compound ingredients: Ingredients made of two or more ingredients that may contain palm (kernel) oil (e.g. chocolate chips).

First Importer: Companies who import, process or supply substantial volumes of palm oil and palm oil derivatives upstream of the supply chain from Woolworths' direct suppliers as the 'first importer of palm products to the Oceanic Region. The term is not prescriptive and may be extended to other companies using palm oil deemed to be material to Woolworths' supply chains.

High-Volume Supplier: Where the annual volume of Palm (kernel) Oil in a supplier's own-brand products amounts to over one tonne.

Identity Preserved: Sustainable palm oil from a single identifiable certified source is kept separately from other palm oil throughout the supply chain.

Independently Certified Supplier: Supplier that is certified against the Chain of Custody standards prescribed in this policy.

Independently Certified Source: Where in-scope commodity can be traced to a sustainable source certified against requirements of one of the prescribed schemes in this policy.

Independently Certified Product: Products supplied by a supplier actively meeting the certification requirements of one of the prescribed schemes in this policy.

Low-Volume Supplier: Where the annual volume of Palm (kernel) Oil in a supplier's own-brand products amounts to one tonne or less.

Mass Balance: Certified palm oil is mixed with non-certified palm, but the volume of palm oil sold as independently certified matches the amount of certified palm oil purchased.

Own Brand - should be read as including all own brands, category brands, and exclusive brand products where Woolworths Group Limited serves as the Brand owner.

Palm Oil: Materials derived from the fruit of the oil palm tree (*Elaeis guineensis*) including palm and palm (kernel) oil and all palm oil-based ingredients and derivatives.

Palm Oil Derivatives: Chemicals within palm oil that have been fractionated, or separated, usually for very specific food applications. These can include fatty acids, glycerine, fatty nitrogen compounds etc.

Roundtable on Sustainable Palm Oil (RSPO): Sustainability scheme for palm oil production and supply. RSPO standards are developed through multi-stakeholder input and are supported by Production and Supply Chain (chain of custody) certification.

Segregated: Sustainable palm oil from different certified sources is kept separate from ordinary palm oil throughout the supply chain.