

## Our position on the use of palm oil, other vegetable oils and their derivatives

### The Issue

Palm oil produced from the fruit of the Oil Palm *Elaeis guineensis* has many uses. Originally cultivated to provide cooking oil it now can be found in many food and household products such as bakery products, soaps and lubricants. In recent years increasing quantities of palm oil have been used to produce biofuels. During the refining process fractions of palm oil can be used to make a wide range of chemical ingredients. Many of these ingredients can be produced from mixed sources of vegetable oils making traceability difficult.

Recent expansion of large-scale palm and soy cultivation has resulted in the clearance of vast areas of tropical forests. The development of palm plantations using fire to clear land is a major cause of destructive forest fires across Indonesia. Destruction of these forests has a serious impact on biodiversity, threatening species such as the orang-utan. Tropical forests act as a store for carbon dioxide and their clearance releases CO<sub>2</sub> to the atmosphere exacerbating the problem of global warming. There are also documented instances of human rights abuses and land disputes with local people when forests have been converted to palm oil plantations

To address these issues the Roundtable on Sustainable Palm Oil (RSPO) was set up in 2004. The aim of the RSPO is to promote the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders.

Certified Sustainable Palm Oil (CSPO) began to arrive on the market in 2009. Currently this is only available in certain grades. These do not include derivative materials.

Sustainable palm oil production can also be supported by subscribing to a “book & claim” system. This takes the form of a premium paid on the equivalent tonnage of palm oil used by a business. The premium is paid directly to certified sustainable plantations. Greenpalm is the main “book and claim” system currently operating.

### Palm Oil and Boots Products

As health & beauty retailers our use of palm oil is minimal compared to other industries. Palm oil as a declared ingredient is predominantly confined to soap products. However derivatives of palm oil are used in a number of ingredients found in our products. These derivatives can be manufactured from a variety of vegetable oil sources including palm, coconut or soy oil.

Initiatives to improve the availability of sustainable sources of palm oil have been under development for some time, however to deliver significant change requires co-operation across the whole supply chain. Boots was one of the first retailers to join the Roundtable on Sustainable Palm Oil (RSPO) in 2006. Through the development of principles and criteria for sustainable palm oil, the RSPO is facilitating the move to more sustainable palm oil production.



We are also a member of the British Retail Consortium European Retailer Palm Oil Working Group which has been created to provide retailer representation on the RSPO Executive Board and to help address upstream supply chain issues regarding the supply of sustainable palm oil.

At the present time Boots does not directly purchase palm oil. All the materials used, whether palm oil, other vegetable oils or their derivatives are sourced via third party ingredient or product suppliers

### **Our Position**

Our Biodiversity Policy commits us to manage the biodiversity and sustainable development impacts of our operations. Our sustainable development management processes require that impacts be minimised whilst opportunities to promote biodiversity protection are encouraged.

We recognise that the expansion of large-scale palm and soybean plantations in various parts of the world can have an adverse effect on sustainable development.

We require through Boots Code of Conduct for Ethical Trading therefore that all our suppliers take account of the principles of sustainable development in the products they supply and in particular safeguard biodiversity.

We promote the development of sustainable palm oil by:

- Subscribing to the Greenpalm system and purchasing certificates for the palm oil used in Boots brand products, including derivatives where the starting material is known to be palm oil.
- Working with Greenpalm to help them develop their traceability and audit procedures for derivatives made from palm oil.
- Working with our suppliers to use only Certified Sustainable Palm Oil (CSPO) where palm oil is a listed ingredient by 2014, or to use alternative sustainable materials.
- Working with WWF and the RSPO to identify sustainable sources of palm oil based derivatives.
- Taking account of other sustainability criteria such as supply chain carbon footprints when evaluating raw material options, including alternatives to palm oil.

We continue to monitor the sustainability of other sources of vegetable oils such as soy and develop appropriate measures to ensure supplies are from sustainable sources.

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