

## OUR COMMITMENT

Pick n Pay is committed to sourcing all palm oil, palm kernel oil or palm oil derivatives used in Pick n Pay branded products from suppliers who are using sustainable palm oil.

### 1. DEFINITION

Palm oil and palm kernel oil is made from the fruit of the palm tree. It is a common ingredient used in food products, detergents, and cosmetics in South Africa and around the world. In recent years, palm oil has received a great deal of negative publicity with the problem not being the palm oil itself, but the way it is harvested.

### 2. FUNCTION

Palm oil is harvested from the palm fruit which is grown in tropical areas of the world, including parts of Asia, Africa, and South America. The increase in demand for palm oil has resulted in large habitats of tropical forests being converted to plantations of palm trees. This habitat loss is a huge threat to the survival of key plant and animal species, including forest elephants, tigers, and orangutans. Furthermore, the loss of tropical forests increases soil erosion and reduces the sequestration of carbon dioxide which is an important contributor to global warming.

There are also social issues that have arisen as a result of this rapid expansion of palm oil production. Many communities have been displaced from their land and there have been many instances of labour issues on palm oil plantations including unfair wages, child labour practices and unsafe working conditions. Pick n Pay is a member of the RSPO, which is a global organisation dedicated to the sustainable production of palm oil. The RSPO certification covers strict standards on:

- Deforestation and planting of palm oil – no new planting allowed in place of primary forest or areas of high conservation value since 2005 and a ban on the use of fire to clear land;
- Environmental impacts – requirements to measure and reduce climate change emissions, keep soils healthy and prevent erosion, and use pesticides safely;
- Land rights – free, prior and informed consent of local people to plant palm oil on their land;
- Labour standards – decent working conditions and wages.