Tesco Forest Risk Commodities Mapping (Palm and Soy)

September 2019

Overview

1. **Introduction**
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.

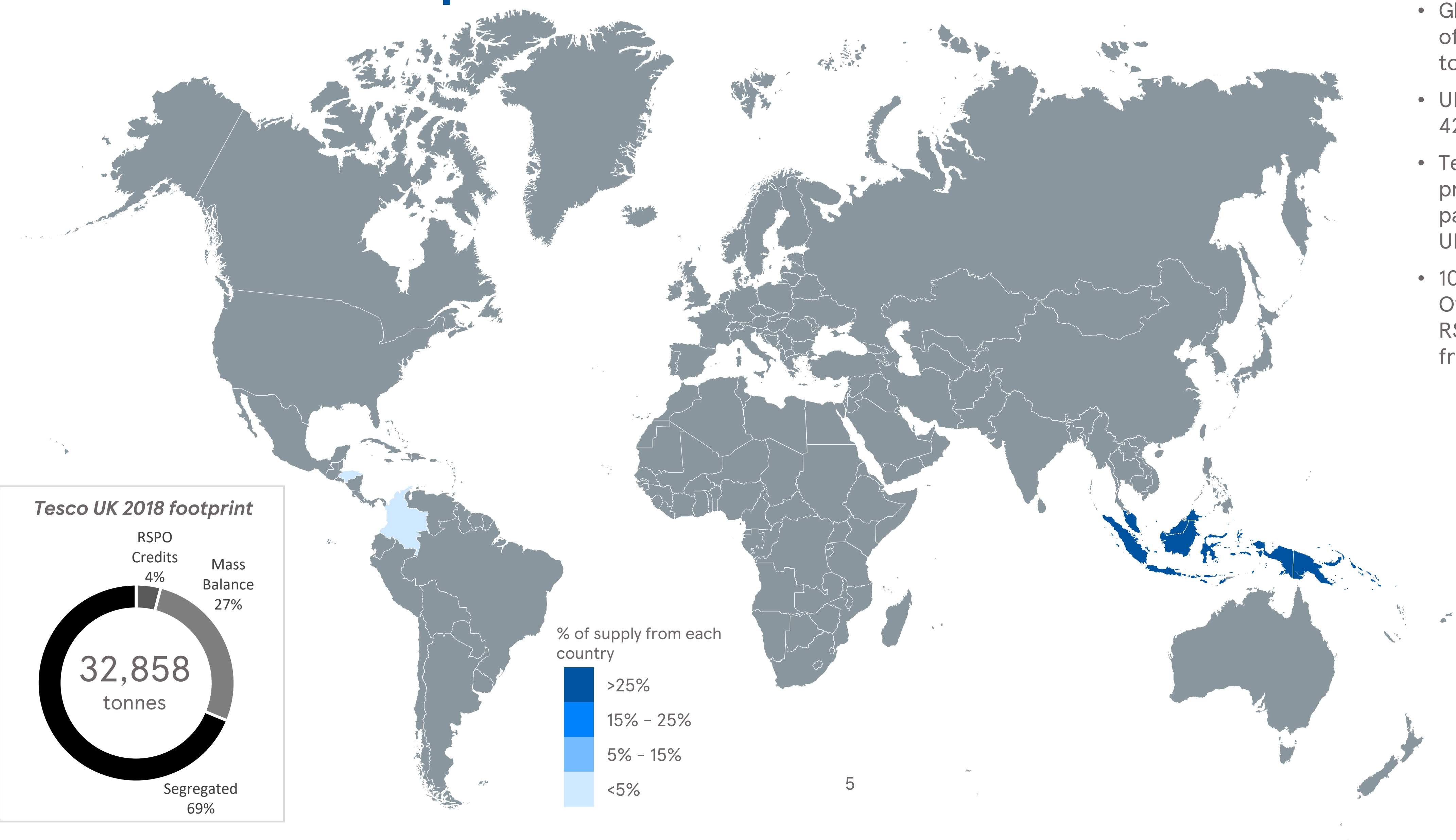
In order to improve our transparency, we engage our direct product suppliers to map as much of this information as possible.

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



UK Palm Oil

- 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

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

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

TESCO

UK Palm Oil – Importer Assessments

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

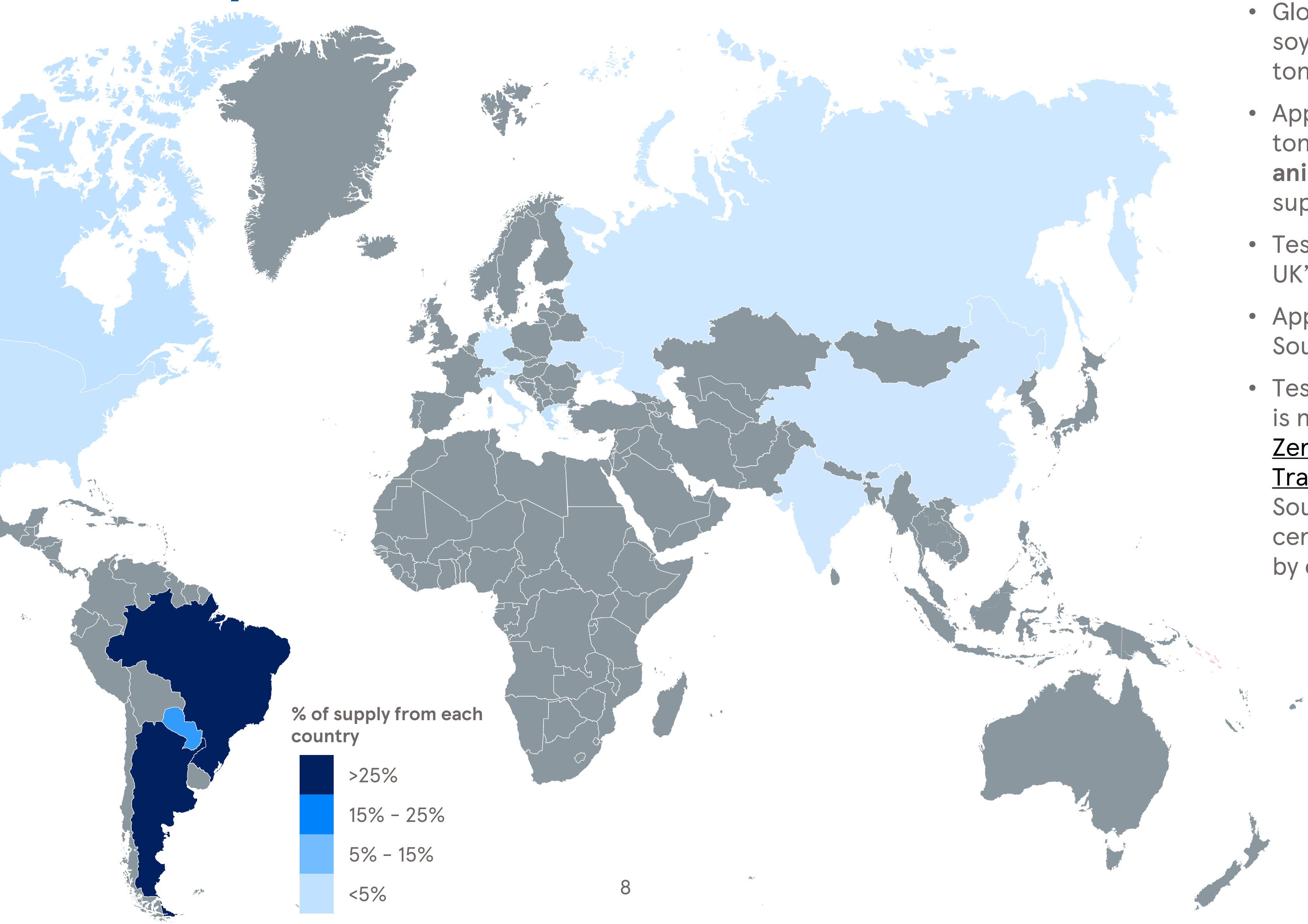
Not yet attributable = Volumes not currently attributable to a specific importer and/or origin.

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.

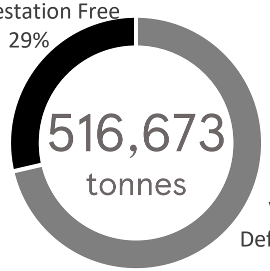
None/partial = Where sufficient public transparency is not yet provided we are engaging with our supply chain to achieve this as soon as possible.

TESCO

Where our UK soymeal comes from



Tesco UK 2018 footprint



UK soymeal

- 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.

UK Soy – Mapping Results Overview

Volume (tonnes)	Country of Origin	Sub-National Origin (where known)	Importers
105,000	Argentina, Brazil, USA, Canada	Not yet attributable	Cefetra
80,000	Argentina, Brazil, Paraguay	Atlantic Forest region (Paraguay)	Cargill
16,000	Brazil	Mato Grosso (Brazil)	Amaggi
5,000	Brazil, Paraguay	Mato Grosso (Brazil)	ADM
2,500	Not yet attributable	Not yet attributable	R&H Hall
324,309	Not yet attributable	Not yet attributable	Not yet attributable

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

UK Soy – Importer Assessments

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

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.

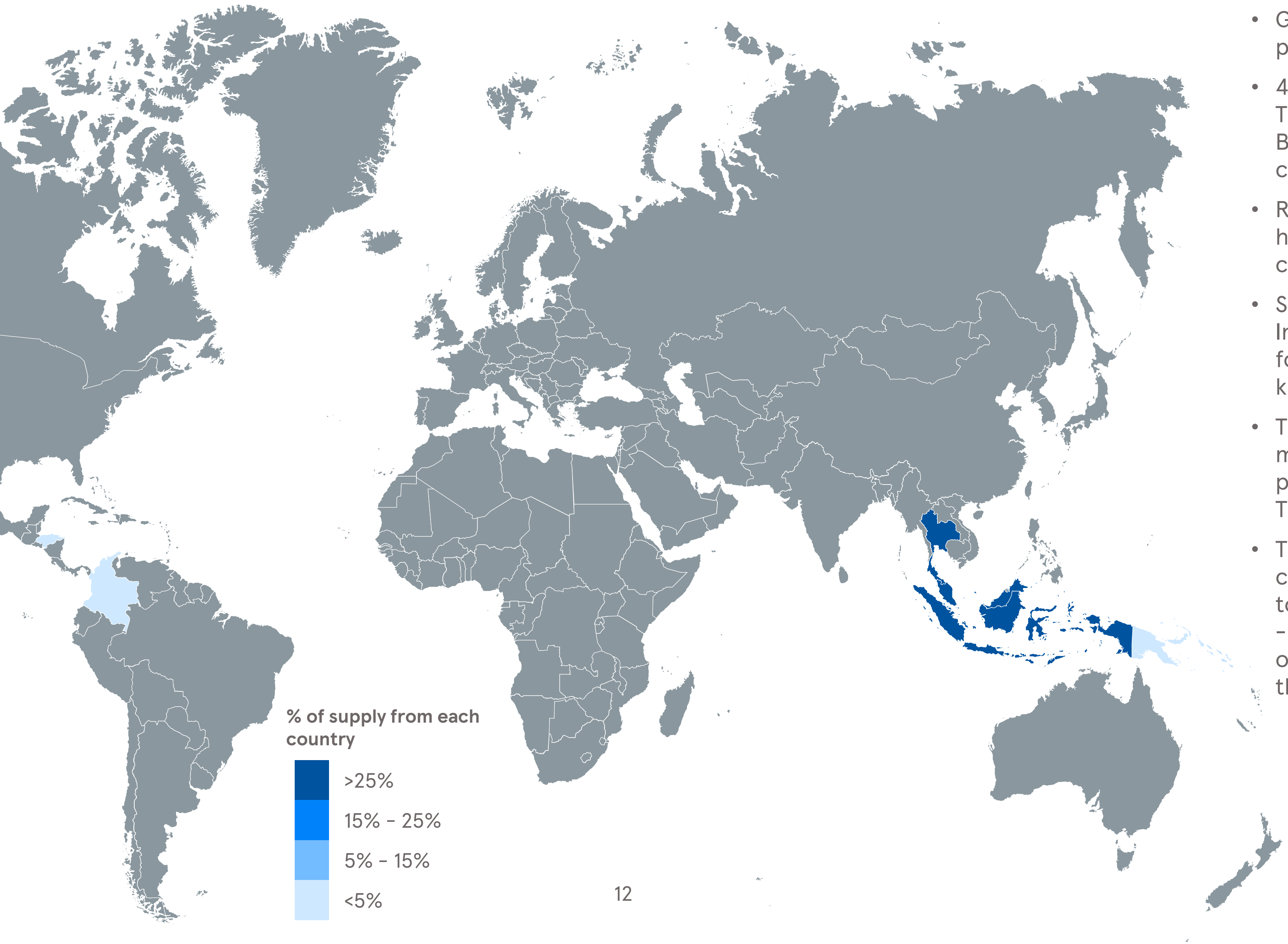
None/partial = Where sufficient public transparency is not yet provided we are engaging with our supply chain to achieve this as soon as possible.

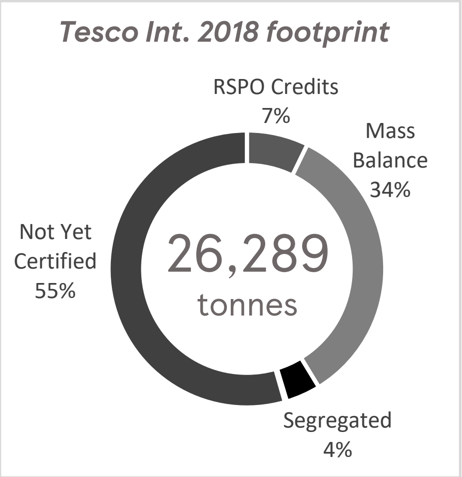
TESCO

Tesco International

(Republic of Ireland, Central Europe, Asia)

Where our International palm oil comes from





International Palm Oil

- 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 and 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

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

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

TESCO

International Palm Oil - Importer Assessments

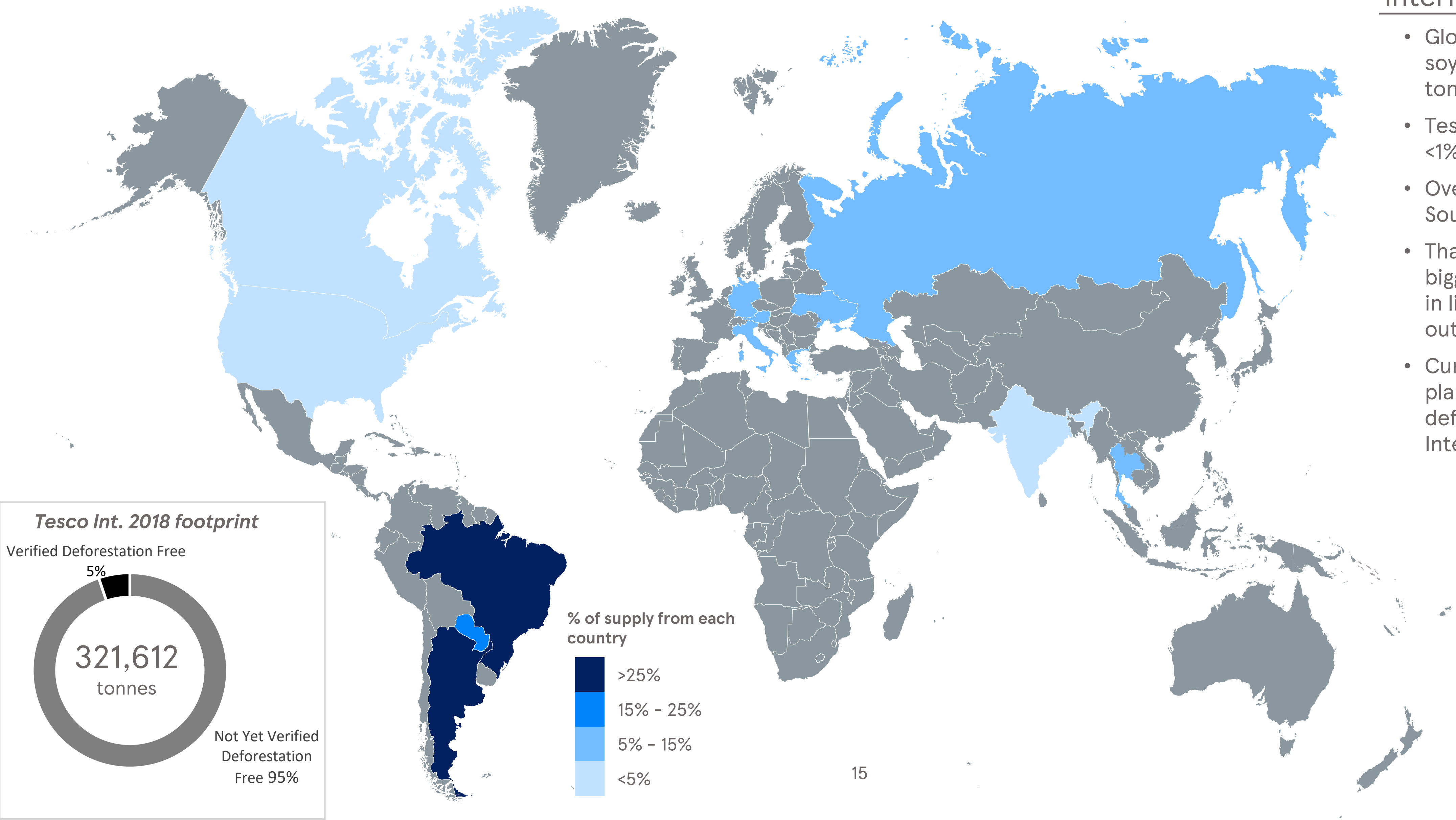
Known Importers (% share)	Public Transparency	Link to Transparency	Status of Tesco Action
Lam Soon (24%)	None	None	Moving to RSPO certification
Patum (24%)	None	None	Moving to RSPO certification
Sime Darby (10%)	Mill list provided	Published mill list	POTC engagement
Cargill (8%)	Mill list provided	Published mill list	POTC engagement
New Britain Palm Oil (2%)	Mill list provided	Published mill list	POTC engagement
Olenex (1%)	Mill list provided	Refineries map with associated mills	POTC engagement
Various low volume importers (4%)	None	None	Supplier engagement
Not yet attributable (31%)	None	None	Supplier engagement to map non-attributable volumes

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

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.

TESCO

Where our International soymeal comes from



International Soymeal

- 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.

TESCO

International Soy - Mapping Results Overview

Volume (tonnes)	Country of Origin	Sub-National Origin (where known)	Importers
17,000	Brazil, Argentina	Not yet attributable	Louis Dreyfus
16,000	Argentina, Brazil, Paraguay	Atlantic Forest region (Paraguay)	Cargill
8,500	Not yet attributable	Not yet attributable	R&H Hall
6,500	USA, Brazil, Argentina	Central USA; Cerrado (Brazil); Chaco (Argentina)	Bunge
4,500	Argentina, Brazil, USA, Canada	Not yet attributable	Cefetra
269,112	Not yet attributable	Not yet attributable	Not yet attributable

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

International Soy - Importer Assessments

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

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

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.

TESCO

End.