

**Pets**

# **Raw Material Sourcing Policy – Palm Oil**

**Ref: GSUS104a**

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## 1 Introduction

Pets at Home is the UK's leading pet care business, providing pet owners with everything they need to look after their pet – from food, toys and bedding, and grooming services, right the way through to first opinion veterinary care. Our purpose is to create a better world for pets and the people who love them.

We recognise that we have an impact on nature and people through our sourcing of products and services. As a leading pet care business, Pets at Home is committed to responsible and sustainable business standards and practices including responsible sourcing. We uphold such standards and practices throughout our own business and joint venture partners and work with our suppliers to promote our approach to be a sustainable and responsible business.

Palm oil's versatility, along with its productivity, have made it an ingredient that many businesses rely on to produce their products. From shampoos to chocolate, it's a mainstay on many ingredient lists. The efficiency of palm oil, requiring so much less land than other vegetable oils, makes it an attractive option for many producers resulting in its overproduction in many regions around the world. Deforestation and degradation of native forests to produce palm oil has had devastating impacts on wildlife as a result of habitat loss, crucial ecosystems owing to pollution, and has negatively impacted local communities due to loss of livelihoods, poor working conditions, expropriation of land and the violations of territorial rights of indigenous peoples. At Pets at Home, we acknowledge our role in the unsustainable production of palm oil as palm oil and its derivatives also appear in products across our range. As a result, we consider it one of our priority raw materials and have put in place a sourcing framework to address the impact of its use.

This policy outlines Pets at Home's commitment to the responsible sourcing of palm oil and its derivatives, and our expectations of our suppliers. It should be read and observed in conjunction with Pets at Home's Environmental Policy and Supplier Code of Conduct. The policy will be reviewed annually to reflect changes in industry and legislation.

## 2 Purpose and Scope

This policy applies to all own-brand and supplier brand products sold and used within the Pets at Home Group.

Our due diligence focus will be applied to own brand products. We expect our branded suppliers to apply the same level of due diligence to their supply chains and we will require these suppliers to confirm their progress in achieving sustainable raw materials in their products.

## 3 Policy Application

### 3.1 Our Commitments

This policy is aligned to the delivery of our raw material responsible sourcing targets. 100% of palm oil and palm oil derivatives shall be sustainably sourced by 2028. This means that from this date all palm oil and palm oil-derived products shall be deforestation and conversion free (cut-off date of January 2020 at the latest).

To achieve this, Pets at Home is working towards all palm oil or palm oil-derived products having a RSPO certified chain of custody. A product will be classed as certified if the raw material supplier into production site is RSPO certified.

To meet these objectives, we will:

- Innovate to provide customers with sustainable product choices.
- Partner with our suppliers to create better, more sustainable products, using raw materials from sustainable sources.
- Where possible support the use of market-based sustainability standards and external certification (e.g. RSPO)
- Provide support and guidance to our buying, technical teams and suppliers.
- Continue to enhance our Responsible Sourcing Handbook for our suppliers, detailing our policies and guidelines relating to environmental and social impacts.
- Monitor, control and review our sourcing impacts through our supplier management processes, reporting progress each year and making improvements towards delivering our ambitions.
- Take measures to ensure compliance with the policy and seek to give preference to those suppliers who can balance commercial requirements with meeting our sustainable sourcing standards.
- If products are found to be contravening our standards, we will engage with the supplier to put in place appropriate measures to improve practices. Pets at Home ultimately reserve the right to discontinue items or delist suppliers which do not meet the requirements. Any action taken would not affect Pets at Home contractual rights.

### 3.2 Ingredients in Scope

Palm oil and its derivatives are used directly in several of our products, including, but not limited to:

- Snacks
- Treats
- Chews
- Shampoos, conditioners & other hygiene products
- Dental hygiene products

The ingredients for in-scope products which are palm oil or palm oil-derived may be described on ingredients lists as:

- Palm oil
- Palm kernel oil
- Isopropyl myristate
- Sodium laureth sulfate / sulphate
- Vegetable glycerin
- Glycerin
- Cetyltrimethylammonium
- Cocamide DEA
- CAPB
- Cetearyl alcohol
- Ceteth 20

### 3.3 Risk assessment

Despite the majority of palm oil production being located in South-East Asia, most specifically Indonesia and Malaysia, this region has made concentrated efforts to become certified sustainable in their production of the raw material. The majority of Pets at Home's palm oil and palm oil derivatives are sourced from this region.

### 3.4 Approved certification schemes

Independent third-party verification of sustainability standards is essential. Currently accepted certification schemes are:

- Roundtable on Sustainable Palm Oil (RSPO)

Pets at Home does not hold any certification trademark licences so certification standard logos should not be used on any own brand products. Supplier brands must ensure they meet any certification trademark rules.

### 3.5 Certification model

Where possible, we require suppliers to source palm oil and palm oil derivatives from mass balance supply chains, with a valid, intact Chain of Custody.

### 3.6 Records

Certified material - Suppliers must provide suitable evidence to confirm that they have purchased certified material including: -

- Specification from the ingredient supplier confirming certification status
- Invoices for each ingredient delivery confirming certification status

Note: A product will be classed as certified if the raw material supplier into production site is RSPO certified.

The above information will be checked as a minimum during onboarding/first production.

### 3.7 Reporting

We publish information on our palm oil footprint used in our own brand products in our [Annual Sustainability report](#).

## 4 Definitions

Term	Definition
<b>Palm oil</b>	Palm oil is an edible vegetable oil that comes from the fruit of oil palm trees. Its scientific name is <i>Elaeis guineensis</i> .
<b>Palm oil derivatives</b>	Palm oil derivatives are products that have been produced by further processing after fractionation.
<b>RSPO</b>	Roundtable on Sustainable Palm Oil – a global, non-profit organisation with voluntary members that brings together stakeholders to develop and implement global standards for sustainable palm oil.
<b>Chain of Custody</b>	A Chain of Custody is a legal term that covers a process that tracks the life cycle of physical or electronic information.
<b>Deforestation free</b>	Deforestation-free refers to products that are produced on land that has not been subject to deforestation or forest degradation after a certain date.
<b>Conversion</b>	The conversion of primary forests into planted forests.
Term	Definition
<b>Deforestation</b>	Deforestation is the intentional clearing of forested land for agriculture, grazing land, construction or building materials, fuel or other manufacturing needs.
<b>Degradation</b>	Forest degradation is generally accepted as a forest's inability to provide ecosystem services (such as habitat

	provision for wildlife). Since 2020, countries can develop their own definition of forest degradation.
<b>Mass balance</b>	Mass balance is how the mass entering and leaving a system is calculated and accounted for.

## 5 Responsibilities

This policy is owned by the Pets at Home Responsible Product Committee which meets at least quarterly to review our environmental performance in relation to our products and ensure suitable resource is available for its implementation. The policy is approved by our ESG Committee, which operates with delegated authority of our Board, and receives regular updates on performance against our targets.

### 5.1 Expectations of Suppliers

In addition to the requirements set out in our Supplier Code of Conduct and our Terms of Service, we expect our suppliers to support us with working towards our sustainability goals. One of the key expectations is that suppliers are required to provide accurate data on the volume of palm oil and palm oil derivatives in their product. In addition, we welcome the proposal of new materials and technologies that keep in line with current and upcoming legislation as well as new market developments. It is expected that our suppliers will drive forward innovation regarding sustainable solutions, and work towards their own sustainability commitments in order to find improvements throughout the supply chain.

## 6 Support & Further Resources

- Further guidance on our approach to sustainability can be found in our Responsible Sourcing Handbook
- Other resources for palm oil:
  - [A global partnership to make palm oil sustainable - Roundtable on Sustainable Palm Oil \(RSPO\)](#)

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