





Environmentally Sustainable Sourcing

We have a responsibility to procure the raw materials we use in a way that is as environmentally sound as possible, with concern for impacts on the land, water and biodiversity in their growing and production. In this way, our focus on environmental sustainability not only ensures care for the planet but improves the resilience of our supply chain.

A key issue for the food industry as a whole is the impact of certain commodities on deforestation and land conversion. We commit to working towards zero net deforestation for our relevant raw materials: palm oil, soy, cocoa and carton board-based packaging and beef. We are clear in our commitment to eliminating deforestation risks in our supply chain sourcing and have sourcing approaches for the high-risk commodities relevant to our business. These are summarised below, and our detailed [deforestation statement is available online](#).

Our targets and commitments:

- Expand supplier management to our US and Asia businesses to replicate our environmental risk mapping (2022).
- Work towards zero net deforestation for our forest risk raw materials (palm oil, soy, wood-pulp based packaging and beef)
- Engage with key suppliers to ensure shared understanding of the responsible use of plastics (2022).

Our approach

As with monitoring human rights in the supply chain, it is by working collaboratively with our suppliers and customers that we can better understand the environmental impacts associated with raw materials and determine the appropriate sourcing approach.

As an own-label supplier, we support our customers sourcing commitments for specific commodities, which can include sustainability standards such as Rainforest Alliance or the Marine Stewardship Council ("MSC"). These can vary depending on the ingredient according to each customer's own specifications.

As a Group, we are committed to working towards 100% cage-free eggs by 2027, and in the UK, our largest market, we are working with our UK customers towards 100% cage-free eggs by 2025. As of 2021, in the UK, 77% of our eggs are from cage-free sources and in the US, currently over 50% of our eggs are from cage-free sources. As part of our supply chain engagements we are working actively with our Group suppliers to increase this each year.

For deforestation-risk commodities for our UK business, we have specific approaches, summarised below and of which more detail of which can be found in our [deforestation statement](#).

Soy: Used predominantly as 'embedded soy' – that is, as feed for farmed animals and therefore in animal-derived ingredients including meat, eggs, farmed fish, milk, butter, cream and cheese. We have measured our embedded soy for the Retail Soy Initiative since 2018 and since 2020, Bakkavor UK offsets our embedded soy consumption with credits purchased through the Round Table on Responsible Soy ("RTRS"), which we joined in 2020. The purchase of these credits directly funds farmers in the Cerrado and North-eastern regions of Brazil where soy growers are supported to produce sustainably and through investments in local social and environmental projects.

Palm oil: Within Bakkavor palm oil derivatives and ingredients are used within desserts and ready meals and to a lesser extent in bread, pizza, and salads. Since 2012 all palm oil that we source is purchased to the standards set by the Roundtable on Sustainable Palm Oil ("RSPO"). Additionally, we require that the first importers shall have credible company-wide 'No Deforestation, No Peat and No Exploitation' (NDPE) policies in place. We are in the process of moving our supply to segregated RSPO certified palm oil from mass balance over the next couple of years, in line with our retail customers' timelines.

Cocoa: At Bakkavor, we use cocoa within chocolate that we source as an ingredient for use in many of our dessert products. Recognising that our leverage to effect meaningful change within the cocoa supply chain is limited, Bakkavor sources cocoa derived ingredients and raw materials to comply with our customers' specifications and the sustainability schemes that they approve. These can include UTZ, Fairtrade and Barry Callebaut Cocoa Horizons.

Wood pulp: As of 2021, all our cardboard packaging comes from wood pulp from sustainable sources (e.g. PEFC or FSC certified forests).

Beef: Beef comprises a very small amount of our raw material buying. All of the beef procured for our UK business comes from within the Europe and as such, not from areas at risk for deforestation or land use conversion. In addition, we source to the specific requirements of our retail customers.

We have dedicated sourcing teams on the ground in the UK, Asia and Spain who are able to work closely with many of our biggest producers, ensuring we are closely connected to ongoing developments, opportunities and challenges. In addition, our [Food Safety and Integrity approach](#) ensures compliance with our sourcing requirements.

Read more:

- [Deforestation Statement](#)
- [Supplier Code of Conduct](#)
- [CDP Forests Questionnaire](#)
- [Modern Slavery report](#)