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Responsible Palm Oil Sourcing Policy

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Why sourcing responsible palm oil matters

Global demand for palm oil comes at a cost. Oil palm trees only grow in the tropics and the conversion of forests to large-scale oil palm tree plantations risks unbalancing habitats for many endangered species and reduces the role of tropical forests in combatting climate change impacts.

How sustainable certification can help

Palm oil which has been certified as sustainable, through organisations such as Roundtable on Sustainable Palm Oil (RSPO), means that suppliers must comply with environmental and social criteria, which can help to reduce negative impacts associated with the palm oil cultivation on the environment, local communities and biodiversity. For more information: <https://rspo.org>

Why this is relevant to Dunelm

As at FY21, around 100 products (from a portfolio of over 50,000 SKUs) contained palm oil. Palm oil is present in some food products served in our Pausa cafes and in fragrances used in Dunelm branded candles and home diffusers.

Our policy statement

Our commitment is that for all Dunelm and Pausa own brand products that contain palm oil, suppliers must use sustainably-sourced palm oil.

Our preferred sustainable certification is from RPSO – globally recognised as a leading standard in this area.

No new products will be launched unless they comply in full. We are asking suppliers of existing products to comply with our policy as soon as possible. At the end of FY21, 94% of our products were compliant.

Our requirements in more detail

For fragrances in Dunelm branded candles:

- Palm oil must be sustainably sourced.
- Palm oil or palm oil derivatives must be purchased through one of the following three supply chain systems:
 - Mass balance
 - Segregated
 - Book and claim.
- A valid RSPO certificate must be provided (less than 12 months old).

For Pausa and Dunelm branded food products:

- All palm oil, palm kernel oil and its derivatives used in Pausa or Dunelm branded food products must be from a certified RSPO source. This is to be detailed in the product specification, with up to date certificates held on file.
- Suppliers must be able to demonstrate that they have a recognised supply chain in place which complies with this policy.
- Manufacturer supplying site must have a current RSPO certificate to cover one of the following supply chain systems:
 - Mass balance
 - Segregated
 - Identity preserved
 - RSPO Credits purchased to cover the appropriate palm oil or palm derivative tonnage.
- No new products will be launched unless they comply in full with the above.

How we measure and report this

We use a third party to help monitor supplier compliance with our Responsible Palm Oil Sourcing policy and requirements as part of our supplier audit programme.

We publish our performance each year in our Annual Report and Accounts and on our ESG datasheet, both available from our corporate website <https://corporate.dunelm.com>.

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Dunelm Group plc

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