

Dr. Oetker – Information on deforestation-free supply chains**Last update: May 2019**

Deforestation has significant negative impacts on both global climate and biodiversity.

In order to stop these negative effects already in 2010 the Consumer Goods Forum (CGF) has made a commitment “to mobilize resources within our respective businesses to help achieve zero net deforestation by 2020”¹. With palm oil, soy, beef and paper/pulp, the CGF addressed the product groups which have the greatest effects on deforestation in the supply chains.

As a CGF member Dr. Oetker aims to support the idea of deforestation-free supply chains. We will concentrate our activities on those product groups which we believe have the greatest impact in our supply chain, i.e. palm oil and paper.

The following information² gives a snapshot-like overview of where the company stands today with its activities. However, for compliance reasons, we are currently not able to disclose the names of our suppliers.

PALM OIL

Because of its properties, palm oil is a very popular raw material: it is tasteless, heat-stable, long-lasting and does not have to be chemically hardened, for example, to achieve the desired consistency. As a result, demand for palm oil has risen strongly worldwide in recent years. In the past, this has led to an expansion of the area under palm oil, especially in the main tropical cultivation areas, such as Malaysia or Indonesia, due to the illegal slash-and-burn of rainforests – with negative effects on the environment, biodiversity and the local population.

Already since 2011 Dr. Oetker is a member of the Roundtable on Sustainable Palm Oil (RSPO), a non-profit organisation with more than 4,000 members worldwide along the complete palm oil supply chain. RSPO’s objective is to support the supply of sustainable palm oil through the implementation of global standards to which companies must comply.

Since the end of 2012, all of Dr. Oetker’s German plants where palm oil is processed are RSPO-certified. The very small quantities of palm oil that we process in our products therefore comply with the RSPO certification standards. This enables us, for example, to support the protection of flora and fauna in those countries where palm oil is grown.

In 2015, we have set the objective to source RSPO-certified palm oil completely according to the ‘Segregated’ scheme until end of 2020. However, due to the high share of palm-based fractions and derivatives this target remains challenging.

In 2018, Dr. Oetker has used around 7,900 tons of palm oil, palm kernel oil and palm oil derivatives and fractions, which makes us a very small user compared to the worldwide production of approximately 79 million tons in 2017/18³.

¹ see <https://www.theconsumergoodsforum.com/wp-content/uploads/2017/10/sustainability-activation-toolkit.pdf>

² Volume data in tons for 2018 referring to all Dr. Oetker companies worldwide. Please consider that Dr. Oetker has conscientiously compiled the information for illustrating our supply chains on the basis of self-disclosure and written confirmations. Completeness and correctness cannot be guaranteed, also in view of permanently changing supply chain flows.

³ see <https://apps.fas.usda.gov/psdonline/circulars/oilseeds.pdf>

RSPO certification scheme	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Other palm-based derivatives	Total	
Book and Claim	277.9	159.0	131.0	568	7.1%
Mass Balance (MB)	1,141.7	1,851.2	401.1	3,394	42.7%
Segregated (SG)	566.9	-	3,414.0	3,981	50.1%
Total	1,986.5	2,010.2	3,946.1	7,943	

PAPER / PULP

Packaging plays a key role in terms of the safety and quality of food. It must meet high hygiene standards and offer sufficient protection for the product. At the same time there must not be any undesired interactions with the food itself.

Material Name	Volume (in tons) in 2018	Share of Recycling Material	Origin of remaining Fresh Fiber
Paper/Pulp - Folding Box	62,149	87.9%	77% EU; 17% North America; 6% global
Paper/Pulp - Corrugated	17,287	89.7%	82% EU; 5% North America; 13% global
Paper/Pulp - Flexible Packaging	4,850	0.8%	72% EU; 1% North America; 27% global
Paper/Pulp - others	2,635	3.9%	97% EU; 3% global
Total	86,921	80.8%	79% EU; 9% North America; 12% global

Particular attention is paid to the environmental compatibility of the packaging materials right from the development phase. This applies both to the pure quantity and to the environmental impact of the materials used. With the help of an optimized packaging design, Dr. Oetker intends to further target the reduction in the amount of materials used. The focus here is on weight reduction and the use of recyclable materials.

Our activities in this area have enabled us to increase the proportion of recycled materials worldwide to over 80%. The origin of the remaining fresh fibers are focused on Europe and North America, which also helps to avoid further deforestation of tropical rainforest.

SOY

The direct consumption of soy oil or seeds for Dr. Oetker products is extremely low. Three quarters of the volume are sourced from South America.

Material Name	Volume (in tons) in 2018	Origin
Soy Seeds	732.8	99.9% EU; 0.1% global
Soy oil / -fat	5,385.2	0.2% EU; 86.5% South America; 13.3% global
Soy others	1.5	100% global
Total	6,199.5	12.2% EU; 76.1% South America; 11.7% global

BEEF

We use beef mainly for the bolognese sauce on our pizza. By far the largest proportion of animals are raised in Europe.

Material Name	Volume (in tons) in 2018	Origin
Beef	831.1	93.0% EU; 3.2% North America; 3.8% Africa