

Particulars

About Your Organisation

1.1 Member Name

The Procter & Gamble Company

1.2 Membership number

4-0113-10-000-00

1.3 Membership sector

Consumer Goods Manufacturers

1.4 Membership category

Ordinary

1.5 Country

United States

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

2.1 Please select all description(s) that describe the palm oil-related activities of your company or organisation. Multiple selections are allowed, and not limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- I own and operate oil palm estate(s) and/or palm oil mill(s)
- I represent a palm oil Independent Smallholder farmer Group
- I own and operate independent palm oil mills
- I own and operate independent palm kernel crushing plants
- I trade or broker palm oil, palm kernel oil or related products
- I am a refiner of palm oil or palm kernel oil
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related ingredients
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products
- I manufacture consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors.
- I retail consumer (B2C) products containing palm oil, palm kernel oil or related products
- I operate food retail outlets that use palm oil, palm kernel oil or related products
- I support the sustainable development of the palm oil industry as a conservation and environmental NGO
- I support the sustainable development of the palm oil industry as a social and human development NGO

Processors & Traders

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Refiner of CPO and PKO
- Palm Kernel Crusher
- Trader with Physical Possession
- Trader without Physical Possession
- Integrated Refiner-Trader-Processor
- Intermediate Products Producer
- Power, Energy and Biofuel Processor
- Animal Feed Producer
- Oleochemicals Producer
- Distribution & Logistics
- Other

Other

-

2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Sourcing is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please include details of all certified and uncertified operations using palm oil, palm kernel oil and related products, owned and/or managed by the member and/or all entities that belong to the group.

P&G manufactures consumer products and ingredients made from palm oil (PO) and palm kernel oil (PKO) in the oleochemical operation. P&G Chemicals operation provides the majority of the PKO derivatives in P&G consumer goods products, and also sells and trades derivatives to oleochemical market outside of P&G.

2.1.1 In which markets do you sell goods with palm oil and palm oil -related products?

Europe, North America, China,India,Malaysia,Indonesia,Africa, Latin America, Rest of the World _____

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles) _____

2.2 Volumes of uncertified and certified palm oil, palm kernel oil and related product sourced in the year

Description	Tonnes
Crude palm oil, including derivatives refined from CPO (tonnes)	15835.0
Crude palm kernel oil, including derivatives refined from CPKO (tonnes)	198097.0
Crude palm kernel expeller (tonnes)	0.0
Total	213932.0

2.3 Volume of RSPO-certified palm oil, palm kernel oil and related products sourced in the year (tonnes):

Description	Crude Palm Oil (CSPO) and CSPO Derivatives	Crude Palm Kernel Oil (CSPKO) and CSPKO Derivatives	Palm Kernel Expeller (CSPKE)
RSPO Credits from Mill / Crusher	0.0	0.0	0
RSPO Credits from Independent Smallholder	0.0	0.0	0
Mass Balance (MB)	5836.0	0.0	0
Segregated (SG)	9999.0	0.0	0
Identity Preserved (IP)	0	0	0
Total	15835.0	0.0	0

2.4 According to the volume information you have provided in Question PT.2.2 and Question PT.2.3, your company's certified palm oil, palm kernel oil and related products uptake is:

7.40%

2.4.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake calculated in PT.2.4. This may include changes due to business environment, evolving nature of operations or variations due to stock positions

Our goal is to procure RSPO SG for all our palm oil and palm oil derivatives. Due to supply constraints in 2020, we needed to use a combination of SG and MB.

2.5 What is the estimated percentage of Certified Sustainable Palm Oil in the palm oil, palm kernel oil and related products sold, traded or processed by your company in the following regions:

Countries/Regions	Percentage
Europe	0.0
North America	100.0
Malaysia	0.0
Indonesia	0.0
China	0.0
India	0.0
Latin America	0.0
Africa	0.0
Rest of World	0.0

3. TimeBound Plan

3.1 Which year did your company achieve/obtain (or expects to achieve/obtain) the RSPO supply chain certification or RSPO trader/distributor licence?

2015

3.2 Which year did your company start (or expect to start) to source any RSPO-certified palm oil and oil palm products?

2016

3.2.1 If the previous target year has not been met, please explain why.

-

3.3 Which year did your company achieve (or expects to achieve) 100% RSPO certification of all palm product processing facilities.

2016

3.3.1 If the previous target year has not been met, please explain why.

-

3.4 Year expected to only source 100% RSPO-certified palm oil and oil palm products.

2025

3.4.1 If target has not been met, please explain why.

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3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

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4. Actions For Next Reporting Period

4.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

P&G is committed to responsibly sourcing palm from suppliers and via supply chains that protect eco-systems from conversion and deforestation, respect human and labor rights, and respect land tenure rights. As member of the Roundtable on Sustainable Palm Oil (RSPO), P&G is committed to ensuring our suppliers meet RSPO Principles and Criteria (P&C) 2018 and continue to drive our palm sustainability program with the three pillar areas of our strategy: Responsible Sourcing; Compliance Monitoring and Partnerships and Force for Good Programs. Please visit <https://www.pginvestor.com/esg/environmental/forestry/palm-overview/default.aspx> for a comprehensive description of our palm responsible sourcing policy, strategy, and programs and progress to delivering our commitments and goals.

1. Responsible Sourcing

- We are committed to deliver 100% RSPO certification for all palm derived materials in P&G Brand Products by end 2022. In March 2021 we have announced an acceleration of our time lines to end 2021. We are maintaining 100% RSPO certified Segregated (SG) of our palm oil supply achieved in 2018, and 100% RSPO certified Segregated (SG) or Mass Balance (MB - for materials where RSPO Segregated supply is not available) for palm oil derivative. We are accelerating our transition to 100% RSPO Mass Balance PKO by end 2021. For PKO derivatives we have a glidepath that targets the conversion by end of 2021. Our ability to achieve that may be influenced by broader market dynamics and supply availability, but we have already engaged with our suppliers on plans to achieve this goal.
- For the PKO derivatives we produce and trade externally in the oleochemical market, we will continue to work with industry stakeholders to promote and increase certified sustainable palm derivatives volume to our customers. We will meet or exceed the Shared Responsibility requirements and goals as they are established in 2021.
- We believe that Jurisdictional Approach Certification has high potential to scaling the certification under robust jurisdictional governance, which is critical for growing the supply of sustainable palm kernel oil. We will be exploring JA certification in 2021 as the JA Certification System Document be approved by RSPO.

2. Compliance Monitoring

- We believe an industry wide monitoring system based on use of aerial/satellite imagery, concession maps, and knowledge of HCV/HCS areas would help ensure consistent enforcement of the No Deforestation and Peat policy. We have worked with Earthqualizer to deploy satellite/mapping technology to allow us to enhance our ability to track deforestation, development on peat and fires in our supplier enterprise-wide supply chains. We also developed the deforestation alert tracking and management system with Earthqualizer to enable process on verification, and actions to address / restore the ecosystem damages. In 2021, we will continue to promote and develop the industry-aligned monitoring and response framework with Consumer Goods Forum (CGF) members to drive effectiveness and efficiency, and to complement certification compliance at larger scale.
- Respecting human rights is fundamental to how we manage our business, and we recognize the systemic challenge on migrant workers and rights for the palm supply chain and the industry. To strengthen the Social policy compliance with our joint venture partner FGV, we have created and continue to advance a long-term partnership with Fair Labor Association (FLA), aiming to develop a credible, transparent and verifiable means to tackle the challenge building upon the FLA's Principles of Fair Labor and Responsible Sourcing for Companies with Agricultural Supply Chains with specific benchmarks and KPIs. In 2020, the FGV Action Plan was developed to align FGV's commitment and practices on labour with the FLA's Principles of Fair Labor and Responsible Sourcing for Companies with Agricultural Supply Chains (Principles). FGV also published the progress of the Action Plan 2020, provided a progress summary and corresponding details consolidating the actions taken by FGV and the FLA's findings. In 2021, FGV will continue to take positive actions and to work with the FLA for regular progress reviews, which will be published on an ongoing basis.
- Grievance management plays a key role to address any complaint, allegation or concern we receive or identify that is inconsistent with P&G's Supplier Expectation, our Responsible Palm Sourcing Policy or any relevant P&G corporate policies on governance and human rights in a transparent way. In 2021, we will publish and maintain a public grievance dashboard to share any allegations received and actions being taken to investigate and, when relevant, mitigate concerns.

3. Partnerships and Force for Good Programs

P&G is committed to playing a positive role within the communities and environments in which we live, and work and where we source our materials. This takes us beyond Responsible Sourcing and Compliance Monitoring to become a catalyst for change with our expertise and resources committed to achieving positive outcomes for communities, individuals, and the environment. Below capture the key programs and progress made in 2020 and focus areas in 2021.

- Independent smallholder program: the P&G Independent Smallholders Program is focused on the smallholders within our oleo-chemicals supply chain in Malaysia. We are committed to achieve two strategic objectives: 1) transform their livelihoods through more efficient and sustainable farming practices, and yield increase, a key element of our Ambition 2030 program, 2) develop capability and capacity of independent smallholders to be sustainable suppliers meeting P&G Palm Responsible Sourcing Policy which is based on the RSPO RISS. Key highlight on our focus areas in 2020 and 2021 are: i) The Center for Sustainable Small-owners (P&G-CSS) established in collaboration with the Malaysia Institute for Supply Chain Innovation (MISI) and University Tun Hussein Onn Malaysia (UTHM) continued to lead and drive progress in the independent smallholder program on the ground. In 2020, the first 10 smallholders successfully completed their first of three years of participation in Core Learning Farm (LeFa) Program, with 250 more on track during next 12 months. Positive progress was achieved on productivity at our 10 Core Learning Farms demonstrating an increase of +22% in annual palm fresh fruit bunch (FFB) yield and +13.5% on annual income vs control farms. CSS has successfully completed six field pocket guides on Best Management Practices (BMP) to provide expertise to smallholders. In 2021, we will continue to develop the Core LeFa smallholders, train the "trainer" LeFa smallholders to enable GAP implementation with scale, and develop models and system for fertilizer supply and performance recognition to encourage practice transformation; ii) Support smallholders to achieve the RSPO Independent Smallholder Standard (RISS) certification offers a key way to enable smallholders to boost livelihoods, demonstrate sustainability, and enter the RSPO certified market access. In 2020, we supported our smallholders to establish and register PERTANIAGA (Association for Sustainable Commercial Smallholders) as RSPO member, a key step to RSPO certification. 257 P&G partner smallholders committed to work toward RISS. In 2021, we will be focusing on supporting the 107 smallholders to achieve Milestone B (full certification) of RISS in mid 2021, and drive progress on trainings and actions with smallholder in our RISS certification glidepath (pending feasibility of auditing in COVID-19 pandemic). We will continue to support expertise with 4 of our Sustainability Field Officers also qualified as RSPO Smallholder Trainer Academy Master Trainers to implement the RSPO Smallholder Strategy industry-wide.

- Industry standard and approach development: developing and driving harmonization of industry standards and approaches is crucial to P&G and the industry as a whole to deliver the P&G Palm Responsible Sourcing Policy and industry common goals and support social aspirations of the palm community. P&G has been member of the High Carbon Stock Approach Steering Group (HCSA SG), RSPO's No Deforestation Taskforce (NDTF), No Deforestation Joint Steering Group (NDJSG), Smallholder Standing Committee (SHSC), Jurisdictional Working Group (JWG), Shared Responsibility Working Group (SRWG), and Assurance Standing Committee (ASC) to enable implementation of the P&C 2018 and the Independent Smallholder Standard (RISS), development of the Jurisdictional approach certification process, increase of sustainable certified material supply/demand and strengthening the assurance system and governance. As a member of the RSPO Board of Governors, we are contributing to strengthen RSPO's impact in continuously transforming the industry and expanding sustainable palm oil to a norm. Key highlight of the progress and focus for 2021 are outlined below:

i) Implementing the RSPO Smallholder Strategy is key to improve the livelihood, drive inclusion and participation of more smallholders in the RSPO system. As member of the Smallholder Standing Committee, we contributed to overseeing the Strategy implementation and enable smallholders to participate in the RISS stepwise approach and be supported on continuous improvement of practice and productivity, and gain certified market access through progressing the milestones toward 100% RSPO compliance. Going forward we will focus on contributing to support the no deforestation requirement, and our Master Trainers on the smallholder strategy implementation for the broader industry.

ii) Implementing No Deforestation, Peat and Exploitation (NDPE) Policy with the 2018 RSPO P&C is critical to enabling and verifying NDPE compliance for P&G and the industry. As member of HCSA SG, RSPO NDTF and NDJSG, we are contributing to implementing the integrated HCS and HCV approach (w/ the High Carbon Stock Approach toolkit) and process for No Deforestation, developing the High Forest Cover (HFC) landscape/countries procedure into the RSPO P&C. We will continue to support and contribute to these areas to drive effective and credible implementation of the P&C.

iii) P&G has been member of the Jurisdictional Working Group (JWG) to develop the process and certification system that incorporate governmental policy & leadership, HCS-HCV mapping at large scale for protection and land-use planning, step-wise approach for continuous improvements, and strong governance structure under the jurisdictional entity. In 2021, we are looking forward to completing the Jurisdictional Certification System Document with the JWG members for approval by RSPO GA.

iv) P&G is member of the Consumer Goods Forum Forest Positive Coalition of Action to mobilize resources in driving industry progress on NDPE policy, goals, reporting, as well as enabling alignment and development of standards and methodologies. In 2020, we have been supporting the priorities to complete the Palm Oil Forest Positive Coalition of Action Roadmap (<https://www.theconsumergoodsforum.com/wp-content/uploads/FP-Soy-Roadmap-v1.0-clean.pdf>), increase transparency by developing sector-wide deforestation monitoring and response management system, and develop the Coalition's strategy and action on Production Landscape to transform member's supply base towards the Forest Positive vision. In 2021, we will be contributing to completion and implementation of the Monitoring & Response framework and Production Landscape Strategy to drive action and positive change of the industry.

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
- Food Good Manufacturer - third-party brand
- Home & Personal Care Good Manufacturer - own brand
- Home & Personal Care Good Manufacturer - third-party brand
- Ingredient Manufacturers
- Biofuels
- Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership

P&G manufactures consumer products and ingredients made from palm oil (PO) and palm kernel oil (PKO) in the oleochemical operation. P&G Chemicals operation provides the majority of the PKO derivatives in P&G consumer goods products, and also sells and trades derivatives to oleochemical market outside of P&G.

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Europe, North America, China, India, Malaysia, Indonesia, Africa, Latin America, Rest of the World

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles)

2.2 Total volume of uncertified and certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products

Description	Tonnes
Total volume of crude palm oil (tonnes)	22912.0
Total volume of crude palm kernel oil (tonnes)	172211.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	194956.0
Total	390079.0

2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	54.0
Palm kernel oil-based derivatives and fractions	46.0

2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions. In cases where sales distribution data is not available, members may use manufacturing regions as a proxy for regional usage of certified volumes.

Countries/Regions	Percentage
Europe	40.0
North America	21.0
Malaysia	0.0
Indonesia	0.0
China	14.0
India	8.0
Latin America	4.0
Africa	0.0
Rest of World	13.0

2.4 Volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products in the year:

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	0.0	0.0	0.0	0.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	0.0
Mass Balance (MB)	0.0	134132.0	0.0	157677.0
Segregated (SG)	22912.0	3500.0	0.0	10568.0
Identity Preserved (IP)	0.0	0.0	0.0	0.0
Total	22912.0	137632.0	0.0	168245.0

2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based

Description	Percentage
Certified Palm oil-based derivatives and fractions	62.0
Certified Palm kernel oil-based derivatives and fractions	38.0

2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's certified palm oil and palm oil products uptake is:

84.29%

2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.

We are committed to deliver 100% RSPO certification for all palm derived materials in P&G Brand products by end of 2021. The PO is already 100% RSPO certified as SG and PO derivatives is a mix of SG and MB certified in 2020. We are targeting to convert the remainder of the MB PO derivatives to SG by mid-2021.

For PKO and PKO derivatives we have a glidepath that targets the conversion by end of 2021. Our ability to achieve that may be influenced by broader market dynamics and supply availability, but we have already engaged with our suppliers on plans to achieve this goal.

2.6 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question CG.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	40.0
North America	21.0
Malaysia	0.0
Indonesia	0.0
China	14.0
India	8.0
Latin America	4.0
Africa	0.0
Rest of World	13.0

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2012

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2014

3.2.1 If the previous target year has not been met, please explain why.

-

3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2022

3.3.1 If the previous target year has not been met, please explain why.

-

3.4 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2022

3.4.1 If the previous target year has not been met, please explain why.

-

3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

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4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

Cross application of multiple feedstocks for producing the same ingredients in same products makes it challenging to labelling of palm derivatives

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

P&G is committed to responsibly sourcing palm from suppliers and via supply chains that protect eco-systems from conversion and deforestation, respect human and labor rights, and respect land tenure rights. As member of the Roundtable on Sustainable Palm Oil (RSPO), P&G is committed to ensuring our suppliers meet RSPO Principles and Criteria (P&C) 2018 and continue to drive our palm sustainability program with the three pillar areas of our strategy: Responsible Sourcing; Compliance Monitoring and Partnerships and Force for Good Programs. Please visit <https://www.pginvestor.com/esg/environmental/forestry/palm-overview/default.aspx> for a comprehensive description of our palm responsible sourcing policy, strategy, and programs and progress to delivering our commitments and goals.

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- For the PKO derivatives we produce and trade externally in the oleochemical market, we will continue to work with industry stakeholders to promote and increase certified sustainable palm derivatives volume to our customers. We will meet or exceed the Shared Responsibility requirements and goals as they are established in 2021.
- We believe that Jurisdictional Approach Certification has high potential to scaling the certification under robust jurisdictional governance, which is critical for growing the supply of sustainable palm kernel oil. We will be exploring JA certification in 2021 as the JA Certification System Document be approved by RSPO.

2. Compliance Monitoring

- We believe an industry wide monitoring system based on use of aerial/satellite imagery, concession maps, and knowledge of HCV/HCS areas would help ensure consistent enforcement of the No Deforestation and Peat policy. We have worked with Earthqualizer to deploy satellite/mapping technology to allow us to enhance our ability to track deforestation, development on peat and fires in our supplier enterprise-wide supply chains. We also developed the deforestation alert tracking and management system with Earthqualizer to enable process on verification, and actions to address / restore the ecosystem damages. In 2021, we will continue to promote and develop the industry-aligned monitoring and response framework with Consumer Goods Forum (CGF) members to drive effectiveness and efficiency, and to complement certification compliance at larger scale.
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3. Partnerships and Force for Good Programs

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- Independent smallholder program: the P&G Independent Smallholders Program is focused on the smallholders within our oleo-chemicals supply chain in Malaysia. We are committed to achieve two strategic objectives: 1) transform their livelihoods through more efficient and sustainable farming practices, and yield increase, a key element of our Ambition 2030 program, 2) develop capability and capacity of independent smallholders to be sustainable suppliers meeting P&G Palm Responsible Sourcing Policy which is based on the RSPO RISS. Key highlight on our focus areas in 2020 and 2021 are: i) The Center for Sustainable Small-owners (P&G-CSS) established in collaboration with the Malaysia Institute for Supply Chain Innovation (MISI) and University Tun Hussein Onn Malaysia (UTHM) continued to lead and drive progress in the independent smallholder program on the ground. In 2020, the first 10 smallholders successfully completed their first of three years of participation in Core Learning Farm (LeFa) Program, with 250 more on track during next 12 months. Positive progress was achieved on productivity at our 10 Core Learning Farms demonstrating an increase of +22% in annual palm fresh fruit bunch (FFB) yield and +13.5% on annual income vs control farms. CSS has successfully completed six field pocket guides on Best Management Practices (BMP) to provide expertise to smallholders. In 2021, we will continue to develop the Core LeFa smallholders, train the "trainer" LeFa smallholders to enable GAP implementation with scale, and develop models and system for fertilizer supply and performance recognition to encourage practice transformation; ii) Support smallholders to achieve the RSPO Independent Smallholder Standard (RISS) certification offers a key way to enable smallholders to boost livelihoods, demonstrate sustainability, and enter the RSPO certified market access. In 2020, we supported our smallholders to establish and register PERTANIAGA (Association for Sustainable Commercial Smallholders) as RSPO member, a key step to RSPO certification. 257 P&G partner smallholders committed to work toward RISS. In 2021, we will be focusing on supporting the 107 smallholders to achieve Milestone B (full certification) of RISS in mid 2021, and drive progress on trainings and actions with smallholder in our RISS certification glidepath (pending feasibility of auditing in COVID-19 pandemic). We will continue to support expertise with 4 of our Sustainability Field Officers also qualified as RSPO Smallholder Trainer Academy Master Trainers to implement the RSPO Smallholder Strategy industry-wide.

- Industry standard and approach development: developing and driving harmonization of industry standards and approaches is crucial to P&G and the industry as a whole to deliver the P&G Palm Responsible Sourcing Policy and industry common goals and support social aspirations of the palm community. P&G has been member of the High Carbon Stock Approach Steering Group (HCSA SG), RSPO's No Deforestation Taskforce (NDTF), No Deforestation Joint Steering Group (NDJSG), Smallholder Standing Committee (SHSC), Jurisdictional Working Group (JWG), Shared Responsibility Working Group (SRWG), and Assurance Standing Committee (ASC) to enable implementation of the P&C 2018 and the Independent Smallholder Standard (RISS), development of the Jurisdictional approach certification process, increase of sustainable certified material supply/demand and strengthening the assurance system and governance. As a member of the RSPO Board of Governors, we are contributing to strengthen RSPO's impact in continuously transforming the industry and expanding sustainable palm oil to a norm. Key highlight of the progress and focus for 2021 are outlined below:

i) Implementing the RSPO Smallholder Strategy is key to improve the livelihood, drive inclusion and participation of more smallholders in the RSPO system. As member of the Smallholder Standing Committee, we contributed to overseeing the Strategy implementation and enable smallholders to participate in the RISS stepwise approach and be supported on continuous improvement of practice and productivity, and gain certified market access through progressing the milestones toward 100% RSPO compliance. Going forward we will focus on contributing to support the no deforestation requirement, and our Master Trainers on the smallholder strategy implementation for the broader industry.

ii) Implementing No Deforestation, Peat and Exploitation (NDPE) Policy with the 2018 RSPO P&C is critical to enabling and verifying NDPE compliance for P&G and the industry. As member of HCSA SG, RSPO NDTF and NDJSG, we are contributing to implementing the integrated HCS and HCV approach (w/ the High Carbon Stock Approach toolkit) and process for No Deforestation, developing the High Forest Cover (HFC) landscape/countries procedure into the RSPO P&C. We will continue to support and contribute to these areas to drive effective and credible implementation of the P&C.

iii) P&G has been member of the Jurisdictional Working Group (JWG) to develop the process and certification system that incorporate governmental policy & leadership, HCS-HCV mapping at large scale for protection and land-use planning, step-wise approach for continuous improvements, and strong governance structure under the jurisdictional entity. In 2021, we are looking forward to completing the Jurisdictional Certification System Document with the JWG members for approval by RSPO GA.

iv) P&G is member of the Consumer Goods Forum Forest Positive Coalition of Action to mobilize resources in driving industry progress on NDPE policy, goals, reporting, as well as enabling alignment and development of standards and methodologies. In 2020, we have been supporting the priorities to complete the Palm Oil Forest Positive Coalition of Action Roadmap (<https://www.theconsumergoodsforum.com/wp-content/uploads/FP-Soy-Roadmap-v1.0-clean.pdf>), increase transparency by developing sector-wide deforestation monitoring and response management system, and develop the Coalition's strategy and action on Production Landscape to transform member's supply base towards the Forest Positive vision. In 2021, we will be contributing to completion and implementation of the Monitoring & Response framework and Production Landscape Strategy to drive action and positive change of the industry.

Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

1.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

1.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

Ethical Conduct & Human Rights

1.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

1.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

Land Use

1.3 Does your company have a publicly-available Policy covering Land Use?

Yes

1.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

Occupational Health & Safety

1.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?

Yes

Climate Change & Greenhouse Gas (GHG)

1.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?

Yes _____

1.5.1 Does the policy cover:

- Identification and assessment of GHG
- Monitored implementation plan to reduce or minimise GHG emissions

Complaints & Grievances

1.6 Does your company have a Complaints & Grievances Mechanism?

Yes _____

1.6.1 Is your Complaints & Grievance mechanism in line with the principles of the RSPO's grievance mechanism, which are the elements of fairness, transparency, and impartiality?

Yes _____

Smallholders

1.7 Does your company support oil palm independent smallholder groups?

Yes _____

1.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

1.7.2 How is your company supporting them?

The P&G Independent Smallholders Program is focused on the smallholders within our oleochemicals supply chain in Malaysia. We are committed to achieve two strategic objectives: 1) transform their livelihoods through more efficient and sustainable farming practices, and yield increase, a key element of our Ambition 2030 program, 2) develop capability and capacity of independent smallholders to be sustainable suppliers meeting P&G Palm Responsible Sourcing Policy which is based on the RSPO RISS. Key highlight on our focus areas are: i) The Center for Sustainable Small-owners (P&G-CSS) established in 2019 in collaboration with the Malaysia Institute for Supply Chain Innovation (MISI) and University Tun Hussein Onn Malaysia (UTHM). It has been playing key leadership role and ,Áone-stop-shop,À resource center with researchers, agronomists and field workers collaborating with supply chain teams to drive progress in the independent smallholder program on the ground. The Center for Sustainable Small-Owners aims to reach 8,000 Smallholders Farmers within 5 years. We want to help them drive up yields (+30-50%) to the Malaysian average, making a positive difference to people and communities and embedding sustainable, responsible practices within a key component of our supply network. In 2020, the first 10 smallholders successfully completed their first of three years of participation in Core Learning Farm (LeFa) Program, with 250 more on track during next 12 months. Positive progress was achieved on productivity at our 10 Core Learning Farms demonstrating an increase of +22% in annual palm fresh fruit bunch (FFB) yield and +13.5% on annual income vs control farms. CSS has successfully completed six field pocket guides on Best Management Practices (BMP) to provide expertise and trainings to smallholders. In 2021, we will continue to develop the Core LeFa smallholders, train the ,Átrainer,À LeFa smallholders to enable GAP implementation with scale, and develop models and system for fertilizer supply and performance recognition to encourage practice transformation; ii) Support smallholders to achieve the RSPO Independent Smallholder Standard (RISS) certification offers a key way to enable smallholders to boost livelihoods, demonstrate sustainability, and enter the RSPO certified market access. In 2020, we supported our smallholders to establish and register PERTANIAGA (Association for Sustainable Commercial Smallholders) as RSPO member, a key step to RSPO certification. 257 P&G partner smallholders committed to work toward RISS. The CSS has been supporting farmers,À readiness in batches into the RISS eligibility, Milestone A and B phase audit processes. In 2021, we will be focusing on supporting the 107 smallholders to achieve Milestone B (full certification) of RISS in mid 2021, and drive progress on trainings and actions with smallholder in our RISS certification glidepath (pending feasibility of auditing in COVID-19 pandemic). We will continue to support expertise with 4 of our Sustainability Field Officers also qualified as RSPO Smallholder Trainer Academy Master Trainers to implement the RSPO Smallholder Strategy industry-wide.

Sustainable Palm Oil Policy

1.8 Does your company have a publicly-available Policy covering the implementation of RSPO Shared Responsibility principles?

Yes _____

Waste Management

1.9 Does your company have a waste management plan?

Yes _____

Water Management

1.10 Does your company have a water management plan?

Yes _____

Energy Use

1.11 Does your company have an energy use plan covering fossil fuels and renewable energy?

Yes _____

RSPO Services and Support

1.12 Does your company provide services and support to the RSPO, eg. participation in RSPO Working Groups and Task Forces

Yes _____

Shared Responsibility Resourcing

1.13 Does your company have a plan to commit resources to ensure effective implementation of RSPO Shared Responsibility principles?

Yes _____

Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

Our PO and PO derivatives are already 100% RSPO certified with PO as SG certified in 2019 and we're targeting to convert PO derivatives to SG certified from Mass Balance by 2021. For PKO and PKO derivatives we have a glidepath that targets the conversion by end of 2021. However, the availability of certified PKO volume to meet the demand is a challenge in the market. The challenge is exacerbated due to lack of tracking in RSPO system (supply chain certification and PalmTrace) on certified PKO supply and trading volume, which is a major hurdle for procurement planning.

1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

-

1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

P&G Environmental, Social and Governance portal for policies, commitment, goals and programs via:
<https://www.pginvestor.com/esg/esg-overview/>

P&G 2020 Citizenship Report via:

https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/frameworks/citizenship_report_2020_full.pdf