

## 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 - Processors and/or Traders
- I trade or broker palm oil, palm kernel oil or related products - Processors and/or Traders
- I am a refiner of palm oil or palm kernel oil - Processors and/or Traders
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related fractions/derivatives - Processors and/or Traders
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products - Processors and/or Traders
- I manufacture final consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors - Consumer Goods Manufacturers
- I retail final consumer (B2C) products containing palm oil, palm kernel oil or related products - Retailers
- I operate food retail outlets that use palm oil, palm kernel oil or related products - Retailers
- I am a conservation and environmental NGO supporting the sustainable development of the palm oil industry
- I am a social and human development NGO supporting the sustainable development of the palm oil industry

## 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

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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 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.

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### 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

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**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)

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

<b>Description</b>	<b>Tonnes</b>
Crude palm oil, including derivatives refined from CPO (tonnes)	11000.00
Crude palm kernel oil, including derivatives refined from CPKO (tonnes)	141304.00
Crude palm kernel expeller (tonnes)	0.00
<b>Total</b>	<b>152304.00</b>

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

<b>Description</b>	<b>Crude Palm Oil (CSPO) and CSPO Derivatives</b>	<b>Crude Palm Kernel Oil (CSPKO) and CSPKO Derivatives</b>	<b>Palm Kernel Expeller (CSPKE)</b>
RSPO Credits from Mill / Crusher	0.00	0.00	0.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00
Mass Balance (MB)	0.00	0.00	0.00
Segregated (SG)	11000.00	0.00	0.00
Identity Preserved (IP)	0.00	0.00	0.00
<b>Total</b>	<b>11000.00</b>	<b>0.00</b>	<b>0.00</b>

**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:**

7.22%

**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**

In 2021, we achieved our goal to procure RSPO SG for all our palm oil. Our ability to maintain that may be influenced by broader market dynamics, uncertainty, and supply availability. For palm kernel oil and palm kernel oil derivatives, we continue to face significant, broad market challenge on shortage of certified supply as the industry demand outstrips the supply making it difficult for the company to maintain 100% certified volume sourcing. While P&G is contributing to developing intervention and solution for the industry (co-chair of the RSPO Shared Responsibility TF and member of Oleo TF), we will be prioritizing certified PKO/PKOD procurement for our Brand product use.

**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:**

<b>Countries/Regions</b>	<b>Percentage</b>
Europe	0
North America	100
Malaysia	0
Indonesia	0
China	0
India	0
Latin America	0
Africa	0
Rest of World	0

**3. TimeBound Plan**

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

2015

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

2016

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

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

2016

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

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

2025

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**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)

- Participation in RSPO Working Group or Task Forces
- Support Independent Smallholders (ISH)
- Contribute to the RSPO Smallholder Trainer Academy
- Financial contribution to the RSPO Smallholder Support Fund
- Direct investments in Smallholder Certification projects
- Involvement/direct investments in Jurisdictional/Landscape approach
- Direct/collective investments in conservation and restoration initiatives
- Financial contribution to support members with Remediation and Compensation (RaCP) process, direct/collective investments in conservation and restoration initiatives
- Allocating FTE to promote the production or consumption of certified sustainable oil palm products
- Specific policies and action plans by the member to promote CSPO production or consumption in the upstream or downstream supply chain, including target dates or broader policies that include such efforts
- No activities planned
- Others

#### Other

P&G is committed to responsibly sourcing palm from suppliers and via supply chains that protect ecosystems 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 comprehensive description of our palm responsible sourcing policy, strategy, and programs and progress to delivering our commitments and goals.

#### 1. Sourcing Fundamentals

- P&G is committed to deliver RSPO certification for all palm derived materials in P&G Brand Products by 2022. In FY 20-21, we accelerated our commitments to implement 100% RSPO certified Palm Oils in our Brands by 12 months to end of 2021. We are pleased to have achieved the milestone earlier than expected and as of July 2021 to use 100% RSPO certified Palm Oil, Palm Kernel Oil, and palm derivatives in P&G brand products. For Palm Oil and Palm Oil Derivatives, we will continue to prioritize procurement for SG certified, with MB and Credits (for business continuity only) for materials where SG supply is not available. For PKO and PKO derivatives, we will maintain 100% certification with MB, and Credits (for business continuity only) to overcome supply chain constraints. We will prioritize Credits to Independent Smallholder Credits in line with our commitment to support smallholders. Our ability to achieve that may be influenced by broader market dynamics and supply availability and uncertainty, but we will continue to engage with our suppliers on plans to achieve and maintain our goals.

- For the PKO derivatives we produce and trade externally in the oleochemical market, we will continue to work with industry stakeholders to promote certified sustainable palm derivatives to our customers. We will meet or exceed the Shared Responsibility requirements and goals established in 2021.

- We recognize that significant shortage of CSPKO supply is posing major challenge to meeting the demand, which will require fundamental, systemic intervention on CSPO supply / demand to increase CSPK production. P&G is contributing to developing solutions with RSPO and industry partnerships. This includes our participation in the RSPO Shared Responsibility WG and Oleo Taskforce, and to leverage RSPO Independent Smallholder Standard (RISS) and Jurisdictional certification approaches to growing availability. We are excited that the RSPO Jurisdictional Approach (JA) Piloting Framework was approved in 2021, and will explore partnership in 2022 to seek to establish JA initiative and build synergy with our programs to scale the supply.

#### 2. Compliance Monitoring

- At P&G, respect for Human Rights is fundamental to the way we manage our business. We support the U.N. Guiding Principles for Business and Human Rights which respects and honors the principles of internationally recognized human rights, including i) Those rights expressed in the International Bill of Human Rights (i.e., Universal Declaration of Human Rights and the International Covenants on Economic, Social and Cultural Rights and Civil & Political Rights.) and ii) The principles concerning fundamental rights as set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work (refer to our Human Rights Policy Statement for details

[https://s1.q4cdn.com/695946674/files/doc\\_downloads/esg/2021/PG\\_Human\\_Rights\\_Policy\\_Statement\\_FINAL.pdf](https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG_Human_Rights_Policy_Statement_FINAL.pdf)). 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). FGV, FLA and P&G developed and are executing a credible, transparent, and comprehensive action plan to remediate human rights issues. The action plan was published in March 2020 with a progress report published in September 2020 and a validation report published in March 2021

(<https://www.fairlabor.org/report/findings-progress-fgv%E2%80%99s-action-plan-2020-0>). An Independent External Assessment (IEA) has been conducted by the FLA and the findings and associated corrective action plan to remediate the findings are expected to be published in 2022. P&G remains engaged in the entire process with FGV and FLA.

- RSPO P&C, Supply Chain Standard and RISS certifications is a fundamental element in driving and verifying compliance to the P&G Palm Responsible Sourcing Policy, but it is not the only element. 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 continue to work with our technical partner - Earthqualizer to deploy satellite/mapping technology to track deforestation, development on peat and fires. During 2020-2021, we monitored 13.6+ million hectares of P&G supplier landbanks across Indonesia, Malaysia, and Papua New Guinea, tracked supply chains to over 1,600 plantations and determined that 99.98% of supply chain landscapes monitored were free of deforestation or conversion issues. In 2022, we will collaborate further with Earthqualizer to develop and test the for Verified Deforestation Free (VDF) framework for assessing our supply chain toward VDF.
- As member of Consumer Goods Forum (CGF) Forest Positive Coalition (FPC), we have been collaborating with FPC members, and community of supply chain partners and technical experts to develop the industry-aligned Monitoring and Response Framework (MRF) to improve efficiency and effectiveness of the process. We are excited that the MRF will be finalized and launched mid 2022. We look forward to piloting the MRF with Earthqualizer in our monitoring and grievance process, and the VDF framework mentioned above.

### 3. Partnerships & Force for Good

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 achieving positive outcomes for communities, individuals, and the environment. Below capture the key programs and progress made.

- Independent Smallholder (ISH) program – the P&G ISH Program is focused on the smallholders within and beyond areas/regions where we have oleo-chemicals supply chains 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. We supported our smallholder partners registered the PERTANIAGA (Association for Sustainable Commercial Smallholders) in 2020. In 2021, 107 smallholders from PERTANIAGA went through the rigorous certification and auditing process, achieved full RISS certification in navigating through the pandemic challenges. In 2022, we will be focusing on achieving RISS Milestone B for a further 200+ smallholders. Supported by the Centre for Sustainable Smallholders (CSS) established by P&G, we have achieved positive progress in our 10 Core Learning Farms to increase the yields up +22%, annual income up +13.5%, developed six field pocket guides on Best Management Practice (BMP) to equip smallholders with knowledge and expertise, and 4 of our Sustainability Field Officers have qualified as RSPO Smallholder Trainer Academy Master Trainer.
- WWF Malaysia tiger conservation – In 2021 P&G kicked off a 2-year Sponsor Partnership with WWF- Malaysia as part of our Conserve-Restore-Protect force for good program to protect endangered Malayan Tigers and their forest landscape homes in the Central Forest Spine of Peninsular Malaysia. The program will aim to 1) Protect: supporting anti-poaching rangers by funding two ranger patrols of up to 10 people from local indigenous communities, as well as conducting field assessments, 2) Restore: WWF and MYCAT (Malaysia Conservation Alliance for Tigers) will restore degraded forest areas with a long-term aim of creating ecological ‘wildlife corridors’ for tigers and other species, 3) Produce: Using satellite and stakeholder mapping of sites to understand land use and species dispersion.
- Rimba collective - P&G is committed to supporting programs to protect and restore ecosystems and communities. We recognize that delivering ambitious goals we need to engage with multi-stakeholder program, and foster these programs during the early stage of their development. This is why we became a founding member of the RIMBA Collective (RC). RC which was announced in April 2021 is designed to support long-term, sustainable conservation and restoration of forests and ecosystem services, aiming to provide US\$ 1 Billion to protect or restore 500,000 hectares of tropical forest landscapes, supporting 32,000 individuals in forest communities in Southeast Asia over 25 years, starting in Indonesia. RC project selection is underway with the first project to fund and implement expected in 2022.
- Industry standard and approach development: developing and driving harmonization of industry standards and approaches is crucial to delivering the P&G Palm Responsible Sourcing Policy and industry common goals and supporting 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 2022 are outlined below: i) Implementing RSPO Smallholder Strategy is key to improve livelihood, drive inclusion of more smallholders in the RSPO system. As co-chair of the Smallholder Standing Committee, we contributed to overseeing the Strategy implementation and enabling smallholders to join RISS stepwise certification approach and be supported on continuous improvement of practice and productivity, gain certified market access in the 3 certification milestones, and hardship relief during the COVID pandemic. In 2022, we will focus on contributing to support the no deforestation HCV-HCS procedure development, and engagement and support on learning sharing and scaling RISS certification. 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 have been contributing to implementing the integrated HCS and HCV approach (w/ the High Carbon Stock Approach toolkit), developing the High Forest Cover (HFC) landscape/countries procedure into the RSPO P&C. We are excited to see the Guide on HCSA Requirements for the RSPO which also incorporate the Social Requirements of the HCS Approach is finalizing by NDTF for announcement in March, 2022. It is crucial to drive consistent and robust standalone HCSA or Integrated HCV-HCSA assessment to support land-use planning, conservation and certification. iii) P&G has been in 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. We are excited that the RSPO Jurisdictional Approach Piloting Framework was approved in September 2021, and will continue to drive the development of the final JA Certification System document in 2022. 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 2021, we have been supporting the priorities to increase transparency by completing the sector-wide deforestation Monitoring and Response Framework (MRF), and develop the Coalition's strategy and action on Production Landscape to transform member's supply base towards the Forest Positive vision. In 2022, we will be contributing to implementing the MRF and Production Landscape Strategy to drive action and positive change of the industry. v) RSPO will be initiating the 5-year review of the P&C and RISS standards for 2023. P&G is looking forward to contributing to this critical opportunity to strengthen the credibility of the Standards, Certification and the assurance of the schemes.

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## 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.

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**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

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**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)

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**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)	22267.00
Total volume of crude palm kernel oil (tonnes)	156038.00
Total volume of palm kernel expeller (tonnes)	0.00
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	214993.00
Total	393298.00

**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	34
Palm kernel oil-based derivatives and fractions	66

**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.**

Countries/Regions	Percentage
Europe	40
North America	21
Malaysia	0
Indonesia	0
China	14
India	8
Latin America	4
Africa	0
Rest of World	13

**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	0.00	499.00	0.00	2655.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00	4928.00
Mass Balance (MB)	614.00	154548.00	0.00	140939.00
Segregated (SG)	21653.00	992.00	0.00	66472.00
Identity Preserved (IP)	0.00	0.00	0.00	0.00
Total	22267.00	156039.00	0.00	214994.00

**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	52
Certified Palm kernel oil-based derivatives and fractions	48

**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:**

100.00%

**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 were committed to delivering 100% RSPO certification for all PO, PKO and derived materials by end of 2021, and we accelerated this to July 2021. Our ability to maintain that may be influenced by broader market dynamics and supply availability, and will continue to engage with our suppliers to achieve our sourcing plans. Specifically for palm kernel oil and palm kernel oil derivatives, we continue to face significant, broad market challenge on shortage of certified supply as the industry demand outstrips the supply making it difficult for the company to maintain 100% certified volume sourcing. While P&G is contributing to developing intervention and solution for the industry (co-chair of the RSPO Shared Responsibility TF and member of Oleo TF) and scaling RISS certification (co-chair of Smallholder Standing Committee), we will be prioritizing certified PKO/PKOD procurement for our Brand product use.

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**2.6 Please estimate the regional sales volume distribution of your company's RSPO certified palm oil, palm kernel oil and related products (as declared in Question 2.4) in the following countries/regions:**

<b>Countries/Regions</b>	<b>Percentage</b>
Europe	40
North America	21
Malaysia	0
Indonesia	0
China	14
India	8
Latin America	4
Africa	0
Rest of World	13

**3. TimeBound Plan**

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

2012

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**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

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

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

2021

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

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**3.4 Which year did your company begin (or expects to begin) using only 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

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**3.4.1 If the previous target year has not been met, 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

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##### 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

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## 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)

- Participation in RSPO Working Group or Task Forces
- Support Independent Smallholders (ISH)
- Contribute to the RSPO Smallholder Trainer Academy
- Financial contribution to the RSPO Smallholder Support Fund
- Direct investments in Smallholder Certification projects
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- Allocating FTE to promote the production or consumption of certified sustainable oil palm products
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#### Other

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#### 2. Compliance Monitoring

- At P&G, respect for Human Rights is fundamental to the way we manage our business. We support the U.N. Guiding Principles for Business and Human Rights which respects and honors the principles of internationally recognized human rights, including i) Those rights expressed in the International Bill of Human Rights (i.e., Universal Declaration of Human Rights and the International Covenants on Economic, Social and Cultural Rights and Civil & Political Rights.) and ii) The principles concerning fundamental rights as set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work (refer to our Human Rights Policy Statement for details

[https://s1.q4cdn.com/695946674/files/doc\\_downloads/esg/2021/PG\\_Human\\_Rights\\_Policy\\_Statement\\_FINAL.pdf](https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/PG_Human_Rights_Policy_Statement_FINAL.pdf)). 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). FGV, FLA and P&G developed and are executing a credible, transparent, and comprehensive action plan to remediate human rights issues. The action plan was published in March 2020 with a progress report published in September 2020 and a validation report published in March 2021

(<https://www.fairlabor.org/report/findings-progress-fgv%E2%80%99s-action-plan-2020-0>). An Independent External Assessment (IEA) has been conducted by the FLA and the findings and associated corrective action plan to remediate the findings are expected to be published in 2022. P&G remains engaged in the entire process with FGV and FLA.

- RSPO P&C, Supply Chain Standard and RISS certifications is a fundamental element in driving and verifying compliance to the P&G Palm Responsible Sourcing Policy, but it is not the only element. 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 continue to work with our technical partner - Earthqualizer to deploy satellite/mapping technology to track deforestation, development on peat and fires. During 2020-2021, we monitored 13.6+ million hectares of P&G supplier landbanks across Indonesia, Malaysia, and Papua New Guinea, tracked supply chains to over 1,600 plantations and determined that 99.98% of supply chain landscapes monitored were free of deforestation or conversion issues. In 2022, we will collaborate further with Earthqualizer to develop and test the for Verified Deforestation Free (VDF) framework for assessing our supply chain toward VDF.
- As member of Consumer Goods Forum (CGF) Forest Positive Coalition (FPC), we have been collaborating with FPC members, and community of supply chain partners and technical experts to develop the industry-aligned Monitoring and Response Framework (MRF) to improve efficiency and effectiveness of the process. We are excited that the MRF will be finalized and launched mid 2022. We look forward to piloting the MRF with Earthqualizer in our monitoring and grievance process, and the VDF framework mentioned above.

### 3. Partnerships & Force for Good

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 achieving positive outcomes for communities, individuals, and the environment. Below capture the key programs and progress made.

- Independent Smallholder (ISH) program – the P&G ISH Program is focused on the smallholders within and beyond areas/regions where we have oleo-chemicals supply chains 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. We supported our smallholder partners registered the PERTANIAGA (Association for Sustainable Commercial Smallholders) in 2020. In 2021, 107 smallholders from PERTANIAGA went through the rigorous certification and auditing process, achieved full RISS certification in navigating through the pandemic challenges. In 2022, we will be focusing on achieving RISS Milestone B for a further 200+ smallholders. Supported by the Centre for Sustainable Smallholders (CSS) established by P&G, we have achieved positive progress in our 10 Core Learning Farms to increase the yields up +22%, annual income up +13.5%, developed six field pocket guides on Best Management Practice (BMP) to equip smallholders with knowledge and expertise, and 4 of our Sustainability Field Officers have qualified as RSPO Smallholder Trainer Academy Master Trainer.
- WWF Malaysia tiger conservation – In 2021 P&G kicked off a 2-year Sponsor Partnership with WWF- Malaysia as part of our Conserve-Restore-Protect force for good program to protect endangered Malayan Tigers and their forest landscape homes in the Central Forest Spine of Peninsular Malaysia. The program will aim to 1) Protect: supporting anti-poaching rangers by funding two ranger patrols of up to 10 people from local indigenous communities, as well as conducting field assessments, 2) Restore: WWF and MYCAT (Malaysia Conservation Alliance for Tigers) will restore degraded forest areas with a long-term aim of creating ecological ‘wildlife corridors’ for tigers and other species, 3) Produce: Using satellite and stakeholder mapping of sites to understand land use and species dispersion.
- Rimba collective - P&G is committed to supporting programs to protect and restore ecosystems and communities. We recognize that delivering ambitious goals we need to engage with multi-stakeholder program, and foster these programs during the early stage of their development. This is why we became a founding member of the RIMBA Collective (RC). RC which was announced in April 2021 is designed to support long-term, sustainable conservation and restoration of forests and ecosystem services, aiming to provide US\$ 1 Billion to protect or restore 500,000 hectares of tropical forest landscapes, supporting 32,000 individuals in forest communities in Southeast Asia over 25 years, starting in Indonesia. RC project selection is underway with the first project to fund and implement expected in 2022.
- Industry standard and approach development: developing and driving harmonization of industry standards and approaches is crucial to delivering the P&G Palm Responsible Sourcing Policy and industry common goals and supporting 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 2022 are outlined below: i) Implementing RSPO Smallholder Strategy is key to improve livelihood, drive inclusion of more smallholders in the RSPO system. As co-chair of the Smallholder Standing Committee, we contributed to overseeing the Strategy implementation and enabling smallholders to join RISS stepwise certification approach and be supported on continuous improvement of practice and productivity, gain certified market access in the 3 certification milestones, and hardship relief during the COVID pandemic. In 2022, we will focus on contributing to support the no deforestation HCV-HCS procedure development, and engagement and support on learning sharing and scaling RISS certification. 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 have been contributing to implementing the integrated HCS and HCV approach (w/ the High Carbon Stock Approach toolkit), developing the High Forest Cover (HFC) landscape/countries procedure into the RSPO P&C. We are excited to see the Guide on HCSA Requirements for the RSPO which also incorporate the Social Requirements of the HCS Approach is finalizing by NDTF for announcement in March, 2022. It is crucial to drive consistent and robust standalone HCSA or Integrated HCV-HCSA assessment to support land-use planning, conservation and certification. iii) P&G has been in 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. We are excited that the RSPO Jurisdictional Approach Piloting Framework was approved in September 2021, and will continue to drive the development of the final JA Certification System document in 2022. 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 2021, we have been supporting the priorities to increase transparency by completing the sector-wide deforestation Monitoring and Response Framework (MRF), and develop the Coalition's strategy and action on Production Landscape to transform member's supply base towards the Forest Positive vision. In 2022, we will be contributing to implementing the MRF and Production Landscape Strategy to drive action and positive change of the industry. v) RSPO will be initiating the 5-year review of the P&C and RISS standards for 2023. P&G is looking forward to contributing to this critical opportunity to strengthen the credibility of the Standards, Certification and the assurance of the schemes.

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## 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 (SR) requirements will be done through ACOP and MyRSPO. As the process of verification of the reports is in development, the Shared Responsibility section in ACOP may change in future ACOP cycles. Evidence to show compliance to the SR requirements shall be uploaded via your membership profile in MyRSPO. Please login to your MyRSPO account and upload the relevant policies, plans and relevant reports there. If you do not have a policy or your policy does not cover all items, you will be required to provide a Declaration of Support for the relevant policy items in your MyRSPO profile. Additional information on the required policies and plans applicable to all sectors as well as the annual uptake targets for supply chain actors can be found on <https://rspo.org/members/shared-responsibility> or email the Shared Responsibility team at [sharedresponsibility@rspo.org](mailto:sharedresponsibility@rspo.org).*

### Information & Public Availability

**1.1 Does your company have organisational management documents publicly-available?**

Yes

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### Ethical Conduct & Human Rights

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

Yes

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**1.2.1 Does the policy cover:**

- Recruitment
- Contractors
- Suppliers and Sub-Contractors

### Legal Compliance

**1.3 Does your company comply with all applicable legal requirements?**

Yes

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**1.4 Does your company require its third party contractors to comply with legal requirements, i.e. including a clause on legal compliance in the contracts?**

Yes

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### Complaints & Grievances

**1.5 Does your company have a Grievance Mechanism that is accessible to all affected parties?**

Yes

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**1.5.1 Is your Grievance mechanism in line with the principles of the RSPO's Complaints System?**

Yes

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**Land Use & FPIC**

**1.6 Does your company have a publicly-available policy covering Commitment to respect Free Prior and Informed Consent (FPIC) in the Palm Oil Supply chain?**

Yes

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**1.6.1 Does your company have a procedure in place to identify legal, customary or user rights, and people entitled to compensation?**

Yes

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**Smallholders**

**1.7 Does your company support oil palm smallholders (groups)?**

Yes

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**1.7.1 Does your company report on the actions to support the inclusion of smallholders?**

Yes

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**Labour & Labour Rights**

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

Yes

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**1.8.1 Does the policy cover:**

- No discrimination and equal opportunities
- Pay and working conditions at least at legal or industry minimum standards and are sufficient to provide decent living wages (DLW)
- Freedom of association and Collective bargaining
- Protection of children, as well as the workforce of suppliers and third-party contractors
- Prevention of all forms of harassment, including sexual harassment
- No forced or trafficked labour

**Occupational Health & Safety**

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

Yes

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**1.9.1 Does your company have a Standard Operating Procedure (SOP) for Occupational Health & Safety?**

Yes

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**Waste Management**

**1.10a Does your company have a waste management plan that includes reduction, recycling, reusing and disposal based on the hazardous characteristics?**

Yes

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**1.10a.1 Is this plan implemented?**

Yes

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**Water Management**

**1.11 Does your company have a water management plan to promote efficient use and continued availability of water sources?**

Yes

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**1.11.1 Is this plan implemented?**

Yes

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**Energy Use**

**1.12 Does your company have an energy use plan to improve the efficiency of the fossil fuels used and to optimise renewable energy?**

Yes

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**1.12.1 Are there records of implementation of the plan ie. monitoring and reporting?**

Yes

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**Climate Change & Greenhouse Gas (GHG)**

**1.13 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG) including identification and assessment of GHG emissions and implementation of a plan to reduce or minimise them?**

Yes

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## 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

P&G's use of palm materials is skewed to PKO and PKOD due to the nature and function of the products we manufacture. Availability of certified PKO volume to meet the demand has been a significant, increasing 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, trading volume, and potential loss of certified kernels in the supply chain, which is a major hurdle for procurement planning and ability to meet our goals. There is limited availability of PKO/PKOD in the external market despite premiums for these rising 8x vs. last year. While P&G is collaborating with RSPO and business peers to exploring solutions (RSPO Shared Responsibility WG, Oleo TF) to address the challenge, we believe a fundamental balance on more certified palm oil supply/demand will need to be achieved to increase CSPK volume for CSPKO.



**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?**

- Communication and/or engagement to transform the negative perception of palm oil
- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Engagement with peers and clients
- Promotion of CSPO through off product claims
- 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

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**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**

<https://www.pginvestor.com/esg/environmental/forestry/palm-overview/default.aspx>

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