

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

-

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 Total volume of RSPO-certified (IP, MB, SG and RSPO Credits/Book and Claim) and Non RSPO-certified palm oil, palm kernel oil and related product sourced in the year

| Description | Tonnes |
|---|-----------------|
| Crude palm oil, including derivatives refined from CPO (tonnes) | 7900.00 |
| Crude palm kernel oil, including derivatives refined from CPKO (tonnes) | 89366.00 |
| Crude palm kernel expeller (tonnes) | 0.00 |
| Total | 97266.00 |

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 | 0.00 | 0.00 | 0.00 |
| RSPO Credits from Independent Smallholder | 0.00 | 0.00 | 0.00 |
| Mass Balance (MB) | 7900.00 | 0.00 | 0.00 |
| Segregated (SG) | 0.00 | 0.00 | 0.00 |
| Identity Preserved (IP) | 0.00 | 0.00 | 0.00 |
| Total | 7900.00 | 0.00 | 0.00 |

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:

8.12%

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 2023, we maintained 100% physically certified for our palm oil derivative (POD) with MB model. For palm kernel oil (PKO), we continued 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 achieve 100% physical certified volume sourcing. While P&G has been contributing to developing intervention and solution for the industry (co-chair of the RSPO Shared Responsibility WG, Board of Governors member), we will be prioritizing certified PKO/PKOD procurement for our Brands and looking for other feedstocks to reduce demand on certified PKO.

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 |
| 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

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 RSPO-certified palm oil and oil palm products.

N/A

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

P&G currently uses 100% RSPO certified palm oil, palm kernel oil and their derivatives in our brands.

P&G Chemicals purchases 100% RSPO certified Palm Oil. For Palm Kernel Oil, availability remains a key challenge to maintaining or increasing the percentage purchase of RSPO certified oils. We continue to work with industry stakeholders and customers to identify ways to grow availability and demand. This includes driving awareness and advocating for use of certified palm oil and targeting increased availability through support for smallholder certification (RSPO ISH standard) and Jurisdictional certification approaches.

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

-

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 labour 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: Sourcing Fundamentals, Compliance Monitoring, and Partnerships and Force for Good Programs. Our suppliers must comply with P&G's Forest Commodities Policy and Responsible Sourcing Expectations for External Business Partners. 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 achieved RSPO certification for 100% palm oil, palm kernel oil, and palm derived materials in P&G Brand Products in 2021, and maintained fully certified in 2022 and 2023. For Palm Oil (PO), we will continue to prioritize physical procurement for SG and MB certified balanced by supply availability in the market. For PO derivatives, PKO and PKOD, 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 PKOD 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 2024.
- 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 will continue to contribute to developing solutions with RSPO and industry partnerships. This includes our participation in the RSPO Board of Governors, Shared Responsibility WG, and to leverage RSPO Independent Smallholder Standard (RISS) and Jurisdictional certification approaches to grow availability. We will continue to build partnership in 2024 to establish JA initiative and synergy with our programs to scale supply of CSPO and CSPKO based on the RSPO Jurisdictional Approach (JA) Piloting Framework.

2. Compliance Monitoring

- 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 our policy. We continue to work with our technical partner - Earthqualizer to apply satellite/mapping technology to track deforestation, development on peat and fires. During 2023, we monitored approximately 16 million hectares of P&G supplier landbanks across Indonesia, Malaysia, and Papua New Guinea, tracked supply chains to 4,108 plantations and determined that 96.34% of supply chain landscapes monitored were free of deforestation or conversion issues requiring further investigation. We also collaborated further with Earthqualizer to develop and test the draft Verified Deforestation Free (VDF) framework for assessing our supply chain toward VDF. In 2024, we will continue to advance the collaboration in exploring application of the VDF framework for assessing compliance toward upcoming regulation.
- 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 and Political Rights) and (ii) The principles concerning fundamental rights as set out in the International Labour Organization (ILO) Declaration on

Fundamental Principles and Rights at Work. Please see P&G Human Rights Policy Statement. In 2019, recognizing the need to strengthen the Social Policy Compliance at our joint venture partner FGV we choose to step in to support their journey of change. Our goal is to do the right thing for people, communities, and landscapes. Our approach is to engage and seek guidance from civil society groups, experts, recognizing we are often knowledge holders but not always the experts on every topic. In 2024, we will continue to contribute in multistakeholder partnership to strengthen monitoring mechanism, e.g., in the RSPO Assurance Standing Committee to improve verification and compliance to the Standards and certification, and explore effort where our leverage can help drive systematic solution.

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

- **Independent Smallholder (ISH) program** – In line with our Ambition 2030 goal, P&G established the Center for Sustainable Small-Owners (CSS) in 2019 to (1) Promote sustainable and responsible palm agricultural practices at smallholder level, (2) Improve sustainable farming practices that lead to increased yields (30-50%) and ultimately boost the livelihoods of farmers and the wellbeing of families and communities, and (3) Increase smallholder produced certified Palm via RSPO Independent Smallholder Standard (RISS). The Program focused on selected group of independent smallholders and FFB dealers in the Batu Pahat and Pontian districts of the state of Johor, Malaysia whom we have identified to be in our palm kernel oil supply chain. Through P&G Smallholders Program, we have supported our independent smallholder-partners to establish Pertubuhan Tani Niaga Lestari Negeri Johor (PERTANIAGA) in 2020 where they became the first smallholder association in Malaysia to be certified with RISS certification in 2021. By end of 2023, we achieved our program target to develop 250 Learning Farms (LeFa) which will serve as training centers demonstrating sustainable and Good Agriculture Practises (GAP). 407 PERTANIAGA smallholders were certified with RISS, and as part of their continuous improvement process, 1610 smallholders have been trained through 21 GAP training sessions. In 2024, P&G will focus on achieving the target of totally 640 RISS certified SHs, and diffusing best management practices (BMP) training to 2,800 SHs, driving progress toward our target to expanding BMP to a total of 8,000 SHs by 2026.

- **WWF Malaysia tiger conservation** – In 2021, P&G kicked off a Sponsorship of more than 2 years of 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. By July 2023, the program achieved 1) Protect: Poaching is reduced 60% in Temenggor, Perak State through 40 days/month WWF SMART patrols. In total, 1768 patrol days with 11,087 km patrolled on foot, 19,004 km by motorbike and 5,613 km by boat, removed 50 snares (old) while discovering hunting hides/platforms, bullet casings, mist nets and camp sites. 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. 2,655 trees were planted on 10 ha, with additional 1,099 trees were planted at formerly planted sites while maintaining the 25 ha of existing plants planted by MYCAT and Pahang Forestry Department with survival rate of 72%. 3) Produce: used satellite and stakeholder mapping of three primary linkages to understand land use and their connectivity to species habitat. By 2023, mapping of the two encompassing tiger priority landscapes in Peninsular (Belum-Temengor Forest Complex to Taman Negara National Park) were completed to provide crucial information for identifying opportunities and designing future conservation efforts. P&G will continue to partner with WWF to advance the program, while exploring funding to scale the impact in longer term. In 2024, P&G will focus on scaling the effort in strengthening the ecosystem stability, integrity, and health to stabilize the Malayan tiger population.

- **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) announced in April 2021 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. By 2023, 13 RC projects collectively with more than 224,000 Hectares have been kicked off. In 2024, we will continue to support RC to advance implementation, develop more projects, and enable more participation from the industries.

- **Industry standard and approach development:** P&G has been member of the High Carbon Stock Approach Steering Group (HCSA SG), RSPO No Deforestation Joint Steering Group (NDJSG), Smallholder Standing Committee (SHSC), Jurisdictional Working Group (JWG), Shared Responsibility Working Group (SRWG), Assurance Standing Committee(ASC), and Standard Review Steering Group to steer the review for 2023 P&C and the Independent Smallholder Standard (RISS), development of the Jurisdictional Approach Certification System, 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 2023 are outlined below: (1) the EU Deforestation Regulation approved in 2023 presented an important opportunity for RSPO to communicate the sustainability benefits from Standard and certification, and enable members to address challenges and move toward compliance. As BoG member and Co-chair of SH Standing Committee, P&G continued to contribute to strategic support on stakeholder engagement, build understanding of RSPO and awareness of key challenges (e.g., smallholder traceability and mapping), and bridge improvement opportunities to the P&C review and interventions. As a BoG Sub-group member, P&G has been contributing to design and development of the RSPO Certification, Trade and Traceability System (CTTS) to digitalize RSPO and provide critical data & Information to support member on EUDR and certified oil trading. In 2024, P&G will continue to support CTTS development and implementation, and enable RSPO to be a knowledge base and partner for future development relevant to sustainable palm oil. (2) P&G has been in the Review Steering Group to guide and complete the 2023 P&C and RISS review in November 2023. The Review identified substantive challenges to be addressed before finalizing the new standards. In 2024, P&G will focus on contributing in the Steering Group to lead and finalize P&C and RISS 2023 by November 2024. This is critical to strengthen the credibility of the Standards, Certification and the assurance of the schemes.

(3) As Jurisdictional Working Group member, P&G contributed to drive development of the JA certification system, advancing the Jurisdictional approach development to identify and protect HCV and HCS. In 2024, P&G will continue to focus on making progress and implementing these efforts critical to scaling RSPO impacts at jurisdictional / landscape level.

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

-

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 RSPO-certified (IP, MB, SG and RSPO Credits/Book and Claim) and Non RSPO-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) | 17586.00 |
| Total volume of crude palm kernel oil (tonnes) | 140230.00 |
| Total volume of palm kernel expeller (tonnes) | 0.00 |
| Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes) | 150897.00 |
| Total | 308713.00 |

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 | 62 |
| Palm kernel oil-based derivatives and fractions | 38 |

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 | 0.00 | 0.00 | 0.00 |
| RSPO Credits from Independent Smallholder | 0.00 | 0.00 | 0.00 | 636.00 |
| Mass Balance (MB) | 1000.00 | 140230.00 | 0.00 | 145034.00 |
| Segregated (SG) | 16586.00 | 0.00 | 0.00 | 5227.00 |
| Identity Preserved (IP) | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 17586.00 | 140230.00 | 0.00 | 150897.00 |

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 | 62 |
| Certified Palm kernel oil-based derivatives and fractions | 38 |

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 continued in 2023 to deliver 100% RSPO certification for all PO, PKO and derived materials in our branded products. 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 WG and Board of Governors member) and scaling RISS certification (co-chair of Smallholder Standing Committee), we will be prioritizing certified PKO/PKOD procurement for our Brand product use. For the volume of Credits purchased to overcome supply chain constraints, we will continue to prioritize ISH credits in line with commitment to support ISH and their livelihood.

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:

| 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 |

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 only RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2021

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 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

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

0.2% of our total (100% certified) volume in 2023 was achieved from procurement of Independent Smallholder Credits to support smallholder and their livelihood, and/or overcome supply chain constraints.

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)

- ☒ 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 labour 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: Sourcing Fundamentals, Compliance Monitoring, and Partnerships and Force for Good Programs. Our suppliers must comply with P&G's Forest Commodities Policy and Responsible Sourcing Expectations for External Business Partners. 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 achieved RSPO certification for 100% palm oil, palm kernel oil, and palm derived materials in P&G Brand Products in 2021, and maintained fully certified in 2022 and 2023. For Palm Oil (PO), we will continue to prioritize physical procurement for SG and MB certified balanced by supply availability in the market. For PO derivatives, PKO and PKOD, 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 PKOD 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 2024.
- 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 will continue to contribute to developing solutions with RSPO and industry partnerships. This includes our participation in the RSPO Board of Governors, Shared Responsibility WG, and to leverage RSPO Independent Smallholder Standard (RISS) and Jurisdictional certification approaches to grow availability. We will continue to build partnership in 2024 to establish JA initiative and synergy with our programs to scale supply of CSPO and CSPKO based on the RSPO Jurisdictional Approach (JA) Piloting Framework.

2. Compliance Monitoring

- 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 our policy. We continue to work with our technical partner - Earthqualizer to apply satellite/mapping technology to track deforestation, development on peat and fires. During 2023, we monitored approximately 16 million hectares of P&G supplier landbanks across Indonesia, Malaysia, and Papua New Guinea, tracked supply chains to 4,108 plantations and determined that 96.34% of supply chain landscapes monitored were free of deforestation or conversion issues requiring further investigation. We also collaborated further with Earthqualizer to develop and test the draft Verified Deforestation Free (VDF) framework for assessing our supply chain toward VDF. In 2024, we will continue to advance the collaboration in exploring application of the VDF framework for assessing compliance toward upcoming regulation.
- 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 and Political Rights) and (ii) The principles concerning fundamental rights as set out in the International Labour Organization (ILO) Declaration on

Fundamental Principles and Rights at Work. Please see P&G Human Rights Policy Statement. In 2019, recognizing the need to strengthen the Social Policy Compliance at our joint venture partner FGV we choose to step in to support their journey of change. Our goal is to do the right thing for people, communities, and landscapes. Our approach is to engage and seek guidance from civil society groups, experts, recognizing we are often knowledge holders but not always the experts on every topic. In 2024, we will continue to contribute in multistakeholder partnership to strengthen monitoring mechanism, e.g., in the RSPO Assurance Standing Committee to improve verification and compliance to the Standards and certification, and explore effort where our leverage can help drive systematic solution.

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

- **Independent Smallholder (ISH) program** – In line with our Ambition 2030 goal, P&G established the Center for Sustainable Small-Owners (CSS) in 2019 to (1) Promote sustainable and responsible palm agricultural practices at smallholder level, (2) Improve sustainable farming practices that lead to increased yields (30-50%) and ultimately boost the livelihoods of farmers and the wellbeing of families and communities, and (3) Increase smallholder produced certified Palm via RSPO Independent Smallholder Standard (RISS). The Program focused on selected group of independent smallholders and FFB dealers in the Batu Pahat and Pontian districts of the state of Johor, Malaysia whom we have identified to be in our palm kernel oil supply chain. Through P&G Smallholders Program, we have supported our independent smallholder-partners to establish Pertubuhan Tani Niaga Lestari Negeri Johor (PERTANIAGA) in 2020 where they became the first smallholder association in Malaysia to be certified with RISS certification in 2021. By end of 2023, we achieved our program target to develop 250 Learning Farms (LeFa) which will serve as training centers demonstrating sustainable and Good Agriculture Practises (GAP). 407 PERTANIAGA smallholders were certified with RISS, and as part of their continuous improvement process, 1610 smallholders have been trained through 21 GAP training sessions. In 2024, P&G will focus on achieving the target of totally 640 RISS certified SHs, and diffusing best management practices (BMP) training to 2,800 SHs, driving progress toward our target to expanding BMP to a total of 8,000 SHs by 2026.

- **WWF Malaysia tiger conservation** – In 2021, P&G kicked off a Sponsorship of more than 2 years of 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. By July 2023, the program achieved 1) Protect: Poaching is reduced 60% in Temenggor, Perak State through 40 days/month WWF SMART patrols. In total, 1768 patrol days with 11,087 km patrolled on foot, 19,004 km by motorbike and 5,613 km by boat, removed 50 snares (old) while discovering hunting hides/platforms, bullet casings, mist nets and camp sites. 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. 2,655 trees were planted on 10 ha, with additional 1,099 trees were planted at formerly planted sites while maintaining the 25 ha of existing plants planted by MYCAT and Pahang Forestry Department with survival rate of 72%. 3) Produce: used satellite and stakeholder mapping of three primary linkages to understand land use and their connectivity to species habitat. By 2023, mapping of the two encompassing tiger priority landscapes in Peninsular (Belum-Temengor Forest Complex to Taman Negara National Park) were completed to provide crucial information for identifying opportunities and designing future conservation efforts. P&G will continue to partner with WWF to advance the program, while exploring funding to scale the impact in longer term. In 2024, P&G will focus on scaling the effort in strengthening the ecosystem stability, integrity, and health to stabilize the Malayan tiger population.

- **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) announced in April 2021 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. By 2023, 13 RC projects collectively with more than 224,000 Hectares have been kicked off. In 2024, we will continue to support RC to advance implementation, develop more projects, and enable more participation from the industries.

- **Industry standard and approach development:** P&G has been member of the High Carbon Stock Approach Steering Group (HCSA SG), RSPO No Deforestation Joint Steering Group (NDJSG), Smallholder Standing Committee (SHSC), Jurisdictional Working Group (JWG), Shared Responsibility Working Group (SRWG), Assurance Standing Committee(ASC), and Standard Review Steering Group to steer the review for 2023 P&C and the Independent Smallholder Standard (RISS), development of the Jurisdictional Approach Certification System, 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 2023 are outlined below: (1) the EU Deforestation Regulation approved in 2023 presented an important opportunity for RSPO to communicate the sustainability benefits from Standard and certification, and enable members to address challenges and move toward compliance. As BoG member and Co-chair of SH Standing Committee, P&G continued to contribute to strategic support on stakeholder engagement, build understanding of RSPO and awareness of key challenges (e.g., smallholder traceability and mapping), and bridge improvement opportunities to the P&C review and interventions. As a BoG Sub-group member, P&G has been contributing to design and development of the RSPO Certification, Trade and Traceability System (CTTS) to digitalize RSPO and provide critical data & Information to support member on EUDR and certified oil trading. In 2024, P&G will continue to support CTTS development and implementation, and enable RSPO to be a knowledge base and partner for future development relevant to sustainable palm oil. (2) P&G has been in the Review Steering Group to guide and complete the 2023 P&C and RISS review in November 2023. The Review identified substantive challenges to be addressed before finalizing the new standards. In 2024, P&G will focus on contributing in the Steering Group to lead and finalize P&C and RISS 2023 by November 2024. This is critical to strengthen the credibility of the Standards, Certification and the assurance of the schemes.

(3) As Jurisdictional Working Group member, P&G contributed to drive development of the JA certification system, advancing the Jurisdictional approach development to identify and protect HCV and HCS. In 2024, P&G will continue to focus on making progress and implementing these efforts critical to scaling RSPO impacts at jurisdictional / landscape level.

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.

SR 1. Transparency

1.1 Does your organisation have organisational management documents publicly-available?

Yes

SR 2. Ethical Conduct

1.2 Does your organisation have a publicly-available policy covering Ethical Conduct, including for recruitment and contractors?

Yes

SR 3 and SR 4. Legal Compliance

1.3 Does your organisation comply with all applicable legal requirements?

Yes

1.4 Does your organisation require its third party contractors to comply with legal requirements?

Yes

SR 7. Claims and labels

1.7a Does your organisation promote the use of off-product RSPO claims and labels?

Yes

SR 8. Information and outreach activities

1.8 Does your organisation implement transparent communication and outreach activities to promote sustainable palm oil?

Yes

SR 9. Human Rights

1.9 Does your organisation have a publicly-available Policy on respect for human rights, including for suppliers and sub-contractors?

Yes

SR 10. Complaints & Grievances**1.10 Does your organisation have a Grievance Mechanism that is accessible to all affected parties?**

Yes

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

Yes

SR 11 and SR 12. Land Use and FPIC**1.11a Does your organisation have a policy covering Commitment to respect Free Prior and Informed Consent (FPIC) in the operational Palm Oil Supply chain?**

Yes

1.11a.1 Does your organisation have a procedure in place to identify legal, customary or user rights, and people entitled to compensation?

Yes

SR 13 and SR 14. Smallholders inclusion**1.13 Does your organisation support oil palm smallholders (groups)?**

Yes

SR 15 - SR 20. Labour & Labour Rights**1.15 Does your organisation have a publicly-available policy covering Labour & Labour Rights?**

Yes

1.15.1 Does the policy cover:

- ☒ No discrimination and equal opportunities
- ☒ Pay and conditions of the workers.
- ☒ Freedom of association and Collective bargaining
- ☒ Protection of children and remediation for suppliers and third party contractors.
- ☒ Prevention of all forms of harassment, including sexual harassment
- ☒ No forced or trafficked labour

SR 21. Occupational Health & Safety**1.21 Does your organisation have a publicly-available Policy covering Occupational Health & Safety?**

Yes

SR 22. Waste Management**1.22a Does your organisation have a waste management plan that includes reduction, recycling, reusing and disposal based on the hazardous characteristics?**

Yes

1.22a.1 Is this plan implemented?

Yes

SR 23. Water Management**1.23 Does your organisation have a water management plan to promote efficient use and continued availability of water sources?**

Yes

1.23.1 Is this plan implemented?

Yes

SR 24. Energy Use**1.24 Does your organisation have an energy use plan to improve the efficiency of the fossil fuels used and to optimise renewable energy?**

Yes

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

Yes

SR 25. Climate Change and Greenhouse Gases (GHG)**1.25 Does your organisation 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

SR 26. Promotion of certification/uptake

1.26b Does your organisation meet the SR CSPO uptake target?

Yes

SR 27. Sustainable Palm Oil Policy

1.27a Does your organisation have other relevant policies as a sustainable palm oil sourcing policy?

Yes

SR 28 and SR 29. Support and resourcing

1.28 Does your organisation provides services and support to RSPO and resources to implement SR?

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

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. While P&G is collaborating with RSPO and business peers to exploring solutions (RSPO Shared Responsibility WG, Board of Governors) 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

-

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>