

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 the palm oil-related activity(ies) that describe your company or organisation as multiple selections are allowed. ACOP reporting is 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)
- ☐ I represent a palm oil Independent Smallholder farmer Group
- ☐ I own and operate palm oil mills
- ☐ I own and operate 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.

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)	15000.00
Crude palm kernel oil, including derivatives refined from CPKO (tonnes)	143649.00
Crude palm kernel expeller (tonnes)	0.00
Total	158649.00

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)	6000.00	10103.00	0.00
Segregated (SG)	9000.00	0.00	0.00
Identity Preserved (IP)	0.00	0.00	0.00
Total	15000.00	10103.00	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:

15.82%

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 2024, we maintained 100% physically certified for our palm oil (PO) with SG 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 (member of the RSPO Shared Responsibility WG and Board of Governors), we will be prioritizing certified PKO/PKOD procurement for our Brands and looking for other feedstocks to reduce demand on certified PKO.

Regulatory compliance is a fundamental principle for P&G operations globally. Since 2024, we have been building and ensuring due diligence, and making necessary adjustments in our supply chain to meet the new EU Deforestation Regulation (EUDR). In 2025, we will continue to partner with our oil suppliers to scale EUDR compliant supply, as the new regulation become effective end of 2025.

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.

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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

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.

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.

Since 2024, we have been building and ensuring due diligence, and making necessary adjustments in our oil supply chain to meet the new EU Deforestation Regulation (EUDR). In 2025, we will continue to partner with our oil suppliers to scale EUDR compliant supply, as the new regulation become effective end of 2025.

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 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, Due Diligence, and Positive Impact Partnerships & 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 responsible palm oils sourcing policies, 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 since 2022. 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 PKO and PKOD we produce and trade externally in the oleochemical market, we will continue to promote and make certified sustainable palm derivatives available to our customers. We are currently on track to meet the 2025 RSPO's Shared Responsibility goals.
- 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 2025 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.
- Regulatory compliance is a fundamental principle for P&G operations globally. Since 2024, we have been building and ensuring due diligence, and making necessary adjustments in our oil supply chain to meet the new EU Deforestation Regulation (EUDR). In 2025, we will continue to partner with our oil suppliers to scale EUDR compliant supply, as the new regulation become effective end of 2025.

2. Due Diligence

- 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. In 2024, we monitored approximately 15.9 million hectares of P&G supplier landbanks across Indonesia, Malaysia, and Papua New Guinea, tracked supply chains to 4,109 plantations and determined that 99.92% of supply chain landscapes monitored were free of deforestation or conversion issues requiring further investigation. In 2025, we will continue to advance the collaboration in supply chain due diligence monitoring, and potential application in supporting compliance toward upcoming regulation, e.g., EUDR.
- 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. 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 2025, 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/audit, and explore effort where our leverage can help drive systematic solution.

3. Positive Impact Partnerships & Programs

P&G is committed to playing a positive role within the communities and environments in which we live, and work and where we source our materials. This takes us beyond Responsible Sourcing and Compliance Monitoring to become a catalyst for 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 2024, 640 PERTANIAGA smallholders were certified with RISS, and as part of their continuous improvement process, 3100 smallholders have received GAP and Best Management Practice (BMP) awareness training as part of Diffusion. Furthermore, we managed to further develop the 250 Learning Farms SHs (LeFa) into Advanced LeFa, in which to further strengthen these farms as exemplary training centres demonstrating sustainable and Good Agriculture Practises (GAP). In 2025, P&G will focus on achieving another additional target of 250 RISS certified SHs, to bring to a totality of 890 RISS certified SHs, and diffusing best management practices (BMP) training to 4,500 SHs, driving progress toward our target to expanding BMP to a total of 8,000 SHs by 2026.
- **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, biodiversity and ecosystem services, 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 2024, 16 RC projects were fully operational, with more than 226,000 Hectares collectively under active forest ecosystems conservation and restoration program, approximately 9,630 Forest Dependent Households set to benefit, and 83 Endangered and Vulnerable Species Habitats will benefit from the programs. In 2025, we will continue to support RC to expand for more projects, advance implementation, 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 Smallholder Standing Committee (SHSC, Co-chair), Jurisdictional Working Group (JWG), Shared Responsibility Working Group (SRWG), Assurance Standing Committee (ASC), Standard Review Steering Group to steer the review and development for the 2024 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, and Board of Governors (BoG) member to oversee the development of “Palm Resource Information and Sustainability MAnagement” (PRISMA) platform to digitalize RSPO system, 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 2024 are outlined below: (1) P&G has been in the Review Steering Group to develop and finalize the 2024 P&C and RISS standards, leading to approval in November 2024. This marks P&G’s continuous contribution (review & development of P&C in 2018 and 2024) in advancing improvement, and strengthening credibility of the Standards, Certification and the assurance of the schemes. (2) As BoG Sub-group member, P&G has contributed to strategy setting, design and development of PRISMA to integrate and digitalize system for trading, certification, GHG, supply chain and traceability data. This is crucial to improving RSPO member’s efficiency and effectiveness in supporting business, sustainability policy governance and commitment/goals. In 2025, P&G will continue to support PRISMA launch and strategic development in enabling system support for regulation (e.g., EUDR) and monitoring supply chain sustainability improvement (e.g., GHG emission tracking). (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 with the jurisdictional HCV-HCS assessment methodology in development. In 2024, establishment of the new Jurisdictional Membership category was approved. In 2025, 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

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

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

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

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

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

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

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

an aggregate level (as in previous ACOP reporting cycles)

2.2 Total volume of 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)	14846.00
Total volume of crude palm kernel oil (tonnes)	103661.00
Total volume of palm kernel expeller (tonnes)	0.00
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	159241.00
Total	277748.00

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	58
Palm kernel oil-based derivatives and fractions	42

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	1839.00	0.00	1124.00
RSPO Credits from Independent Smallholder	0.00	2421.00	0.00	273.00
Mass Balance (MB)	983.00	99401.00	0.00	157844.00
Segregated (SG)	13863.00	0.00	0.00	0.00
Identity Preserved (IP)	0.00	0.00	0.00	0.00
Total	14846.00	103661.00	0.00	159241.00

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	58
Certified Palm kernel oil-based derivatives and fractions	42

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 2024 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 (member of the RSPO Shared Responsibility WG and Board of Governors) 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 CSPO/CSPKO Credits purchased to overcome supply chain constraints, we will continue to prioritize ISH credits in line with commitment to support ISH and their livelihood, supplemented with Mill/Crusher credits due to business contingency. Since 2024, we have been building and ensuring due diligence, and making necessary adjustments in our oil supply chain to meet the new EU Deforestation Regulation (EUDR). In 2025, we will continue to partner with our oil suppliers to scale EUDR compliant supply, as the new regulation become effective end of 2025.

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.

2% of our total (100% certified) volume was achieved from procurement of a mixture of Independent Smallholder and Mill/Crusher 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, Due Diligence, and Positive Impact Partnerships & 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 responsible palm oils sourcing policies, 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 since 2022. 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 PKO and PKOD we produce and trade externally in the oleochemical market, we will continue to promote and make certified sustainable palm derivatives available to our customers. We are currently on track to meet the 2025 RSPO's Shared Responsibility goals.
- 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 2025 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.
- Regulatory compliance is a fundamental principle for P&G operations globally. Since 2024, we have been building and ensuring due diligence, and making necessary adjustments in our oil supply chain to meet the new EU Deforestation Regulation (EUDR). In 2025, we will continue to partner with our oil suppliers to scale EUDR compliant supply, as the new regulation become effective end of 2025.

2. Due Diligence

- 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. In 2024, we monitored approximately 15.9 million hectares of P&G supplier landbanks across Indonesia, Malaysia, and Papua New Guinea, tracked supply chains to 4,109 plantations and determined that 99.92% of supply chain landscapes monitored were free of deforestation or conversion issues requiring further investigation. In 2025, we will continue to advance the collaboration in supply chain due diligence monitoring, and potential application in supporting compliance toward upcoming regulation, e.g., EUDR.
- 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. 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 2025, 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/audit, and explore effort where our leverage can help drive systematic solution.

3. Positive Impact Partnerships & Programs

P&G is committed to playing a positive role within the communities and environments in which we live, and work and where we source our materials. This takes us beyond Responsible Sourcing and Compliance Monitoring to become a catalyst for 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 2024, 640 PERTANIAGA smallholders were certified with RISS, and as part of their continuous improvement process, 3100 smallholders have received GAP and Best Management Practice (BMP) awareness training as part of Diffusion. Furthermore, we managed to further develop the 250 Learning Farms SHs (LeFa) into Advanced LeFa, in which to further strengthen these farms as exemplary training centres demonstrating sustainable and Good Agriculture Practises (GAP). In 2025, P&G will focus on achieving another additional target of 250 RISS certified SHs, to bring to a totality of 890 RISS certified SHs, and diffusing best management practices (BMP) training to 4,500 SHs, driving progress toward our target to expanding BMP to a total of 8,000 SHs by 2026.

- **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, biodiversity and ecosystem services, 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 2024, 16 RC projects were fully operational, with more than 226,000 Hectares collectively under active forest ecosystems conservation and restoration program, approximately 9,630 Forest Dependent Households set to benefit, and 83 Endangered and Vulnerable Species Habitats will benefit from the programs. In 2025, we will continue to support RC to expand for more projects, advance implementation, 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 Smallholder Standing Committee (SHSC, Co-chair), Jurisdictional Working Group (JWG), Shared Responsibility Working Group (SRWG), Assurance Standing Committee (ASC), Standard Review Steering Group to steer the review and development for the 2024 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, and Board of Governors (BoG) member to oversee the development of “Palm Resource Information and Sustainability MAnagement” (PRISMA) platform to digitalize RSPO system, 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 2024 are outlined below: (1) P&G has been in the Review Steering Group to develop and finalize the 2024 P&C and RISS standards, leading to approval in November 2024. This marks P&G’s continuous contribution (review & development of P&C in 2018 and 2024) in advancing improvement, and strengthening credibility of the Standards, Certification and the assurance of the schemes. (2) As BoG Sub-group member, P&G has contributed to strategy setting, design and development of PRISMA to integrate and digitalize system for trading, certification, GHG, supply chain and traceability data. This is crucial to improving RSPO member’s efficiency and effectiveness in supporting business, sustainability policy governance and commitment/goals. In 2025, P&G will continue to support PRISMA launch and strategic development in enabling system support for regulation (e.g., EUDR) and monitoring supply chain sustainability improvement (e.g., GHG emission tracking). (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 with the jurisdictional HCV-HCS assessment methodology in development. In 2024, establishment of the new Jurisdictional Membership category was approved. In 2025, P&G will continue to focus on making progress and implementing these efforts critical to scaling RSPO impacts at jurisdictional / landscape level.

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, PRISMA system development) 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>