



COLGATE-PALMOLIVE

Palm Oil Forest Footprint
North Sumatra, Indonesia
August 2021

Overview

Over the past 5 years Colgate has had a heightened focus on the traceability of our palm oil, building the capacity of our suppliers to meet our policy, certification of our materials and support of landscape activities in areas of our supply.

We are accelerating of efforts to better understand No deforestation, No planting on peat and No exploitation (NDPE) compliance at the mill level and evaluate risks to the preservation of forests and peatlands and the potential risks to the rights of people and communities touched by our supply chain. Through a clear understanding of those risks we can take action to preserve the livelihoods of people and protect the forests areas they and native species rely on to survive

Our Forest Footprint presented here focuses on Colgate-Palmolive's palm oil supply chain in the province of North Sumatra, Indonesia. This forest footprint was conducted in partnership with Earthworm Foundation.



Forest Footprint Methodology

North Sumatra was selected as a focus area for the forest footprint due to its importance as a sourcing area for Colgate represented by a high concentration of palm oil mills in our supply chain.

This footprint includes an analysis of mills and sourcing boundaries / concessions (palm oil plantations or smallholder farms) associated with those mills along with intact forest and peatland within those concessions or in proximity to mills. Forest and peatlands were further assessed for increased risk of deforestation or conversion based on suitable terrain for palm cultivation and land zoning identified for further development.

The analysis also includes identification of known customary lands and the overlap of those lands with known concessions or within mill sourcing boundaries. This customary land mapping is important to understand potential impact of further land development on local communities and at risk land related conflicts.

Forest Footprint Methodology

Colgate together with our partner Earthworm Foundation through the use of the Starling platform and available public and private data identified forest areas, peatlands and community lands located within concession boundaries or in proximity to mills in our supply chain.

The above information was overlaid on the Starling platform with the following mill information:

- Available sourcing boundaries with confirmed links to mills in our supply chain
- Available sourcing boundaries with unconfirmed links to mills in our supply chain
- Identified a 50km radius around mills in our supply representing the potential sourcing area when sourcing boundaries / concessions linked to mills were unknown

We analyzed the number of hectares of remaining forest and peat in proximity to mills in our supply chain and how this intersects with available customary land boundaries.

Background on Colgate's Supply Chain in North Sumatra

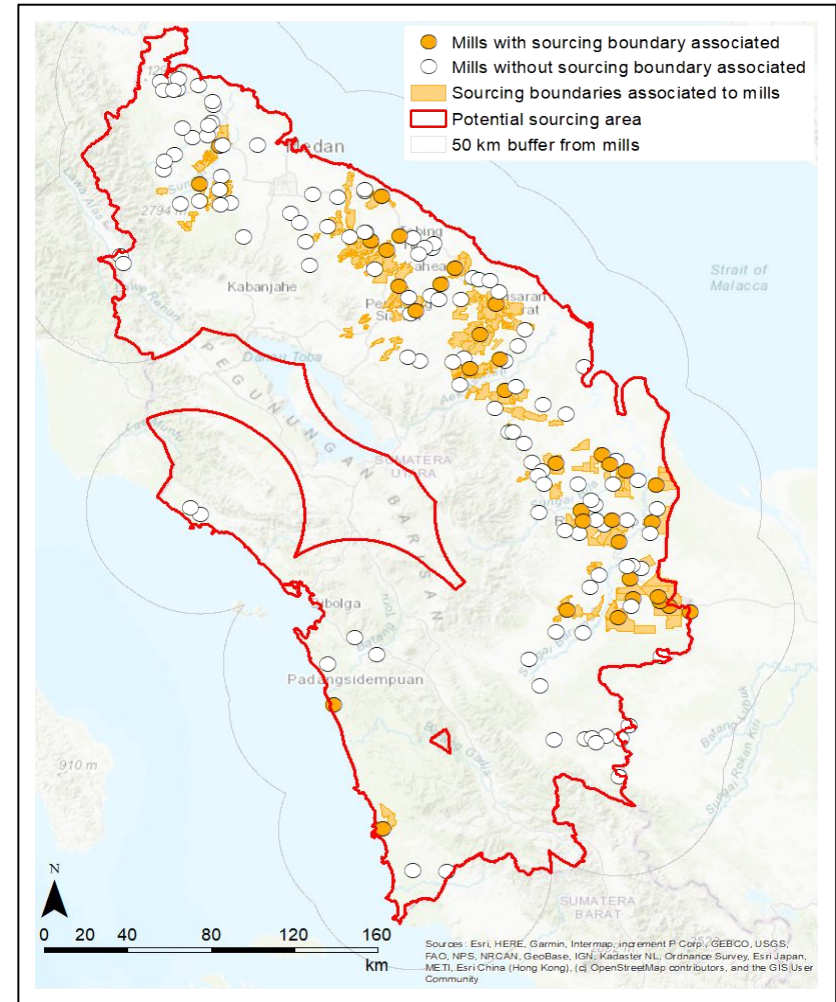
This footprint analysis is based on Colgate's mill traceability data from 2020, during which Colgate used palm oil and palm kernel oil from 149 mills in North Sumatra.

Of the 149 mills, 35 mills can be linked to known sourcing boundaries/concessions which are disclosed per the requirements of their Roundtable on Sustainable Palm Oil (RSPO) certification.

Known sourcing boundaries/concessions have not been established for 114 mills, therefore a potential sourcing distance from mills of 50 km has been established as the "potential sourcing area".

The potential sourcing area in North Sumatra represents 90% of the province or 6,079,502 ha

North Sumatra has an area of oil palm plantation of over 1 million hectares, of which 19% exists within the known concessions linked to mills in Colgate's supply chain



Forest Area Analysis

Findings

2,232,818 ha of forest remains within the potential palm oil sourcing area.

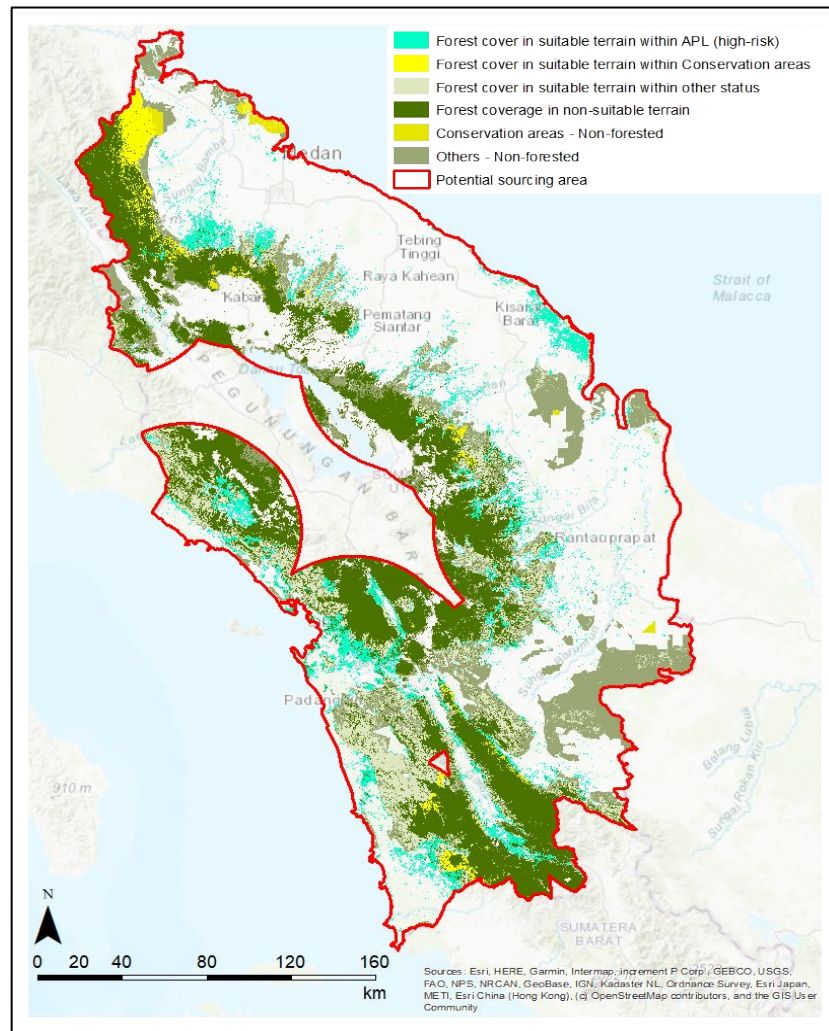
39% (877,475 ha) of the remaining forest falls within suitable terrain in terms of slope and altitude for oil palm expansion.

- terrain suitable for oil palm plantations defined as the terrain with an altitude < 700 m above sea level and a slope < 40%:
- 36% (315,891 ha) of the forest present in suitable terrain for oil palm expansion falls within another utilization areas (APL). We consider this extent of forest to be under high-risk to be transformed to other land use.

Limitations

Some information is missing to make the data more robust including:

- Clear sourcing linkages between mills and plantations
- Mill capacity data
- Clear identification of parent companies for mills and plantations
- Traceability to Plantation (TTP) information, including access to full plantation boundaries for smallholder-owned and company-owned estates and percentage of a mill volume coming from smallholders



Peatland Area Analysis

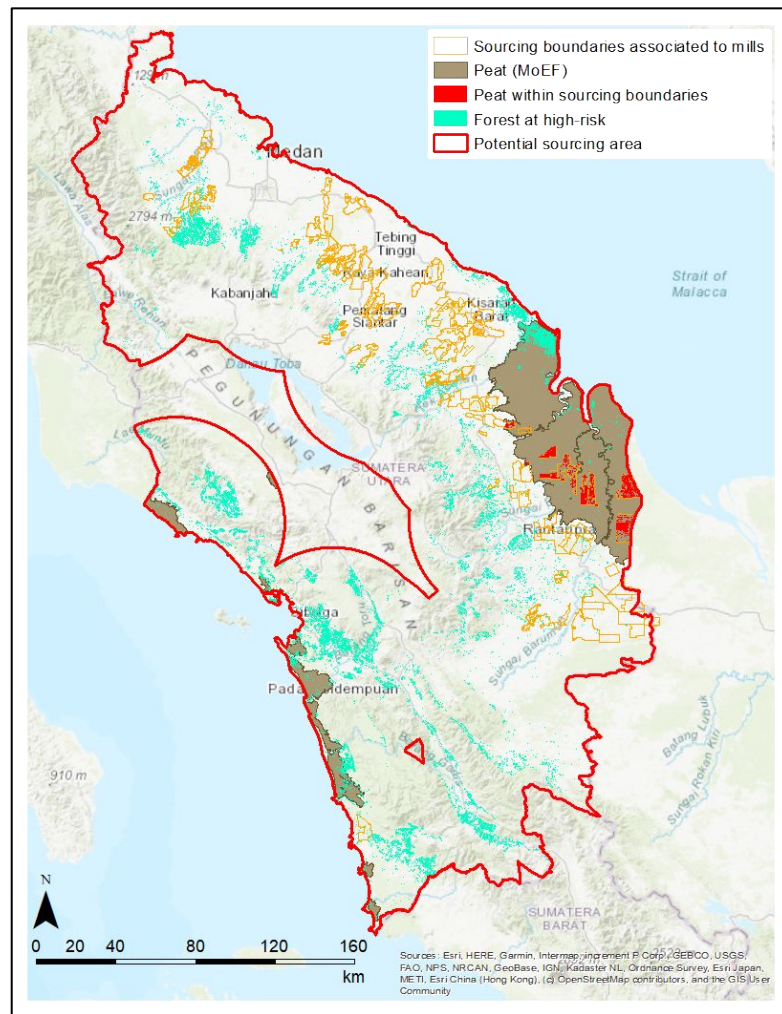
Findings

7% (37,843 ha) of peatland area is forested of which 70% (26,868 ha) is at high-risk

71% (368,706 ha) of peatland as identified by the Ministry of Environment and Forestry (MoEF) is not classified as oil palm plantations, 6% (24,690 ha) of which remains within sourcing boundaries

Limitations

More accurate peatland data is needed, including peatland mapping, moratorium areas inside and outside concessions, restoration plans or rezoning of lands in 'Another Utilization Area' (APL)



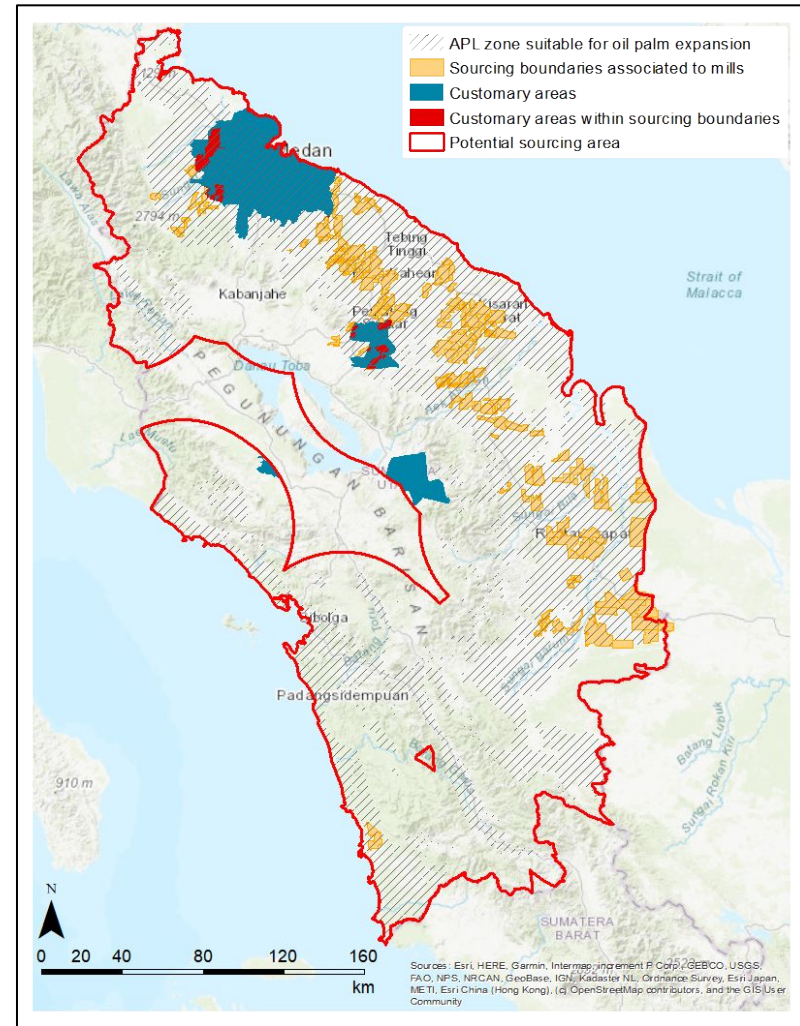
Customary Lands Analysis

Findings

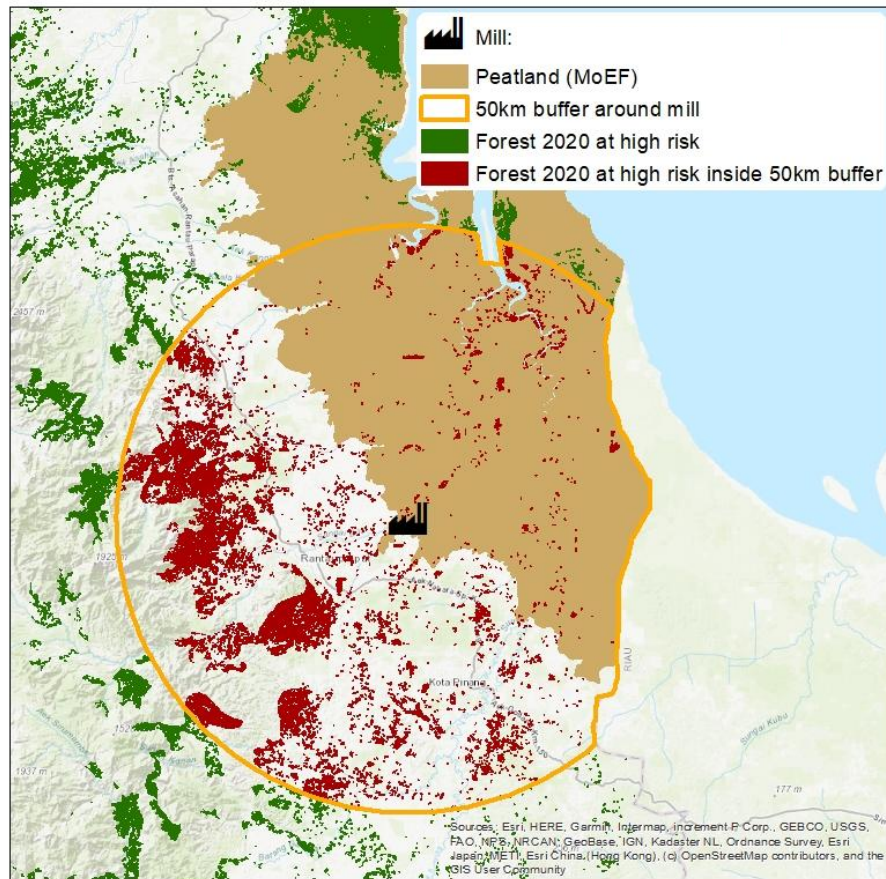
Within the 'potential sourcing area, 6% (345,885 ha) are classified as customary areas of which 4% (14,934 ha) fall within known concessions.

Limitations

A more complete mapping of customary forest areas is needed, including additional information on usage rights, land rights concerns and existing conflicts.



Specific examples and how data will be used



Working with suppliers on high risks

We will be working with our direct suppliers to collaborate on preventing deforestation or exploitation linked to the mills in our supply chain in North Sumatra.

The mill pictured to the left has within its 50 km buffer over 300,000 ha's of forest and peat at risk. The mill is owned by a company with an NDPE policy commitment, but is not RSPO certified. These factors would make it a high priority for Colgate to understand the safeguards in place to ensure the mill's actual sources are not contributing to deforestation or land related conflicts.

Activities to date and Next Steps

We continue to engage with our direct suppliers on NDPE implementation, traceability and transparency. Through landscape and jurisdictional projects with our suppliers, peers and industry partners we hope to transform not just our supply chain but the palm oil industry. As a member of the Consumer Goods Forum - Forest Positive Coalition; through implementation of the Palm Oil Roadmap we have committed to addressing deforestation across forest risk commodities and have aligned this with our own 2025 goal to strive for net zero deforestation.

Learnings from this forest footprint will enable us to focus our engagement on prioritizing upstream mills and producers at risk for future deforestation and land associated conflicts. We are finalizing our action plan, and will be working with our suppliers to prioritize mills at highest risk. Additionally, we expect to achieve greater visibility of concessions sourcing to mills in our supply chain and better understand actions mill companies are taking to manage risk of deforestation or conversion of forests or peatlands as well as actions they are taking to respect customary lands and local communities through processes such as FPIC (free, prior and informed consent).

We also see work from this footprint helping to inform our strategy on future landscape engagement through which we can support producers and key stakeholders to implement forest positive practices and protect human rights.



Appendix - Date Sets Used

Data used:

- Land cover data from 2001 to 2020. Source: Starling (<https://www.starling-verification.com>)
- Altitude data (2014). Source: SRTM 1 Arc-Second global (<https://earthexplorer.usgs.gov/>)
- Forest zones. Source*: Ministry of Environment and Forest – Government of the Republic of Indonesia (MoEF – GoI; <http://geoportal.menlhk.go.id/arcgis/rest/services>)
- Customary land (2020). Source: BRWA (<https://brwa.or.id/>)
- Social and rural forest*. Source: MoEF – GoI (<http://geoportal.menlhk.go.id/arcgis/rest/services>)
- Peat ecological function*. Source: MoEF – GoI (<http://geoportal.menlhk.go.id/arcgis/rest/services>)
- Colgate supply chain data (i.e. mills) declared by suppliers in 2020
- Sourcing boundary data (i.e. identified oil palm plantations) from various public and private sources