



## Palm Oil Implementation Plan

Colgate is committed to the transparency of our palm oil supply chain and reporting on our progress and future plans. As detailed in our Policy on Responsible and Sustainable Sourcing of Palm Oils, we will provide annual updates on our plans and progress through this public implementation plan supporting our activities on palm oil.

### OUR PROGRESS

Colgate recognized the need to source responsibly produced palm oil beginning in 2007 when we became a member of the Roundtable on Sustainable Palm Oil (RSPO). Since that time we have made steady and measurable progress and our strategy and plan will continue to evolve.

Detailed below are key actions Colgate has taken to date:

<b>Year</b>	<b>Actions Taken</b>
2014	Developed a cross-commodity Policy on No Deforestation, highlighting palm oil as one of four commodities to target for implementation
2015	Initial communication of our policy to all our direct palm oil and PKO suppliers  Initiated a palm oil membership with Earthworm Foundation to map our supply chain, engage our suppliers and drive transformation in the supply chain  Initial mapping of all palm oil derivatives in our supply chain
2016	Issued a commodity-specific Policy on Responsible and Sustainable Sourcing of Palm Oils
2017	Initiated support of transformation work and landscape projects in palm oil sourcing regions including Malaysia, Indonesia, and Latin America; focused on smallholders, conservation & forest management practices, and human rights (Ongoing)  Initiated work on collecting information on traceability to mill and plantation from 100% of palm oil and palm kernel oil suppliers (Ongoing)

2018	<p>Included 100 percent of palm oil and PKO suppliers in the Engagement for Policy Implementation (EPI) program, working in collaboration with Earthworm Foundation</p> <p>Piloted use of WRI-GFW satellite monitoring system to identify potential deforestation alerts within our supplier's palm oil supply network</p>
2019	<p>Conducted a pilot using Starling-Earthworm Foundation satellite monitoring system to enhance our risk management program for palm oil suppliers</p> <p>Joined the Consumer Goods Forum - Forest Positive Coalition</p>
2021	<p>Joined the Consumer Goods Forum - Human Rights Coalition</p> <p>Engaged 94% of our palm oil derivative's volume suppliers in policy implementation assessment (EPI Lite) and traceability to the mill (Ongoing)</p> <p>Committed to procure 100 percent physically certified palm oil and palm kernel oil (Ongoing)</p>
2022	<p>Implemented grievance management process covering agricultural commodities and published process</p> <p>Engaged tier 1 PO/PKO suppliers on IRF reporting and developed Colgate specific IRF profile</p> <p>Expanded EPI process to focus on suppliers progress on fundamental (level 1) NDPE policy performance to now measure year on year supplier progress</p> <p>Introduced EPI process, level 2 focused on supplier progress on advanced NDPE policy issues</p>
2023	<p>Implemented Starling satellite monitoring and NDV work on palm</p> <p>Initiated tier 2 derivatives supplier engagement with dashboards and action plans, to close gaps on core elements of NDPE implementation.</p>

As we continue on our journey toward responsible and sustainable sourcing of palm oils, we will strive to make progress across the following areas:

## **TRANSPARENCY**

- Continue to work with suppliers and external expert organizations to identify potential social or environmental risk in our supply chain and to address those risks through transformation actions
- Understanding that transparency in the sourcing of palm oil is very important in order to understand and address risks, Colgate-Palmolive, in collaboration with our palm oil suppliers, started the journey to achieve 100% transparency of our palm supply chain. Additionally, Colgate through our on the ground jurisdictional and landscape projects has been working with NGOs and other local stakeholders to increase the transparency and traceability of palm mills in our supply chain.
- To support such transparency, we publish our list of direct suppliers for palm oil and PKO and our current mill list. This snapshot reflects our palm oil and PKO supply network refresh of 2H 2022. We will update our direct palm oil and PKO suppliers and mill list every six months.
  - [Colgate-Palmolive's suppliers for palm oil and palm kernel oil and mills](#)
- In 2022, Colgate with support of Earthworm Foundation conducted an initial Forest Footprint exercise for our palm oil supply chain in North Sumatra, Indonesia. Please find here a link to our [North Sumatra Forest Footprint](#). In late 2022 efforts were focused on protecting forest outside concessions, and to identify suitable field-based partners to implement conservation projects. Through this work, Earthworm engaged with local NGO PRCF to explore a new conservation project in Lobu Tayas Village Forest, in the southern part of North Sumatra. PRCF is working with the villagers to help them gain management rights so that they can protect the forest and continue to harvest honey, fish, and fruit there.
- In 2022, we launched a grievance management process focused on agricultural commodities which is now fully operational and can be accessed via this [Link](#). Also, to accelerate our efforts to remove commodity-driven deforestation from our supply chain, we have implemented the Consumer Goods Forum Forest Positive Coalition's Monitoring and Response Framework (MRF), in cooperation with the Airbus Starling satellite monitoring platform and Earthworm Foundation to support our prioritization and actions on investigating deforestation cases

## TRACEABILITY

Colgate-Palmolive is committed to 100 percent traceability for all palm oil, PKO and derivatives.

- We plan to achieve full traceability of our direct palm and PKO volumes to the plantation by year end 2025 and for our palm oil derivatives supply chains back to the plantation by year-end 2028
- Beginning in 2023, we are now calculating our traceability to plantation scores for palm oil and PKO using the [Starling No Deforestation Verification \(NDV\) methodology](#). As of H1 2022, we have achieved 65% traceability to the plantation.

We have engaged 100 percent of our direct suppliers of palm oil and PKO to understand the source of their supply, down to the mill and plantation level for palm and PKO.

The percentages in Table 1 below reflects the percentage of palm oil and PKO for each purchasing market that can be traced back to the origin mill. Table 2 reflects our current traceability for palm oil and PKO to the level of the plantation. Starting in 2023, we are now tracking our traceability to plantation for palm oil and PKO through Starling NDV. Beyond the declaration of plantation traceability data made by suppliers and their supplying mills, EF also uses a range of other data sources to support traceability to plantation level analysis. These other data sources include certification scheme websites (e.g. RSPO audit public summaries that indicate plantation data), company websites (e.g. mill websites providing plantation data), and Government or NGO's websites. This is an effort to increase supply chain transparency, and allows us to prioritize upstream suppliers for engagement based on associated risk. It also allows us to seek further information and respond if concerns arise against stakeholders within our supply chain.

**Table 1: Colgate Global PO and PKO Traceability to the Mill (2022 volumes)**

Production Market	Palm oil (% Vol.)	Palm Kernel Oil (% Vol.)
North America	N/A	100%
Latin America	99%	97%
Thailand	100%	100%
Europe, Middle East & Africa	100%	91%
Weighted Total	100%	95%

Mill Traceability	2017	2018	2019	2020	2021	2022	Change
Palm Oil	98.00%	99.00%	100%	98.40%	99.80%	99.60%	-0.20%
PKO	94.00%	97.00%	93.00%	95.33%	99.15%	94.80%	-4.36%

**Table 2: Colgate Global PO and PKO Traceability to the Plantation (1H 2022 volumes)**

Production Market	Palm Oil (% Vol.)	Palm Kernel Oil (% Vol.)
North America	N/A	57%
Latin America	81%	97%
Thailand	35%	10%
Europe, Middle East and Africa	47%	53%
Weighted Total	65%	67%

Our traceability work enables us to identify from which country we source our palm oil and PKO materials. Table 3 shows our percent volumes of palm oil and PKO sourced per country or region of origin.

**Table 3: Colgate Palm Oil and PKO Global Sourcing per Region (2022 volumes)**

Palm Oil and PKO Sourcing Region	% Annual Volume
Malaysia	16%
Indonesia	11%
Latin America	55%
Thailand	18%
Other	<0.5%

For our Palm Oil Derivatives, in 2017 we engaged with our suppliers to begin our traceability journey in partnership with Earthworm Foundation.

We continue to engage an increasing number of our derivative suppliers on traceability of their supply to the mill and as of 2022, we have included suppliers that represent 94% of our global palm and PKO derivative volumes. As shown below, of those derivative volumes included in traceability, we have traced 80% back to the mill.

**Colgate Global Palm Oil Derivatives Traceability to the Mill (FY 2021 volumes)**

	First Refiner	Mill
Colgate Derivatives Volume (focus on 94% of palm oil derivatives total volume)	79%	80%

Based on our current derivative traceability progress and volumes mapped, 67% of our palm derived volume is sourced from Indonesia, 22% from Malaysia, 6% from Latin America and 4% from Thailand.

We will continue to work with our derivative suppliers to increase the traceability percentages and transparency in the derivatives supply network aligned with our derivative traceability goals.

## **ACCOUNTABILITY (PROGRESS & VERIFIED COMPLIANCE)**

- Continue to reinforce the expectation that all suppliers implement their own NDPE policy at a corporate group level and publish concession maps as legally permitted
- Continue to measure and drive suppliers' conformance with Colgate's Policy on Responsible and Sustainable Sourcing of Palm Oils and NDPE expectations through our EPI program.
- Strengthen work with our direct suppliers and upstream producers to progress NDPE compliance of mills and plantations within and outside of our direct supply chain through use of the NDPE Implementation Reporting Framework (IRF)
- Conveying to suppliers the Forest Positive Coalition ask and expectations
- Strengthen engagement on NDPE Implementation with palm oil and PKO derivative suppliers
- Implemented the Starling NDV methodology to verify deforestation and conversion free volumes

### *Palm Oil and PKO Suppliers*

Through our Engagement for Policy Implementation (EPI) program we have engaged 14 of our direct palm oil and PKO suppliers, covering 100% of our direct palm oil and PKO volumes. Since 2020, 100% of our direct palm oil and PKO suppliers have an NDPE policy implemented and are making progress against full implementation of their policies. Engagement with suppliers via EPI focuses on the strengths and weaknesses of each supplier's capacity for reaching full compliance as well as tracking their progress on specific issues. In order to evaluate direct suppliers, we utilize Earthworm Foundation's Engagement for Policy Implementation – Palm oil tool (EPI) via the SupplyShift platform. We use EPI to evaluate and to feedback to our suppliers on their implementation maturity level. The EPI covers an extensive list of policy implementation topics divided into seven sections: Supplier Overview, Palm Oil Policy Commitments, Implementation & Supplier Engagement, Transformation: Social, Transformation: Land and Conservation, Grievance and Non-Compliant Suppliers, and Monitoring & Verification. EPI topics and evaluations are not static and evolve each year to reflect the changing road map towards responsible palm oil.

The fundamental components of the Forest Positive Coalition’s Approach are a subset of the topics included in EPI assessment. These elements include having a basic NDPE policy that covers all their operations, a basic time-bound action plan, basic progress reporting, a public mill list and a basic grievance and non-compliant supplier process. These foundational elements are the beginning of the journey which we refer to as Maturity Level 1. Our suppliers range in size and scope from global traders to regional and national refiners which results in a wide range of supplier maturity levels. The following tables are summary results of our suppliers’ EPI and Level 1 progress tracking.

**Performance Group Stratification by % EPI / Level 1 Supplier Scores**

<b>High</b>	<b>85%-100%</b>
<b>Medium</b>	<b>50%-84%</b>
<b>Low</b>	<b>49%-0%</b>

**Supplier Progress on Level 1 Scorecard: average scores, all suppliers combined:**

<b>Level 1 Elements</b>	<b>2022</b>	<b>2021</b>	<b>Change</b>
<b>NDPE policy elements</b>	<b>88%</b>	<b>81%</b>	<b>7%</b>
<b>Level policy application</b>	<b>92%</b>	<b>81%</b>	<b>11%</b>
<b>Mill list published</b>	<b>62%</b>	<b>69%</b>	<b>7%</b>
<b>Implementation plan</b>	<b>62%</b>	<b>58%</b>	<b>4%</b>
<b>Progress reporting</b>	<b>69%</b>	<b>31%</b>	<b>38%</b>
<b>Grievance mechanism</b>	<b>62%</b>	<b>69%</b>	<b>-7%</b>
<b>NCS process</b>	<b>54%</b>	<b>35%</b>	<b>19%</b>
<b>Combined average</b>	<b>70%</b>	<b>60%</b>	<b>10%</b>

**Level 1 Progress:**

<b>Level 1 Performance Group</b>	<b>% Volume 2022</b>	<b># Suppliers 2021</b>	<b># Suppliers 2022</b>
<b>High (85%-100%)</b>	<b>68%</b>	<b>2</b>	<b>5</b>
<b>Medium (50%-84%)</b>	<b>26%</b>	<b>6</b>	<b>6</b>
<b>Low (49%-0%)</b>	<b>6%</b>	<b>5</b>	<b>2</b>
<b>Total</b>	<b>100%</b>	<b>13</b>	<b>13</b>

**Performance Group Stratification by % EPI / Level 2 Supplier Scores**

<b>High</b>	<b>80%-100%</b>
<b>Medium</b>	<b>40%-79%</b>
<b>Low</b>	<b>39%-0%</b>

**Supplier Progress on Level 2 Scorecard: average scores, all suppliers combined:**

<b>Level 2 Elements</b>	<b>2022</b>
<b>NDPE Policy &amp; Commitments</b>	<b>59%</b>
<b>Supplier Implementation program</b>	<b>42%</b>
<b>Supplier Landscapes &amp; Sectoral initiatives</b>	<b>36%</b>
<b>Supplier Grievance &amp; NCS</b>	<b>44%</b>
<b>Supplier monitoring &amp; verification</b>	<b>39%</b>
<b>Traceability Approach</b>	<b>40%</b>
<b>Combined average</b>	<b>43%</b>

**Level 2 Progress:**

<b>Level 2 Performance Group</b>	<b>% Volume 2022</b>	<b># Suppliers 2022</b>
<b>High (80%-100%)</b>	<b>14%</b>	<b>1</b>
<b>Medium (40%-79%)</b>	<b>76%</b>	<b>7</b>
<b>Low (39%-0%)</b>	<b>10%</b>	<b>5</b>
<b>Total</b>	<b>100%</b>	<b>13</b>

**Supplier Progress on Overall EPI Sections: average scores, all suppliers combined:**

<b>EPI Elements</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Policy &amp; Commitments</b>	<b>70%</b>	<b>80%</b>	<b>86%</b>	<b>81%</b>
<b>Company Implementation Plan &amp; Engagement</b>	<b>37%</b>	<b>44%</b>	<b>57%</b>	<b>57%</b>
<b>Transformation - Labor &amp; Social</b>	<b>70%</b>	<b>56%</b>	<b>49%</b>	<b>47%</b>
<b>Transformation – Land &amp; Conversion</b>	<b>51%</b>	<b>46%</b>	<b>42%</b>	<b>46%</b>
<b>Grievance &amp; Non-Compliant Suppliers</b>	<b>46%</b>	<b>46%</b>	<b>49%</b>	<b>61%</b>



<b>Verification &amp; Monitoring</b>	<b>47%</b>	<b>39%</b>	<b>53%</b>	<b>52%</b>
<b>EPI Total Score</b>	<b>52%</b>	<b>52%</b>	<b>57%</b>	<b>59%</b>

Following each annual EPI assessment we engage with our suppliers on the results and development of action plans to close identified gaps. We continue to engage and work with suppliers to drive progress against their action plans until the next EPI assessment. We will update supplier progress annually against the above metrics.

In addition to the work on EPI with our suppliers; beginning in 2021, we are also engaging our direct PO and PKO suppliers to better understand upstream producers and mills NDPE policy implementation and performance against our policy expectations, with a specific focus on forest positive and deforestation and conversion free volumes. We are doing this through use of the NDPE Implementation Reporting Framework (IRF), Starling No Deforestation Verification (NDV) and engagement with our direct suppliers.

In 2022, as part of our bi-annual traceability exercise, we started requesting suppliers' company-level IRF profiles from our direct palm oil and PKO suppliers. This will allow us to calculate our palm oil and PKO volume that is progressing toward forest-positive and enable us to track supplier progress and identify areas where challenges remain or progress is slow. Based on our latest supplier provided IRF data (1H2022), 63% of our total volume is IRF Progressing and Delivering. Two (18%) of Colgate's palm oil / PKO suppliers have provided verified IRF profiles. Colgate's profile listed below is self declared and only partially verified.

<b>IRF Classification</b>	<b>% Achieving</b>
Delivering	52%
Progressing	11%
Commitment	19%
Awareness	6%
Known	9%
Unknown	3%

In addition to IRF, in 2023, we assessed 100% of our palm oil and PKO volume using the Starling NDV methodology. Colgate's NDV score is 60%. More information about the methodology can be found [here](#). In partnership with Earthworm Foundation, we are

developing a pathway to 100% NDV and will be selecting three suppliers for targeted

engagement on traceability to plantation and alerts verification in 2023 to further improve our score and gain more transparency on our supply chain.

*Palm and PKO Derivative Suppliers*

Since 2019 Colgate-Palmolive has engaged priority derivative suppliers to achieve transparency on their mill and plantation sources. In 2022 we focused on our top 20 derivative suppliers which represent 94% of our derivatives volume. As part of our engagement with our derivative suppliers they have been informed about the content and expectations of our palm oil policy and the Forest Positive Coalition Approach. Our top palm oil and PKO derivative suppliers and priority upstream intermediate derivative suppliers are listed below.

<b>Priority Palm Oil / PKO Derivative Suppliers</b>
Wilmar
BASF
Aceites Manuelita S.A
KAO
Green Global Chemical
Innospec
Stepan
Galaxy
Oxiten
ICOF - Musim Mas
Top Sky
Sasol

<b>Priority Upstream Intermediate Derivative Suppliers</b>
Wilmar
AAA/Apical
IOI Corporation
GAR/Sinarmas
Mewah Group
First Resources
KLK

Beginning in 2021, five of our top 20 direct suppliers and two of our intermediate suppliers have been engaged through the Earthworm Foundation Member Derivative Collective Action Group. Through this group, Colgate is collectively engaging with shared key suppliers, both direct and in-direct. By sharing a consistent, unified message to suppliers and understanding their challenges the collaboration is working together to achieve faster policy implementation progress. Following engagement in

2022/2023, one supplier has now agreed to start collecting and sharing mill data, and adopt an NDPE commitment, another supplier agreed to start collecting plantation data and share, and three suppliers have agreed to share reduced global mill lists. Selected grievance cases are being followed up and a greater level of understanding of each supplier’s strength of approach and action is also determined.

In 2022, to further evaluate derivative suppliers performance against our policy expectations and against elements of the Forest Positive Coalition’s Approach we conducted a self-assessment of ten derivative suppliers (61% of derivative volume). These elements included having a basic NDPE policy, a basic implementation plan, a public mill list and a basic grievance process. The results of this initial assessment are shown below. In the beginning of 2023 we developed supplier dashboards for these 10 suppliers and socialized the new derivatives supplier engagement process to our local sourcing teams, who will lead individual engagements with the derivatives suppliers and develop action plans to close gaps against the elements listed above.

We are also in the process of leading an effort, in collaboration with Earthworm Foundation and the CGF, to roll out targeted capacity building webinars for derivative suppliers. These webinars will take place in the second half of 2023, and invitations will be shared through various networks to build critical mass. In addition to the webinars, we are jointly engaging the Action for Sustainable Derivatives (ASD) with the CGF to find synergies and align resources and capacity building efforts.

	Policy	Implementation and Transparency		Grievance Mechanism	Derivatives Total Score
<b>Colgate Derivative Suppliers Combined</b>	<b>NDPE policy</b>	<b>Implementati on plan</b>	<b>Public Mill list</b>	<b>Grievance mechanism</b>	<b>Combined Average</b>
<b>Derivatives Supplier avg. score</b>	78%	33%	33%	37%	45%

**CERTIFICATION & VERIFICATION**

- Maintaining 100% of our direct palm oil and PKO volumes as physically certified sustainable palm oil
- Continue to purchase increasing volumes of physically certified sustainable palm oil derivatives with the goal of reaching 100% by 2023

As indicated above, Colgate-Palmolive will strive to procure only palm oil, PKO and palm oil derivatives certified by the RSPO or equivalent standard. For full year 2022 our sourcing of certified oils was as follows:

	<b>Palm Oil &amp; Palm Kernel Oil %</b>	<b>Palm Oil % Derivatives</b>	<b>Total</b>
Certified Oils (% by weight)	100%	51%	76%
Book and Claim Certificate (% by weight)	0%	31%	16%
<b>Total Coverage</b>	<b>100%</b>	<b>82%</b>	<b>92%</b>

## TRANSFORMATION & LANDSCAPE ENGAGEMENT

- Continue and accelerate support of landscape projects driving transformational change in the palm oil industry.
- To date, Colgate has prioritized engagement on deforestation and smallholder challenges in Indonesia and Malaysia, and is also engaged in projects in Latin America. Our prioritization and selection criteria for landscape projects includes the following criteria:
  - Colgate has a significant supply from the production area
  - Ability to engage and have a positive impact on multiple stakeholders
  - Potential to address systemic issues in the landscape
  - Ability to impact across multiple commodities in the landscape
- Colgate is currently participating in 4 landscape projects in the following areas:
  - Indonesia, Riau
  - Indonesia, Aceh
  - Malaysia, Sabah
  - Mexico, Chiapas

Key elements, actions and goals of each of the landscape projects are presented below:

<b>Name of the initiative:</b>	<b>Aceh Landscape</b>
Location of the initiative	Indonesia, Aceh (Aceh Tenggara, Aceh Selatan, Subulussalam, and Aceh Singkil)
Project timeframe:	2021-2025
Colgate-Palmolive participation since:	2020 (pre-landscape project)
Other partners involved:	Mars, Hershey, Musim Mas, Givaudan, Clorox, Fuji, Bunge, Avril, General Mills,

	ADM, Nestle, ADM Cares
Type of contribution	Disbursed financial support
Goals of the initiative that contribute to forest positive elements:	<p><i>Forest protection and restoration</i>  [goal] Reduced deforestation and degradation inside large-scale commercial concessions  [goal] Reduced deforestation and degradation outside large-scale commercial concessions</p> <p>33,482 ha [Forest- Tropical] Community participatory land use plan  753 ha [Forest- Tropical] Company agreement to protect forest</p> <p><i>Resilient farmers</i>  [goal] Farmers and communities are more resilient, with better livelihoods and social conditions</p> <p>740 Smallholders - good agricultural practices  492 Smallholders - business skills: running business, negotiation</p>
Goals of the initiative that contribute beyond forest positive elements:	<p><i>Work and families</i>  [goal] Reduced risks of worst forms of exploitation and improved working conditions for people in the palm oil supply chain in the landscapes</p> <p>668 workers directly impacted with improved working conditions</p> <p><i>Community rights</i>  [goal] Improved tenure rights and reduction of land conflict in identified priority areas</p> <p>8 communities with strengthened land tenure over 413 ha of land  3 at-risk communities with conflict resolution plans on 500 ha</p> <p><i>Stakeholder support, capacity building</i>  [goal] Securing government's support and building capacity.</p> <p>1 collective action plan secured</p>

<b>Name of the initiative:</b>	<b>Riau Landscape</b>
Location of the initiative	Indonesia, Riau (Bengkalis, Siak, Pelalawan, and Indragiri Hulu)
Project timeframe:	2020-2025
Colgate-Palmolive participation since:	2019 (pre-landscape project)
Other partners involved:	Reckitt, J&J, LMVH, PZC, Nestle, Target, Walmart Foundation
Type of contribution	Disbursed financial support

Goals of the initiative that contribute to forest positive elements:	<p><i>Forest protection and restoration</i></p> <p>[goal] Reduced deforestation and degradation inside large-scale commercial concessions</p> <p>[goal] Reduced deforestation and degradation outside large-scale commercial concessions</p> <p>180,076 ha [Forest- Tropical] Company and community formal management plans</p>
	<p><i>Resilient farmers</i></p> <p>[goal] Farmers and communities are more resilient, with better livelihoods and social conditions</p> <p>1,495 Smallholders - training on good agricultural practices</p>
Goals of the initiative that contribute beyond forest positive elements:	<p><i>Work and families</i></p> <p>[goal] Reduced risks of worst forms of exploitation and improved working conditions for people in the palm oil supply chain in the landscapes</p> <p>11,662 workers indirectly impacted</p>
	<p><i>Community rights</i></p> <p>[goal] Reducing social conflict and increasing land tenure security.</p> <p>17 communities (6 new communities and continued work with 11 engaged in 2021) engaged through Participatory Mapping and Land Tenure Studies (PM-LTS).</p> <p>Managed the conflicts in 4 communities (2 new communities).</p>
	<p><i>Stakeholder support and capacity building</i></p> <p>[goal] Improved understanding of trends and drivers of supply chain driven deforestation in priority areas and the interventions required to transform supply chain actors</p> <p>2 collective action plans implemented</p>

<b>Name of the initiative:</b>	<b>Sabah Landscape</b>
Location of the initiative	Malaysia, Sabah (Beluran, Telupid, Tongod , Kinabatangan, and parts of Lahad Datu).
Project timeframe:	2021-2025
Colgate-Palmolive participation since:	2021
Other partners involved:	Reckitt, J&J, Givaudan, ADM Cares, Groupe Rocher, Nestle, IOI, KLK
Type of contribution	Disbursed financial support

Goals of the initiative that contribute to forest positive elements:	<p><i>Forest protection and restoration, supply chain transformation</i>  [goal] Significant reduction of new land clearing by companies and local communities bordering key sensitive area</p> <p>9,500 ha [Forest- Tropical] deforestation hotspot being mapped and investigated  9,547 ha [Forest- Tropical] Not all ha are forest areas but all areas are where elephants roam.</p>
	<p><i>Resilient farmers</i>  [goal] Farmers and communities are more resilient, with better livelihoods and social conditions</p> <p>2,054 smallholders reached of which 513 are improving their livelihoods</p>
Goals of the initiative that contribute beyond forest positive elements:	<p><i>Work and families</i>  [goal] Improved workers' welfare by effectively monitoring and implementing targeted interventions, including safeguarding vulnerable children in the smallholder supply base.</p> <p>415 workers with improved welfare and working conditions  486 children benefited from the completion of CRAF pilot</p>
	<p><i>Supply chain transformation</i>  [goal] Supplier companies operating in the landscape are 100% traceable to a plantation and are actively implementing strong sustainability policies (i.e. NDPE).</p> <p>25% of PO mills (23 mills) are 100% traceable to plantation.  23.7% of PO mills committed to time bound action plans to address NDPE issues.</p>

<b>Name of the initiative:</b>	<b>Chiapas Landscape</b>
Location of the initiative	Mexico, Chiapas (Marques de Comillas and La Encrucijada).
Project timeframe:	2018-2025
Colgate-Palmolive participation since:	2021
Other partners involved:	Grupo Bimbo, Oleofinos
Type of contribution	Disbursed financial support



Goals of the initiative that contribute to forest positive elements:	<p><i>Forest protection and restoration, supply chain transformation</i></p> <p>[goal] 100 ha of mangroves and riparian buffer zones are reforested</p> <p>[goal] 60,000 ha of legally protected mangroves, wetlands, and marshes are free from agricultural encroachment</p> <p>16 ha of mangroves restored and monitored</p> <p>28,000 ha (core area of reserve) free from encroachment to date</p>
	<p><i>Resilient farmers</i></p> <p>[goal] 500 farms, including women in all households have implemented holistic farm plans</p> <p>[goal] 440 families with increased income and food security</p> <p>47 farms have implemented holistic farm plans</p> <p>29 families with increased income and food security</p>
Goals of the initiative that contribute beyond forest positive elements:	<p>Regenerative agriculture</p> <p>[goal] 440 farms decrease agrochemical use and improve soil and riparian area management</p> <p>[goal] 1037 palm oil farmers implement regenerative agriculture practices (80% of oil palm farmers)</p> <p>20 farms with improved farming practices</p> <p>54 farmers implementing regenerative agricultural practices</p>
	<p>Supply chain transformation</p> <p>[goal] 100% of palm oil mills (11) are implementing no-deforestation policies and action plans</p> <p>5 mills are implementing no-deforestation policies and action plans</p>

In addition to the aforementioned Landscape Projects, Colgate's commitment to transformation in 2023 includes continued support for GREPALMA, the Guatemalan palm industry organization. The aim is to enhance social performance, mitigate social risks associated with operations, and ensure minimum sustainability standards.

During 2021 and 2022, the project concentrated on enhancing the capabilities of the six participating producer companies in key areas such as Human Rights Defenders, Community Health and Safety (related to company impacts), Free, Prior and Informed Consent (FPIC) and consultation processes, as well as Freedom of Association and Collective Bargaining. In addition to capacity building, the project developed monitoring tools, guidance materials, and fostered relationships between the private sector and civil society, fostering multi-stakeholder collaboration.

As part of the project materials, a series of self-assessment tools were generated, addressing each topic, and were applied in participatory workshops with three companies as a preparatory step for field visits. Following these workshops, an analysis of gaps and field verification points was conducted. Field visits revealed gaps in two assessed areas: FPIC and Community Health and Safety. Based on the gap analysis and discussions with staff, a report was compiled, containing recommendations specific to each individual company. A closing session was held involving Earthworm, GREPALMA, the participating companies, and clients to discuss the overall findings and determine the way forward for the sector in Phase 3.

Moving into 2023, the project will broaden its scope based on lessons learned from the gap analysis. Activities planned for Q3 and Q4 of 2023, as well as Q1 and Q2 of 2024, will primarily focus on strengthening capacities, processes, and mechanisms to enhance human rights enforcement within companies and to build their Social License to Operate.

We also continue to partner with our key strategic suppliers to drive changes on the ground and transform practices. In collaboration with Wilmar, Business for Social Responsibility (BSR) and several palm oil buyers, we continued our support of collective actions to improve working conditions and livelihoods of workers across the wider palm oil supply chain in Indonesia. This project included a series of workshops to heighten awareness on wages, employment contract status and grievance mechanisms in Indonesia. A key deliverable from this project with BSR and Wilmar is a new Child Protection Policy Implementation Manual that is being rolled out in plantations in Indonesia and Malaysia beginning in late 2021.

Aligned with our commitment to engage beyond supply chains and to drive transformation of the palm oil industry, Colgate will continue to evaluate opportunities to further engage in landscape projects.

## **MONITORING & RESPONSE**

- Execute Implementation of satellite monitoring systems across our supply chain in all high-risk production landscapes
- Alignment of Colgate's monitoring and response actions and grievance management process with the Forest Positive Coalitions Monitoring and Response Framework (MRF)
- Implement human rights due diligence processes across supply chain operations in forest risk commodities, including palm oil

Beginning in 2023 we implemented a new spatial monitoring solution, with Earthworm Foundation and Starling, to monitor our global Tier 1 palm oil and PKO supply chain. We are also working with our direct palm oil and PKO suppliers to ensure they have

monitoring mechanisms implemented and currently 100% of our palm oil and PKO supply is covered under satellite monitoring.

In July 2022, Colgate introduced its [Grievance Procedure](#), which incorporates the Grievance Process Flow designed specifically for external parties raising grievances associated with Colgate's agricultural supply chain. Upon acceptance of a grievance case, it is promptly documented in the Colgate Grievance Log, triggering immediate engagement with our key strategic Tier 1 suppliers linked to the case. Our aim is to initiate the initial interaction within eight days. In response, our Tier 1 suppliers promptly commence an investigation process, and based on their findings, an action plan is formulated and shared with Colgate. To ensure effective implementation, we actively monitor the progress of all action plans, fostering collaboration and insight-sharing with our stakeholders. This collaborative approach allows us to address challenges and work closely together to rectify any instances of non-compliance with our NDPE Policy. We place a strong emphasis on direct virtual meetings to engage with those raising grievances, fostering transparent communication and facilitating the efficient resolution of concerns.

Additionally, for increased transparency, we anticipate making Colgate's Grievance Log publicly available in the coming months.

As of June 2023, a total of 17 deforestation and peat-related grievance cases (connected to 35 Colgate supplier mills) have been reported by third parties and are being investigated or monitored with time-bound action plans. Among these 17 cases, 14 have a verified link to a mill within our supply chain. We have actively addressed concerns by initiating engagement with direct suppliers associated with the accusations. Currently, five cases are undergoing the development of Action Plans, demonstrating proactive steps toward resolution. Additionally, six cases have transitioned into the Monitoring stage, indicating ongoing efforts to ensure compliance and improvement. The remaining six cases are still under investigation, signifying a commitment to thoroughly assess and address any potential issues.

We also continue our implementation of the CGF Forest Positive Coalition's Deforestation Monitoring and Response Framework (MRF). Priority Scenario 1 (*clear FFB supply links to sourcing mills*) and Scenario 2 cases (*unknown FFB sourcing links to local sourcing mills*) are carefully selected based on agreed-upon filtering criteria. Scenario 2 cases are becoming more common as supply chain transparency and traceability improves, but are more challenging to address as clear supply chain relationships are unknown. These cases undergo a comprehensive analysis, considering various factors such as the risk level associated with mills and parent companies and other spatial and non-spatial data. The primary objective is to identify and prioritize cases monthly that demand immediate attention from Colgate. By employing the decision trees outlined in the MRF for scenarios 1 and 2, we proactively

engage with our key Tier 1 suppliers to address these critical cases and undertake appropriate actions.

In Q1 2023, a total of 40 mills (5-6% of Colgate’s global mill list) in Colgate’s palm oil supply chain were potentially connected to instances of new deforestation and peat development. The 40 mills are linked to a Scenario 1 (S1) or Scenario 2 (S2) case.

<b>Cases that passed the selection criteria</b>	<b>MRF S1</b>	<b>MRF S2 (closest mills)</b>
January 2023	2	18
February 2023	0	15
March 2023	0	5

In Q1 2023, Colgate prioritized engagement with three primary Tier 1 suppliers to address these potential non-compliance cases. Colgate took action on 15 cases (2-3% of Colgate’s global mill list) - two Scenario 1 cases and 13 Scenario 2 cases. Monthly reports containing both spatial and non-spatial data regarding each selected case were provided to these suppliers. To drive action, strategic discussions were held with the suppliers.

Among the three key Tier 1 suppliers, only one has responded to Colgate, confirming that they have contacted their direct suppliers to investigate the cases and are awaiting feedback.

<b>Cases prioritized for action</b>	<b>MRF S1</b>	<b>MRF S2 (closest mills)</b>
January 2023	2	3
February 2023	0	5
March 2023	0	5