SASB STANDARDS

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Household & Personal Products

Sustainability Accounting Standard

CONSUMER GOODS SECTOR

Sustainable Industry Classification System® (SICS®) CG-HP

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12

IFRS Sustainability

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ABOUT THE SASB STANDARDS

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires entities to refer to and consider the applicability of disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Similarly, IFRS S1 requires entities to refer to and consider the applicability of metrics in the SASB Standards when determining what information to disclose regarding sustainability-related risks and opportunities.

In June 2023, the ISSB amended climate-related topics and metrics in the SASB Standards to align them with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*. In December 2023, the ISSB amended the non-climate-related topics and metrics in connection with the International Applicability of SASB Standards project.

Effective Date

This version 2023-12 of the Standard is effective for all entities for annual periods beginning or after January 1, 2025. Early adoption is permitted for all entities.

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INTRODUCTION

Overview of SASB Standards

The SASB Standards are a set of 77 industry-specific sustainability accounting standards ("SASB Standards" or "Industry Standards"), categorised pursuant to the Sustainable Industry Classification System® (SICS®).

SASB Standards include:

1. **Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.

2. **Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.

3. **Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity's performance for a specific disclosure topic.

4. **Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.

5. **Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

Entities using the SASB Standards as part of their implementation of ISSB Standards should consider the relevant ISSB application guidance.

For entities using the SASB Standards independently from ISSB Standards, the *SASB Standards Application Guidance* establishes guidance applicable to the use of all Industry Standards and is considered part of the Standards. Unless otherwise specified in the technical protocols contained in the Industry Standards, the guidance in the SASB Standards Application Guidance applies to the definitions, scope, implementation, compilation and presentation of the metrics in the Industry Standards.

Historically, the *SASB Conceptual Framework* set out the basic concepts, principles, definitions and objectives that guided the SASB Standards Board in its approach to setting standards for sustainability accounting.

Use of the Standards

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. An entity determines which Industry Standard(s) and which disclosure topics are relevant to its business, and which associated metrics to report. In general, an entity should use the SASB Standard specific to its primary industry as identified in SICS® . However, companies with substantial business in multiple SICS® industries should refer to and consider the applicability of the disclosure topics and associated metrics in additional SASB Standards.

The disclosure topics and associated metrics contained in this Standard have been identified as those that are likely to be useful to investors. However, the responsibility for making materiality judgements and determinations rests with the reporting entity.

Industry Description

Household & Personal Products industry entities manufacture a wide range of goods for personal and commercial consumption, including cosmetics, household and industrial cleaning supplies, soaps and detergents, sanitary paper products, household batteries, razors and kitchen utensils. Household and personal products entities operate globally and typically sell their products to mass merchants, grocery stores, membership club stores, drug stores, high-frequency stores, distributors and e-commerce retailers. Some entities sell products through independent representatives rather than third-party retail establishments.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	CG-HP-140a.1
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	CG-HP-140a.2
Product Environmental, Health and Safety Performance	Revenue from products that contain substances of high concern	Quantitative	Presentation currency	CG-HP-250a.1
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	n/a	CG-HP-250a.3
	Revenue from products designed with green chemistry principles	Quantitative	Presentation currency	CG-HP-250a.4
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable or compostable	Quantitative	Metric tonnes (t), Percentage (%)	CG-HP-410a.1
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	CG-HP-410a.2
Environmental & Social Impacts of Palm Oil Supply Chain	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance or (d) Book & Claim	Quantitative	Metric tonnes (t), Percentage (%)	CG-HP-430a.1

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Units of products sold, total weight of products sold	Quantitative	Number, Metric tonnes (t)	CG-HP-000.A
Number of manufacturing facilities	Quantitative	Number	CG-HP-000.B

Water Management

Topic Summary

Water is vital to the Household & Personal Products industry, both as a coolant in manufacturing processes and as a main input for many of the industry's products. Water is becoming a scarce resource around the world because of population growth and increasing consumption, rapid urbanisation, and declining supplies because of subsurface aquifer depletion, drought and climate change. Many entities in this industry have operations in regions of the world facing water scarcity. Without careful planning, entities could face increased costs or lose water access in these regions, which may be a risk to production. Having rigorous checks in place to ensure a steady supply of water to all factories, as well as investing in technology to increase water use efficiency, will help entities reduce water-related risks as water scarcity becomes an increasingly global issue.

Metrics

CG-HP-140a.1. (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress

1 The entity shall disclose the amount of water, in thousands of cubic metres, withdrawn from all sources.

1.1 Water sources include surface water (including water from wetlands, rivers, lakes and oceans), groundwater, rainwater collected directly and stored by the entity, and water and wastewater obtained from municipal water supplies, water utilities or other entities.

2 The entity may disclose portions of its supply by source if, for example, significant portions of withdrawals are from non-freshwater sources.

2.1 Fresh water may be defined according to the local laws and regulations where the entity operates. If no legal definition exists, fresh water shall be considered to be water that has less than 1,000 parts per million of dissolved solids.

2.2 Water obtained from a water utility in compliance with jurisdictional drinking water regulations can be assumed to meet the definition of fresh water.

3 The entity shall disclose the amount of water, in thousands of cubic metres, consumed in its operations.

3.1 Water consumption is defined as:

3.1.1 Water that evaporates during withdrawal, use and discharge

3.1.2 Water that is directly or indirectly incorporated into the entity's product or service

3.1.3 Water that does not otherwise return to the same catchment area from which it was withdrawn, such as water returned to another catchment area or the sea.

4 The entity shall analyse all its operations for water risks and identify activities that withdraw and consume water in locations with High (40–80%) or Extremely High (>80%) Baseline Water Stress as classified by the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.

5 The entity shall disclose water withdrawn in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn.

6 The entity shall disclose water consumed in locations with High or Extremely High Baseline Water Stress as a percentage of the total water consumed.

CG-HP-140a.2. Description of water management risks and discussion of strategies and practices to mitigate those risks

1 The entity shall describe its water management risks associated with water withdrawals, water consumption and discharge of water or wastewater.

1.1 Risks associated with water withdrawals and water consumption include risks to the availability of adequate, clean water resources, which include:

1.1.1 Environmental constraints—such as operating in water-stressed regions, drought, concerns of aquatic impingement or entrainment, interannual or seasonal variability, and risks from the impact of climate change

1.1.2 Regulatory and financial constraints—such as volatility in water costs, stakeholder perceptions and concerns related to water withdrawals (for example, those from local communities, non-governmental organisations and regulatory agencies), direct competition with and impact from the actions of other users (for example, commercial and municipal users), restrictions to withdrawals because of regulations, and constraints on the entity's ability to obtain and retain water rights or permits

1.2 Risks associated with the discharge of water or wastewater include the ability to obtain rights or permits related to discharges, regulatory compliance related to discharges, restrictions to discharges, the ability to maintain control over the temperature of water discharges, liabilities, reputational risks and increased operating costs because of regulation, stakeholder perceptions and concerns related to water discharges (for example, those from local communities, non-governmental organisations and regulatory agencies).

2 The entity may describe water management risks in the context of:

2.1 How risks may vary by withdrawal source, including surface water (including water from wetlands, rivers, lakes and oceans), groundwater, rainwater collected directly and stored by the entity, and water and wastewater obtained from municipal water supplies, water utilities or other entities; and

2.2 How risks may vary by discharge destinations, including surface water, groundwater or wastewater utilities.

3 The entity may discuss the potential effects that water management risks may have on its operations and the time line over which such risks are expected to manifest.

3.1 Effects include those associated with costs, revenue, liabilities, continuity of operations and reputation.

4 The entity shall discuss its short- and long-term strategies or plans to mitigate water management risks, which include:

4.1 The scope of its strategy, plans, goals or targets, such as how they relate to various business units, geographies or water-consuming operational processes.

4.2 Any water management goals or targets it has prioritised, and an analysis of performance against those goals or targets.

4.2.1 Goals and targets include those associated with reducing water withdrawals, reducing water consumption, reducing water discharges, reducing aquatic impingements, improving the quality of water discharges and regulatory compliance.

4.3 The activities and investments required to achieve the plans, goals or targets, and any risks or limiting factors that might affect achievement of the plans or targets.

4.4 Disclosure of strategies, plans, goals or targets shall be limited to activities that were ongoing (active) or reached completion during the reporting period.

5 For water management targets, the entity shall additionally disclose:

5.1 Whether the target is absolute or intensity-based, and the metric denominator if it is an intensity-based target.

5.2 The time lines for the water management activities, including the start year, the target year and the base year.

5.3 The mechanism(s) for achieving the target, including:

5.3.1 Efficiency efforts, such as the use of water recycling or closed-loop systems;

5.3.2 Product innovations, such as redesigning products or services to require less water;

5.3.3 Process and equipment innovations, such as those that enable the reduction of aquatic impingements or entrainments;

5.3.4 Use of tools and technologies (for example, the World Wildlife Fund Water Risk Filter, the Global Water Tool and Water Footprint Network Footprint Assessment Tool) to analyse water use, risks and opportunities; and

5.3.5 Collaborations or programmes in place with the community or other organisations.

5.4 The percentage reduction or improvement from the base year, in which the base year is the first year against which water management targets are evaluated towards the achievement of the target.

6 The entity shall discuss whether its water management practices result in any additional lifecycle impacts or trade-offs in its organisation, including trade-offs in land use, energy production and greenhouse gas (GHG) emissions, and why the entity chose these practices despite lifecycle trade-offs.

Product Environmental, Health and Safety Performance

Topic Summary

The Household & Personal Products industry faces consumer and regulatory scrutiny over the use of chemicals of concern, which have been linked to adverse effects on human health and the environment. These chemicals include persistent, bioaccumulative and toxic (PBT) substances and carcinogenic, mutagen or teratogenic chemicals. Isolating and determining causal channels for negative impacts on health and the environment is difficult, which often results in a significant delay between a product's market introduction and the point at which regulation or public opinion demands entities in the industry to reformulate harmful chemicals. Applicable jurisdictional laws and regulations place restrictions on, or suggest alternatives to, the use of harmful chemicals within the industry. Large retailers have implemented programmes to ban chemicals of concern in the products they sell, placing greater pressure on the industry. Entities that anticipate the changing regulatory landscape and implement stricter processes and testing are more likely to gain a competitive advantage. Early adopters of innovations in green chemistry and the reduction of chemicals of concern may improve profitability by being better able to capture changing customer demand and avoid regulatory burdens.

Metrics

CG-HP-250a.1. Revenue from products that contain substances of high concern

1 The entity shall disclose its total revenue from products that contain substances or chemicals of high concern.

1.1 The entity shall refer to the latest edition of the European Chemicals Agency (ECHA) *Candidate List of substances of very high concern* (SVHC Candidate List) or an equivalent list for identifying products with substances or chemicals of high concern under applicable jurisdictional laws or regulations.

1.2 A product shall be considered to contain substances on the SVHC Candidate List if the concentration of the substance in the product is above 0.1% weight by weight (w/w).

1.3 Products that contain substances that have exemptions from authorisation under the European Council *Registration, Evaluation, Authorisation and Restriction of Chemicals* (REACH) regulation may be excluded from this disclosure.

1.4 If an entity uses an equivalent list to the SVHC Candidate List, it shall disclose the standard or list used to prepare its disclosure.

CG-HP-250a.3. Discussion of process to identify and manage emerging materials and chemicals of concern

1 The entity shall discuss its strategy for identifying and managing the use of materials, chemicals and substances that may be hazardous to human health or the environment, presenting concerns for consumers, customers (for example, retailers and commercial buyers), regulators or others (for example, non-governmental organisations or scientific researchers).

1.1 Materials, chemicals and substances includes individual compounds, classes of chemicals and categories of chemicals.

2 At a minimum, the entity shall discuss how it assesses materials and chemicals for hazardous characteristics and risk traits, including the operational processes it employs for these assessments and other actions it takes to manage hazards and risks.

2.1 Relevant operational processes may include product formulation and design, product safety testing, risk characterisation, prioritisation of product risks, product labelling, product declarations (for example, material safety data sheets), sharing of information on product risks and management of new information on product risks.

2.2 Relevant actions to discuss may include the exclusion of substances (for example, use of banned substances lists), use of material substitution assessments, use of tools and screening methods (for example, GreenScreen® For Safer Chemicals or CleanGredients® Data Verification) or any other methods that consider the use of materials, chemicals and substances of concern.

3 The entity shall discuss the use of chemicals in beauty, personal care and hygiene products, including:

3.1 aldehydes such as formaldehyde that are used as cross-linking agents, modifiers and preservatives;

3.2 alkyl phenols and ethoxylates (used as surfactants);

3.3 azo dyes, coal tars, lead and lead acetate (used as colourants, dyes and pigments);

3.4 phthalates (used as emulsifiers and plasticisers); and

3.5 triclosan (used as an antimicrobial).

4 The entity may discuss the use of chemicals that appear within applicable jurisdictional laws or regulations regarding chemicals of concern.

5 The entity may discuss the use of the emerging materials and chemicals of concern, which may include:

5.1 preservatives such as parabens, benzophenones and other phenols used as preservatives;

5.2 antimicrobials such as triclocarban and nanosilver;

5.3 toluene;

5.4 polyvinyl chloride; and

5.5 polyethylene microbeads.

CG-HP-250a.4. Revenue from products designed with green chemistry principles

1 The entity shall disclose its total revenue from products designed with one or more green chemistry principles.

1.1 Green chemistry principles are defined as those principles contained in *12 Principles of Green Chemistry* [1].

1.2 A product shall be considered to have been designed with green chemistry principles if tools, frameworks, standards or certifications were used to integrate one or more green chemistry principles into the design, materials selection, manufacturing processes, use-phase or end-of-life disposal of the product.

1.3 Relevant products may include:

1.3.1 products that contain 'safer' chemicals as well as maintaining function and efficacy, thereby meeting Green Chemistry Principle 4, 'Designing Safer Chemicals';

1.3.2 products that are biodegradable, in that they break down into innocuous degradation products and do not persist in the environment, thereby meeting Green Chemistry Principle 10, 'Design for Degradation'; and

1.3.3 products that can be shown to meet these Green Chemistry Principles: 1 ('Prevention'), 2 ('Atom Economy'), 3 ('Less Hazardous Chemical Syntheses'), 5 ('Safer Solvents and Auxiliaries'), 6 ('Design for Energy Efficiency'), 7 ('Use of Renewable Feedstocks'), 8 ('Reduce Derivatives'), 9 ('Catalysis'), 11 ('Real-time analysis for Pollution Prevention') or 12 ('Inherently Safer Chemistry for Accident Prevention').

[1] Anastas, P. T.; Warner, J. C. Green Chemistry: Theory and Practice, Oxford University Press: New York, 1998.

Packaging Lifecycle Management

Topic Summary

The Household & Personal Products industry uses a large quantity of materials for product packaging, which often constitutes a significant portion of entities' expenses. Packaging design, particularly packaging weight, has direct consequences for transportation expenses, which can be significant. The industry also faces pressure from both consumers and large retail outlets to manage the negative environmental externalities associated with packaging because of material extraction and waste. The sustainability performance of packaging depends largely on the type, use and ultimate disposal of materials. However, entities that effectively manage the sustainability characteristics of their product packaging—including developing light-weight, using recycled content and recyclable materials and adopting sustainably sourced materials—may be positioned better to capture shifting consumer demand and avoid (or mitigate) the effects of regulation related to extended producer responsibility. By managing the sustainability of product packaging, entities also potentially can reduce input and transportation costs.

Metrics

CG-HP-410a.1. (1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable or compostable

1 The entity shall disclose (1) the total weight of packaging purchased by the entity in metric tonnes.

1.1 The scope of the disclosure includes primary packaging and secondary packaging.

1.1.1 Primary packaging is defined as the packaging designed to come into direct contact with the product.

1.1.2 Secondary packaging is defined as the packaging designed to contain one or more primary packages together with any protective materials, if required.

1.1.3 The scope excludes tertiary packaging designed to contain one or more articles or packages, or bulk material, for the purposes of transport, handling or distribution. Tertiary packaging is also known as 'distribution' or 'transport' packaging.

2 The entity shall disclose (2) the percentage of packaging, by weight, made from recycled or renewable materials.

2.1 Recycled content is defined, consistent with definitions in ISO 14021, *Environmental labels and declarations—Self-declared environmental claims (Type II environmental labelling)*, as the proportion, by mass, of recycled or recovered material in a product or packaging, for which only pre-consumer and post-consumer materials shall be considered as recycled content.

2.1.1 Recycled material is defined as material reprocessed from recovered (or reclaimed) material through a manufacturing process and made into a final product or a component to be integrated into a product.

2.1.2 Recovered material is defined as material that otherwise would have been discarded as waste or used for energy recovery but which has instead been collected and recovered (or reclaimed) as a material input, in lieu of new primary material, for a recycling or manufacturing process.

2.1.3 Pre-consumer material is defined as material diverted from the waste stream during a manufacturing process. This definition excludes reuse of materials such as rework, regrind or scrap that are generated in a process and are capable of being reclaimed within the same process in which they were generated.

2.1.4 Post-consumer material is defined as material generated by households or by commercial, industrial and institutional facilities in their role as end-users of a product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain.

2.2 Renewable material is defined, consistent with The Consumer Goods Forum's *Global Protocol on Packaging Sustainability 2.0*, as those composed of biomass from a living source and replenished at a rate greater than or equal to the rate of depletion, where:

2.2.1 biomass is defined as a material of biological origin, excluding peat and materials embedded in geological formations or fossilised, but including organic material (both living and dead) from above and below ground, such as trees, crops, grasses, tree litter, algae, animals and waste of biological origin (for example, manure), consistent with the *Global Protocol on Packaging Sustainability 2.0*.

2.3 The entity shall calculate the percentage as the weight of packaging made from recycled or renewable materials divided by the total weight of all packaging used by the entity.

2.3.1 For packaging materials that contain both recycled and virgin parts or are made from both renewable and non-renewable resources, the entity shall classify a portion of the material as recycled or renewable based on an estimate of the weight of each portion.

3 The entity shall disclose the percentage of packaging, by weight, that is recyclable, reusable or compostable.

3.1 A product or packaging is defined as 'recyclable' if it can be diverted from the waste stream through available processes and programmes and can be collected, processed and returned to use in the form of raw materials or products, consistent with definitions in ISO 14021.

3.2 A product or packaging is defined as 'reusable' if it is conceived and designed to accomplish, within its lifecycle, a specific number of trips, rotations or uses for the same purpose for which it was conceived. No product or packaging shall be claimed to be reusable unless the product or packaging can be reused for its original purpose. The claim shall only be made if (a) a programme exists for collecting the used product or packaging and reusing it; or (b) facilities or products exist that allow the purchaser to reuse the product or package. This definition is derived from ISO 14021.

3.3 A material is defined as 'compostable' if it undergoes degradation by biological processes during composting to yield CO2, water, inorganic compounds and biomass at a rate consistent with other known compostable materials and that leaves no visible, distinguishable or toxic residue. Compostable plastics are defined further by ASTM Standard D6400, Standard Specification for Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities.

3.4 The entity shall calculate the percentage as the weight of recyclable, reusable or compostable packaging divided by the total weight of all packaging used by the entity.

4 The entity may disaggregate the disclosure by major packaging substrate (for example, wood fibre, glass, metal and petroleum-based).

CG-HP-410a.2. Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle

1 The entity shall discuss its strategies to reduce the environmental impact of the packaging of its products throughout its lifecycle, such as optimising packaging weight and volume for a given application or using alternative materials, including those that are recycled, recyclable, reusable, compostable or degradable.

2 The entity shall describe its use of recycled and renewable packaging including supply availability, consumer preferences and packaging durability requirements.

3 The entity shall describe its use of recyclable and compostable packaging including regulations, packaging end-of-life commitments, consumer demand and packaging durability.

4 Relevant disclosures may include discussion of the:

4.1 implementation of ISO 18602, *Packaging and the environment—Optimization of the packaging system*, which includes criteria for minimisation of packaging weight and optimisation to the amount needed for safety, hygiene and consumer acceptance of the packed product;

4.2 implementation of ISO 18604, *Packaging and the environment—Material recycling*, which includes criteria for recyclable packaging;

4.3 implementation of ISO 14855-1, *Determination of the ultimate aerobic biodegradability of plastic materials under controlled composting conditions—Method by analysis of evolved carbon dioxide—Part 1: General method*; ASTM D6400, *Standard Specification for Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities*; or ASTM D6868, *Standard Specification for Labeling of End Items that Incorporate Plastics and Polymers as Coatings or Additives with Paper and Other Substrates Designed to be Aerobically Composted in Municipal or Industrial Facilities*, which include criteria for packaging recoverable through biodegradation and composting;

4.4 implementation of ISO 14021, *Environmental labels and declarations—Self-declared environmental claims (Type II environmental labelling)*, which includes criteria for renewable and recycled material content claims; or

4.5 performance on The Consumer Goods Forum's *Global Protocol on Packaging Sustainability 2.0* metrics for 'Packaging Weight and Optimization' or Assessment' and 'Minimization of Substances Hazardous to the Environment'.

5 The entity may, if relevant, discuss any packaging-related targets and performance against those targets. Examples of such targets include:

5.1 reducing packaging footprints;

5.2 reducing packaging weight either in total or on a per-unit basis; and

5.3 increasing recycled, recyclable, reusable, renewable, compostable or degradable content.

6 The entity may describe its use of Life Cycle Assessment (LCA) analysis to reduce environmental impacts and maximise product efficiency, including weight reduction and transportation efficiency.

6.1 Improvements to the environmental efficiency of packaging products may be discussed in terms of LCA functional unit service parameters (for example, time, extent and quality of function).

Environmental & Social Impacts of Palm Oil Supply Chain

Topic Summary

Palm oil has increased in popularity as a cheap input for a wide range of goods in the Household & Personal Products industry, including cleaning products, candles and cosmetics. Palm oil harvesting in specific regions of the world may contribute to deforestation, GHG emissions and other environmental and social problems. If not sourced responsibly, palm oil materials contribute to environmental and social externalities that can present reputational and regulatory risks for entities. Furthermore, entities in this industry are exposed to the risk of supply chain disruptions, input price increases and reputational damage associated with environmental and social externalities from palm oil sourcing. Entities face pressure to track and responsibly source palm oil and ensure minimum working condition standards in the supply chain, because palm oil production often is associated with labour issues. Implementing sourcing standards can reduce these risks, as can product-design phase innovations to reduce dependence on controversial materials such as palm oil.

Metrics

CG-HP-430a.1. Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance or (d) Book & Claim

1 The entity shall disclose the amount, in metric tonnes, of palm oil sourced during the reporting period.

1.1 The scope of palm oil includes palm kernel oil and palm kernel expeller.

2 The entity shall disclose the percentage, on a weight basis, of palm oil it sourced that has been third-party certified to bear a Roundtable on Sustainable Palm Oil (RSPO) claim for each of the RSPO supply chain models: (a) Identity Preserved (IP), (b) Segregated (SG), (c) Mass Balance (MB) or (d) Book & Claim (B&C).

2.1 B&C transactions are represented by ‘RSPO Credits’ purchased in the RSPO PalmTrace platform.

2.2 The percentage shall be calculated as the weight in each respective RSPO supply chain model (IP, SG, MB or B&C) of RSPO-certified palm oil sourced by the entity divided by the total weight, in metric tonnes, of palm oil sourced by the entity.

3 The entity may discuss other strategies, approaches and mechanisms used to manage risks and opportunities associated with the environmental and social impacts of palm oil sourcing.

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