

An Overview of Our Palm Oil Supply Chain



We're on a path to drive traceability through our palm oil supply chain—first to supplier mills and ultimately to the source plantations.

We've established specific targets for palm oil, palm kernel oil, and derivatives. While the specifics for each material vary slightly due to their respective levels of complexity (as illustrated below), they're all working toward the same objective: **ensuring that our supply chain for palm-derived materials is free from deforestation.**

1. Plantations

Palm oil is made from the fruit of the oil palm tree. 85% of global palm oil production comes from Indonesia and Malaysia.

2. Mills

Once harvested, fresh fruit bunches are transported to mills where they are pressed to extract the oil.

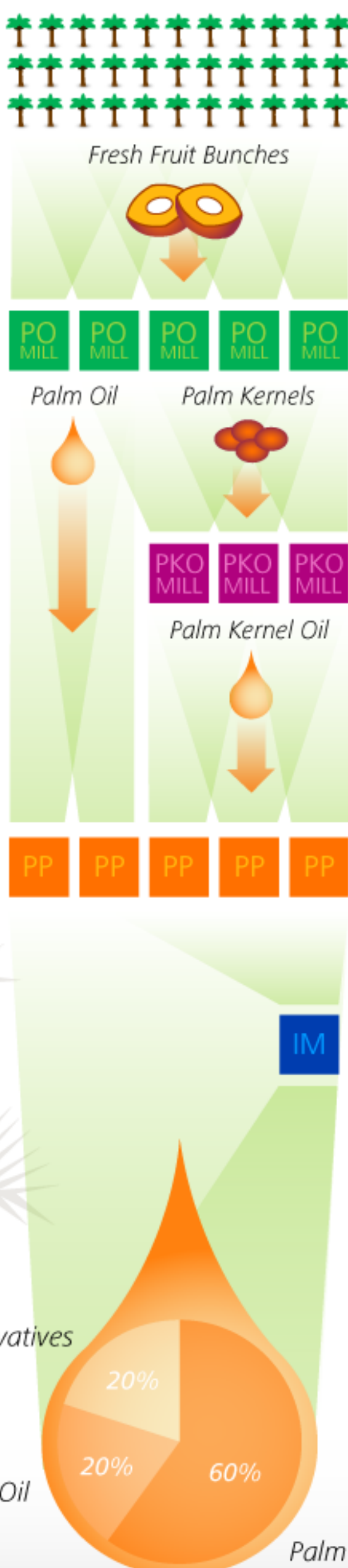
Once pressed, the seeds of the fruit—called kernels—can also be collected and crushed to produce palm kernel oil. The mills that crush palm kernels often have to collect them from a number of different palm oil mills.

3. Derivatives

From there, oils from various mills can be sent, often to another country, to processing plants to produce a wide variety of products or ingredients for many different uses.

4. P&G

We ultimately purchase palm oil, palm kernel oil, and derivatives of each from suppliers who may be four or five layers removed from the source plantation.



Palm Oil Mills source fresh fruit bunches from a number of different sources including small farmers called "smallholders" (plantations with less than 50 hectares).

Oil from multiple sources can be blended together at each stage in the process.

Palm Kernel Oil Mills may source kernels from many palm oil mills. In addition, more than 60% of P&G palm kernel oil originates from smallholders. This makes traceability difficult.

Processing Plants may source palm oil from a number of mills.

Ingredient Manufacturers

P&G's use of palm oil, palm kernel oil, and derivatives is <1% of global production.