



**SASB
STANDARDS**

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CONSUMER GOODS SECTOR

HOUSEHOLD & PERSONAL PRODUCTS

Sustainability Accounting Standard

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

Prepared by the
Sustainability Accounting Standards Board

October 2018

INDUSTRY STANDARD | VERSION 2018-10

HOUSEHOLD & PERSONAL PRODUCTS

Sustainability Accounting Standard

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 build on the industry-based SASB Standards and leverage SASB's industry-based approach to standards development. The ISSB encourages preparers and investors to continue to provide full support for and to use the SASB Standards until IFRS Sustainability Disclosure Standards replace SASB Standards.

Historical Information About the SASB Foundation

These materials were developed under the auspices of the SASB Foundation. The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organization. The SASB Foundation's mission was to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors. The SASB Foundation operated in a governance structure similar to the structure adopted by other internationally recognized bodies that set standards for disclosure to investors, including the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). This structure included a board of directors ("the Foundation Board") and a standards-setting board ("the Standards Board" or "the SASB"). The Standards Board developed, issued, and maintained the SASB Standards. The Foundation Board oversaw the strategy, finances, and operations of the entire organization, and appointed the members of the Standards Board. The Foundation Board was not involved in setting standards, but was responsible for overseeing the Standards Board's compliance with the organization's due process requirements. As set out in the SASB Rules of Procedure, the SASB's standards-setting activities were transparent and followed careful due process, including extensive consultation with companies, investors, and relevant experts. The SASB Foundation was funded by a range of sources, including contributions from philanthropies, companies, and individuals, as well as through the sale and licensing of publications, educational materials, and other products.

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INTRODUCTION

Purpose of SASB Standards

The SASB’s use of the term “sustainability” refers to corporate activities that maintain or enhance the ability of the company to create value over the long term. Sustainability accounting reflects the governance and management of a company’s environmental and social impacts arising from production of goods and services, as well as its governance and management of the environmental and social capitals necessary to create long-term value. The SASB also refers to sustainability as “ESG” (environmental, social, and governance), though traditional corporate governance issues such as board composition are not included within the scope of the SASB’s standards-setting activities.

SASB standards are designed to identify a minimum set of sustainability issues most likely to impact the operating performance or financial condition of the typical company in an industry, regardless of location. SASB standards are designed to enable communications on corporate performance on industry-level sustainability issues in a cost-effective and decision-useful manner using existing disclosure and reporting mechanisms.

Businesses can use the SASB standards to better identify, manage, and communicate to investors sustainability information that is financially material. Use of the standards can benefit businesses by improving transparency, risk management, and performance. SASB standards can help investors by encouraging reporting that is comparable, consistent, and financially material, thereby enabling investors to make better investment and voting decisions.

Overview of SASB Standards

The SASB has developed a set of 77 industry-specific sustainability accounting standards (“SASB standards” or “industry standards”), categorized pursuant to SASB’s [Sustainable Industry Classification System® \(SICS®\)](#). Each SASB standard describes the industry that is the subject of the standard, including any assumptions about the predominant business model and industry segments that are included. SASB standards include:

1. **Disclosure topics** – A minimum set of industry-specific disclosure topics reasonably likely to constitute material information, and a brief description of how management or mismanagement of each topic may affect value creation.
2. **Accounting metrics** – A set of quantitative and/or qualitative accounting metrics intended to measure performance on each topic.
3. **Technical protocols** – Each accounting metric is accompanied by a technical protocol that provides guidance on definitions, scope, implementation, compilation, and presentation, all of which are intended to constitute suitable criteria for third-party assurance.
4. **Activity metrics** – A set of metrics that quantify the scale of a company’s business and are intended for use in conjunction with accounting metrics to normalize data and facilitate comparison.

Furthermore, 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.

The *SASB Conceptual Framework* sets out the basic concepts, principles, definitions, and objectives that guide the Standards Board in its approach to setting standards for sustainability accounting. The *SASB Rules of Procedure* is focused on the governance processes and practices for standards setting.

Use of the Standards

SASB standards are intended for use in communications to investors regarding sustainability issues that are likely to impact corporate ability to create value over the long term. Use of SASB standards is voluntary. A company determines which standard(s) is relevant to the company, which disclosure topics are financially material to its business, and which associated metrics to report, taking relevant legal requirements into account¹. In general, a company would use the SASB standard specific to its primary industry as identified in *SICS*[®]. However, companies with substantial business in multiple *SICS*[®] industries can consider reporting on these additional SASB industry standards.

It is up to a company to determine the means by which it reports SASB information to investors. One benefit of using SASB standards may be achieving regulatory compliance in some markets. Other investor communications using SASB information could be sustainability reports, integrated reports, websites, or annual reports to shareholders. There is no guarantee that SASB standards address all financially material sustainability risks or opportunities unique to a company's business model.

Industry Description

The Household & Personal Products industry comprises companies that 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 companies 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 companies sell products through independent representatives rather than third-party retail establishments.

¹ **Legal Note:** SASB standards are not intended to, and indeed cannot, replace any legal or regulatory requirements that may be applicable to a reporting entity's operations.

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING 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 meters (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 REACH substances of very high concern (SVHC)	Quantitative	Reporting currency	CG-HP-250a.1
	Revenue from products that contain substances on the California DTSC Candidate Chemicals List	Quantitative	Reporting currency	CG-HP-250a.2
	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	Reporting currency	CG-HP-250a.4
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Metric tons (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 tons (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 tons (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 scarcer resource around the world due to increasing consumption as a result of population growth, rapid urbanization, and reduced supplies due to drought and climate change. Many firms in this industry have operations in regions of the world that are facing water scarcity. Without careful planning, companies could face increased costs or, worse, lose access to water in these regions, thereby presenting 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 the efficiency of water use, will help firms in this industry keep a lower risk profile as water scarcity becomes a more pressing global issue.

Accounting 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 meters, that was 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. Where there is no legal definition, fresh water shall be considered to be water that has less than 1,000 parts per million of dissolved solids per the [U.S. Geological Survey](#).
 - 2.2 Water obtained from a water utility in compliance with U.S. [National Primary 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 meters, that was consumed in its operations.
 - 3.1 Water consumption is defined as:
 - 3.1.1 Water that evaporates during withdrawal, usage, 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 analyze all of its operations for water risks and identify activities that withdraw and consume water in locations with High (40–80 percent) or Extremely High (>80 percent) Baseline Water Stress as classified by the World Resources Institute’s (WRI) Water Risk Atlas tool, [Aqueduct](#).
- 5 The entity shall disclose its 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 its 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 and/or wastewater.
 - 1.1 Risks associated with water withdrawals and water consumption include risks to the availability of adequate, clean water resources, including, but not limited to:
 - 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 due to 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 (e.g., those from local communities, non-governmental organizations, and regulatory agencies), direct competition with and impact from the actions of other users (e.g., commercial and municipal users), restrictions to withdrawals due to 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 and/or wastewater, include, but are not limited to, the ability to obtain rights or permits related to discharges, compliance with regulations related to discharges, restrictions to discharges, the ability to maintain control over the temperature of water discharges, liabilities and/or reputational risks, and increased operating costs due to regulation, stakeholder perceptions and concerns related to water discharges (e.g., those from local communities, non-governmental organizations, 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 impacts that water management risks may have on its operations and the timeline over which such risks are expected to manifest.
 - 3.1 Impacts may include, but are not limited to, those associated with costs, revenues, liabilities, continuity of operations, and reputation.
- 4 The entity shall discuss its short-term and long-term strategies or plan to mitigate water management risks, including, but not limited to:
 - 4.1 The scope of its strategy, plans, goals and/or targets, such as how they relate to different business units, geographies, or water-consuming operational processes.
 - 4.2 Any water management goals and/or targets it has prioritized, and an analysis of performance against those goals and/or targets.
 - 4.2.1 Goals and targets may include, but are not limited to, 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 and/or targets, and any risks or limiting factors that might affect achievement of the plans and/or targets.
 - 4.4 Disclosure of strategies, plans, goals, and/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 timelines for the water management plans, 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 and/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 (e.g., the [World Wildlife Fund Water Risk Filter](#), [The Global Water Tool](#), and [Water Footprint Network Footprint Assessment Tool](#)) to analyze water use, risk, and opportunities; and
 - 5.3.5 Collaborations or programs in place with the community or other organizations.
- 5.4 The percentage reduction or improvement from the base year, where the base year is the first year against which water management targets are evaluated toward the achievement of the target.
- 6 The entity shall discuss whether its water management practices result in any additional lifecycle impacts or tradeoffs in its organization, including tradeoffs in land use, energy production, and greenhouse gas (GHG) emissions, and why the entity chose these practices despite lifecycle tradeoffs.

Product Environmental, Health, and Safety Performance

Topic Summary

The Household & Personal Products industry faces growing consumer and regulatory pressure over the use of chemicals of concern, which have been linked to negative environmental externalities and impacts on human health. Some of these chemicals include persistent, bioaccumulative, and toxic (PBT) substances and carcinogenic, mutagen, or teratogenic chemicals, all of which are under increased regulatory scrutiny. Isolating and determining causal channels for negative health and environmental impacts is difficult, which means there is often a significant lag between a product's introduction to the market and the point at which regulation and/or public opinion causes companies in the industry to reformulate. Directives in the EU and legislation in the U.S. place restrictions on or suggest alternatives to the use of harmful chemicals within the industry. Separately, the U.S. Food & Drug Administration (FDA) in the U.S. may secure greater regulatory power over chemicals used by the cosmetics industry, which would very likely result in higher costs for the Household & Personal Products industry. Large retailers have implemented programs to ban chemicals of concern in the products they sell, which is placing greater pressure on the industry. Companies that are able to 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 avoiding regulatory burdens.

Accounting Metrics

CG-HP-250a.1. Revenue from products that contain REACH substances of very high concern (SVHC)

- 1 The entity shall disclose the amount of revenue from products that contain substances on the Candidate List of substances of very high concern (hereafter "SVHC Candidate List") promulgated by the European Chemicals Agency (ECHA).
 - 1.1 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% (w/w).
 - 1.2 Products that contain substances that have exemptions from authorization under REACH (EC 1907/2006) may be considered excluded from the scope of this disclosure.
- 2 The scope of disclosure includes products that contain these substances, regardless of whether the product is subject to EU regulation.

CG-HP-250a.2. Revenue from products that contain substances on the California DTSC Candidate Chemicals List

- 1 The entity shall disclose the amount of revenue from products that contain substances listed on the California Department of Toxic Substances Control's (DTSC) [Candidate Chemicals List](#).
 - 1.1 A product shall be considered to contain a substance on the California DTSC Candidate List if the concentration of the substance in the product is above 0.1% (w/w).
 - 1.2 Candidate chemicals are defined, according to the California Code of Regulations, Title 22, § 69502, as chemicals that exhibit a "hazard trait and/or an environmental or toxicological endpoint" and are either: (a) found on one or more of the authoritative lists specified in section 69502.2(a) of the regulation; or (b) listed by DTSC using the criteria specified in section 69502.2(b).
 - 1.3 The scope of disclosure includes, but is not limited to, chemicals and products currently under regulation due to inclusion on the [Priority Products list](#).
- 2 The scope of disclosure includes all products (and their chemical constituents) sold by the entity, regardless of whether they are subject to the California Safe Consumer Products Regulations (i.e., regardless of whether they have been "placed into the stream of commerce in California").
- 3 The entity may discuss whether it has conducted an "Alternatives Assessment" as described by DTSC regulation and, if so, its results.

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

- 1 The entity shall discuss its strategy and approach to managing the use of materials, chemicals, and substances that may be of human health and/or environmental concern to consumers, customers (e.g., retailers and commercial buyers), regulators, and/or others (e.g., non-governmental organizations, scientific researchers).
 - 1.1 "Materials, chemicals, and substances" includes individual compounds, classes of chemicals, and categories of chemicals.
- 2 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, but are not limited to, product formulation and design, product safety testing, risk characterization, prioritization of product risks, product labeling, product declarations (e.g., 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 (e.g., use of banned substances lists), use of material substitution assessments, use of tools and screening methods (e.g., GreenScreen® For Safer Chemicals or CleanGredients® Data Verification), or any other methods that consider the usage of materials, chemicals, and substances of concern.
- 3 The entity shall discuss the use of chemicals listed in the “Safer Consumer Products Priority Product Work Plan, Three Year Work Plan | 2018-2020” as potential candidate 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 colorants, dyes, and pigments)
 - 3.4 Phthalates (used as emulsifiers and plasticizers)
 - 3.5 Triclosan (used as an antimicrobial)
- 4 The entity may discuss its use of chemicals that appear on California’s Proposition 65 list of carcinogens and reproductive toxicants, Washington State’s List of Chemicals of High Concern to Children, and/or other equivalent state and country regulations regarding chemicals of concern.
- 5 The entity may discuss the use of the emerging materials and chemicals of concern which may include, but are not limited to:
 - 5.1 Preservatives such as parabens (PHBA), benzophenones, and other phenols used as preservatives
 - 5.2 Antimicrobials such as triclocarban and nanosilver
 - 5.3 Toluene
 - 5.4 Polyvinyl chloride
 - 5.5 Polyethylene microbeads

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

- 1 The entity shall disclose the amount of its revenue that is 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](#)" available through the American Chemical Society and adapted from *Green Chemistry: Theory and Practice* by Paul Anastas and John Warner (1998).
- 1.2 A product shall be considered to have been designed with green chemistry principles if documentation shows that tools, frameworks, standards, and/or certifications were used to incorporate one or more green chemistry principles into the design, materials selection, manufacturing processes, use-phase, and/or end-of-life disposal of the product.
- 1.3 Relevant products may include, but are not limited to:
 - 1.3.1 Products that contain "safer" chemicals while 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"
 - 1.3.3 Products that can be shown to meet the following 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")
- 2 Specific green chemistry efforts may include products that are designed according to the American Chemistry Society (ACS) Green Chemistry Initiative (GCI) Formulator's Roundtable [guidance](#), the U.S. Environmental Protection Agency (EPA) Design for Environment Program, and/or third-party certification such as Cradle-to-Cradle certification.

Packaging Lifecycle Management

Topic Summary

The Household & Personal Products industry uses a large amount of materials for product packaging, which often constitutes a significant portion of companies' expenses. In addition, packaging design, particularly packaging weight, has a direct impact on transportation expenses, which can be significant. At the same time, the industry is facing pressure from both consumers and large retail outlets to address the environmental characteristics of its packaging, as material extraction and waste contribute to environmental externalities. The sustainability performance of packaging depends largely on the type, use, and ultimate disposal of materials. However, companies that effectively manage the sustainability characteristics of their product packaging—including light-weighting of materials, the use of recycled content and recyclable materials, and the use of sustainably sourced materials—may be better positioned to capture shifting consumer demand and avoid (or mitigate the impacts of) regulation related to extended producer responsibility. By managing the sustainability of product packaging, companies can also potentially reduce input and transportation costs.

Accounting Metrics

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

- 1 The entity shall disclose the total weight of packaging purchased by the entity, in metric tons.
 - 1.1 The scope of 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, where required.
 - 1.1.3 The scope excludes tertiary packaging that is designed to contain one or more articles or packages, or bulk material, for the purposes of transport, handling and/or distribution. Tertiary packaging is also known as "distribution" or "transport" packaging.
- 2 The entity shall disclose the percentage of packaging, by weight, made from recycled and/or renewable materials.
 - 2.1 Recycled content is defined, consistent with definitions in ISO 14021:2016, "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, where only pre-consumer and post-consumer materials shall be considered as recycled content, and where:

- 2.1.1 Recycled material is defined as material that has been reprocessed from recovered (or reclaimed) material by means of a manufacturing process and made into a final product or a component for incorporation into a product.
- 2.1.2 Recovered material is defined as material that would have otherwise been disposed of as waste or used for energy recovery, but 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 that has been diverted from the waste stream during a manufacturing process. Excluded is reutilization of materials such as rework, regrind, or scrap that are generated in a process and are capable of being reclaimed within the same process that generated them.
- 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 the product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain.
- 2.2 Renewable materials are defined, consistent with the definition of renewable resources in [Global Protocol on Packaging Sustainability 2.0](#), as resources that are composed of biomass from a living source and are replenished at a rate equal to or greater than the rate of depletion, where:
 - 2.2.1 "Biomass" is defined as a material of biological origin, excluding materials embedded in geological formations or transformed to fossilized material and excluding peat. This includes 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 (e.g., manure), consistent with the [Global Protocol on Packaging Sustainability 2.0](#).
- 2.3 The entity shall calculate the percentage as the total weight of packaging made from recycled and/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 which are made from both renewable and nonrenewable 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, and/or compostable.
 - 3.1 Recyclable is defined as a product or packaging that can be diverted from the waste stream through available processes and programs and can be collected, processed, and returned to use in the form of raw materials or products, consistent with definitions in ISO 14021:2016, "Environmental labels and declarations—Self-declared environmental claims (Type II environmental labelling)."
 - 3.2 Reusable is defined as a product or packaging that has been conceived and designed to accomplish, within its lifecycle, a certain 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 where a) a program 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 14021:2016, “Environmental labels and declarations—Self-declared environmental claims (Type II environmental labelling).”

- 3.3 Compostable is defined as that which 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 further defined by ASTM Standard D6400, 2004, “Standard Specification for Compostable Plastics.”
- 3.4 The percentage is calculated as the total weight of recyclable, reusable and/or compostable packaging divided by the total weight of all packaging used by the entity.
- 4 The entity may breakdown the disclosure requested above by major packaging substrate (e.g., wood fiber, 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 packaging throughout its lifecycle, such as optimizing packaging weight and volume for a given application or using alternative materials, including those that are recycled, recyclable, reusable, and/or compostable.
- 2 The entity shall describe the circumstances surrounding its use of recycled and renewable packaging, including, but not limited to, discussions of supply availability, consumer preferences, and packaging durability requirements.
- 3 The entity shall describe the circumstances surrounding its use of packaging that is recyclable and compostable, including, but not limited to, discussions of regulations, packaging end-of-life commitments, consumer demand, and packaging durability.
- 4 Relevant disclosure may include, but is not limited to, discussion of the following:
 - 4.1 Implementation of EN 13428 or ISO 18602, which include criteria for minimization of packaging weight and optimization to the amount needed for safety, hygiene, and consumer acceptance of the packed product.
 - 4.2 Implementation of EN 13430 or ISO 18604, which include criteria for recyclable packaging.
 - 4.3 Implementation of EN 13432, ISO14855-1:2005, ASTM D6400, or ASTM D6868, which include criteria for packaging recoverable through biodegradation and composting.
 - 4.4 Implementation of ISO 14021, which includes criteria for renewable and recycled material content claims.

- 4.5 Performance on the Global Protocol on Packaging Sustainability 2.0 metrics for Packaging Weight and Optimization and/or Assessment and Minimization of Substances Hazardous to the Environment.
- 5 The entity may, where relevant, discuss any packaging-related targets and performance against those targets. Examples of such targets include, but are not limited to:
 - 5.1 Reduction in packaging footprints
 - 5.2 Reduction in packaging weight either in total or on a per-unit basis
 - 5.3 Increase in recycled, recyclable, reusable, renewable, and/or compostable content
- 6 The entity may describe its use of Life Cycle Assessment (LCA) analysis in the context of its approach to environmental impact reduction and maximization of product efficiency, including weight reduction and transportation efficiency.
 - 6.1 When discussing improvements to the environmental efficiency of packaging products, improvements should be discussed in terms of LCA functional unit service parameters (i.e., time, extent, and quality of function).

Environmental & Social Impacts of Palm Oil Supply Chain

Topic Summary

Palm oil has rapidly risen 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 can 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 companies. Further, companies 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. Thus, companies face pressure to track and responsibly source palm oil. Additionally, they face pressure to ensure minimum standards for working conditions in the supply chain, as the production of palm oil is often associated with labor issues. Implementing sourcing standards can contribute to reducing risks, as can innovations at the product-design phase to reduce dependence on controversial materials such as palm oil.

Accounting 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 tons, of palm oil that it 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 tons, 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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