At P&G, we serve nearly five billion people around the world with our brands. We have operations in nearly 70 countries and have one of the strongest portfolios of trusted, quality and leadership brands. As we serve the world’s consumers, we believe in, and have publicly committed to, doing what’s right and being a good corporate citizen.
Ethics & Corporate Responsibility

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- Our Purpose, Values and Principles
- Good Governance
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Message from Debbie Majoras

When we first established our Citizenship focus areas several years ago, we included Ethics & Corporate Responsibility as a separate focus. But what became clear over time is that Ethics & Corporate Responsibility is the foundation for all our citizenship work—the base from which it all builds—rather than a separate focus area. From long experience, we know that a sustainably strong business depends on maintaining strong ethical, compliance and quality standards. It is equally true that for all our citizenship work to be credible and impactful, it must be firmly rooted in our Purpose, Values and Principles.
Our Purpose, Values and Principles

Our Purpose, Values and Principles (PVPs) are the foundation of who we are. Our Purpose is to improve consumers’ lives in small but meaningful ways, and it inspires our people to make a positive contribution every day. Our Values of Integrity, Leadership, Ownership, Passion for Winning and Trust shape how we work with each other and with our partners. And our Principles articulate our deliberate approach to conducting work every day. We know that P&G employees believe in the personal and business value of this PVP foundation—our PVPs are consistently cited in our annual employee survey as the number one aspect of our culture that employees would not change. Our philosophy is that a reputation of trust and integrity is built over time, earned every day and provides lasting value for our stakeholders.
Good Governance

Our PVPs further inform our approach to corporate governance. We believe that strong governance practices contribute to better results for shareholders. We maintain governance principles, policies and practices that support Board and management accountability and serve the best interests of our Company, our shareholders and our many stakeholders.

Board Leadership and Oversight

The importance of strong leadership and effective oversight has only increased as companies face growing external challenges and an ever-changing operating environment. We have seen this firsthand in the impacts of the COVID-19 pandemic on governments, businesses and communities. Our commitment to, and guiding principles for, strong governance continue to provide an important foundation for our Company as we navigate these challenges and respond to new opportunities.

The key principles and practices we follow include:

- Fully independent Board committees
- Annual assessment and determination of the Board’s leadership structure
- Election of a Lead Director, with significant governance responsibilities, if the Chairman/CEO roles are combined
- Annual review of the Company’s key legal and compliance risks, including mitigation strategies and compliance priorities, and review of the conclusions and recommendations generated by the Company’s Enterprise Risk Management (ERM) process
- Significant Director interaction with senior business leaders, both in business and operations reviews and in oversight of succession planning

We describe these and other practices in our Corporate Governance Guidelines, which we continually assess and update as appropriate based on feedback from our investors and stakeholders and our own review of external best practices. For example, we are a signatory to the Commonsense Corporate Governance Principles 2.0, reflecting our commitment to a foundation of effective governance. Further, we assess our practices against external benchmarks like the Investor Stewardship Group’s Corporate Governance Principles, generally finding that our practices closely align with these ideals. Overall, we believe our approach to governance strengthens the Board’s ability to provide meaningful oversight, review and counsel to the Company, as it acts on behalf of all our shareholders.
Good Governance

Board Oversight of Equality and Inclusion

Our Company has an unwavering commitment to equality and inclusion. This commitment begins with our Board of Directors, cascades throughout the organization, and informs the work we do each day. The Board and its Compensation & Leadership Development (C&LD) Committee review and discuss all facets of equality and inclusion throughout the year, including talent development from recruiting to retirement, succession planning, key workplace policies and the Company’s efforts to use its voice externally to encourage meaningful conversations on this important topic. Recent Board reviews include:

- C&LD Committee review of the Company’s diversity programs and progress with the Chief Equality & Inclusion Officer;
- C&LD Committee review of “next generation” top talent, to assess diversity and development opportunities in the Company’s leadership succession pipeline;
- Board review of the Company’s recruiting programs, including efforts to attract diverse candidates;
- Board review of workplace policies and employee survey results with the Chief Human Resources Officer and Chief Legal Officer; and
- Board review of the Company’s external efforts to promote gender equality and diversity and inclusion with the Chief Brand Officer.

Board Oversight of Sustainability

In a world where sustainable lifestyles have become more important than ever, the Company’s brands must meet performance expectations, while also helping to address some of the most complex challenges facing our world. The Board oversees these efforts, with help from the Governance & Public Responsibility (G&PR) Committee—which reviews the Company’s sustainability goals and assesses its progress—and the Innovation & Technology (I&T) Committee—which helps ensure that sustainability is built into the Company’s innovation strategy. Recent Board reviews include:

- G&PR Committee review of the Company’s Ambition 2030 goals and strategies for achieving those goals;
- G&PR Committee review of the Company’s external sustainability communications as part of its Citizenship reporting;
- I&T Committee review of sustainability as part the Company’s key Business Unit innovation plans;
- Board review of the Company’s most significant product and packaging sustainability innovations; and
- Board review of enterprise risks, including sustainability-related challenges.
Good Governance

As a key component of its oversight, the Board and its committees devote substantial time not only to strategy but to the review of core matters of corporate culture like ethics and compliance, cybersecurity, pay equity, environmental sustainability and human capital management. The full Board provides strategic oversight and monitors emerging priorities and risks in these and other areas, while each committee devotes further attention to particular matters within its scope.

Audit Committee
Oversees the Company’s overall risk management process, including financial controls and integrity and meets regularly with the chief ethics and compliance officer, reviewing key enterprise risks and cybersecurity programs.

Compensation & Leadership Development Committee
Oversees the development and succession planning of the Company’s CEO and other executive officers, monitors gender pay equity, reviews organizational equality and inclusion programs and progress and ensures our executive compensation practices are balanced in rewarding holistic, long-term growth.

Governance & Public Responsibility Committee
Oversees matters related to the Company’s corporate governance practices and policies, including Board composition, Director succession planning and independence and oversees the Company’s geo-political risks and community and environmental impact, assessing our practices and progress against key benchmarks.

Innovation & Technology Committee
Oversees the Company’s innovation and technology programs, including the responsible integration of new technology into our innovation strategy, while also considering how these programs incorporate the Company’s sustainability and ingredient safety priorities.

This broad scope of Board and Committee oversight and the resulting active engagement of our Directors help ensure that our Company’s values, our leadership’s behaviors and our employees’ efforts are ultimately linked to our Company strategy in a meaningful and effective way.

BOARD COMPOSITION
As a global, diverse consumer products company, we strive to reflect the diversity of our workforce in our boardroom. Not only do our Directors bring to the Board significant and varied leadership skills and experiences, they represent a mix of background, age, gender, race and life experience that informs their leadership and strengthens their oversight.

On Our Current Board:

- 6/12 (50%) members are women
- 3/12 (25%) members are ethnically diverse
- 7/12 (58%) members have served fewer than six years, with average tenure of about seven years
- 4/12 (33%) members joined within the last three years
- 8/12 (67%) members are current or former public company CEOs

The Board’s overall diversity is a key priority and significant consideration in our Director nomination process. Of the five Directors who joined the Board in the last four years, three were women and three were ethnically diverse.
Respecting Human Rights

Respect for human rights is fundamental to the way we manage our business. Our Human Rights Policy Statement communicates our support for the U.N. Guiding Principles on Business and Human Rights, which respects and honors the principles of internationally recognized human rights consisting of those rights expressed in the International Bill of Human Rights (i.e., Universal Declaration of Human Rights and the International Covenants on Economic, Social and Cultural Rights and Civil and Political Rights) and the principles concerning fundamental rights as set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

We recognize that it is the sovereign state's duty to protect against human rights abuses by establishing and upholding appropriate laws and policies. We also recognize that some states do not have adequate legal and regulatory frameworks or enforcement mechanisms or have laws that conflict with these internationally recognized human rights. Even where this is the case, we are committed to doing the right thing by respecting human rights in every aspect of our business operations. We embrace this commitment and responsibility of ensuring that human rights are upheld all along our end-to-end value chain, which in turn encompasses all our stakeholders, particularly our employees, our consumers, the communities where we do business and our business partners.

As part of a wider learning program, we have developed a series of short videos (less than two minutes each) to help our employees and our vendors and contractors recognize human rights issues in the workplace. By educating them to spot problems in the office and manufacturing facilities, we empower them to speak up and get help for others.
Respecting Human Rights

No Child Labor

The ILO states that “Child Labor is often defined as work that deprives children of their childhood, their potential and their dignity and that is harmful to physical and mental development. It refers to work that: is mentally, physically, socially or morally dangerous and harmful to children and interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.” We do not permit the exploitation of children and will not use child labor in our end-to-end value chain.

No Forced Labor

We support the Consumer Goods Forum Priority Industry Principles, which state: “Forced labor is an unacceptable human rights violation that can take multiple forms and must be addressed. While certain employment and recruitment practices may not initially appear problematic, in aggregate or combined with other forms of leverage, they can result in forced labor, particularly among vulnerable workers.

We will take active measures to apply these Principles across our global value chains and own operations, to cases where such practices may lead to forced labor. We will seek to apply these Principles to all workers regardless of their employment status, location, contractual arrangements or role. We do this as part of our collective journey to advance the human rights of workers and positively shape global labor markets.”

Priority Industry Principles

I. Every worker should have freedom of movement.
The ability of workers to move freely should not be restricted by their employer through abuse, threats and practices, such as retention of passports and valuable possessions.

II. No worker should pay for a job.
Fees and costs associated with recruitment and employment should be paid by the employer, not the employee.

III. No worker should be indebted or coerced to work.
Workers should work freely, aware of the terms and conditions of their work in advance, and paid regularly as agreed.

Non-Discrimination

We are deeply committed to an inclusive culture and do not discriminate against individuals on the basis of race, color, gender, age, national origin, religion, sexual orientation, gender identity and expression, marital status, citizenship, disability, veteran status, HIV/AIDS status or any other legally protected factor. P&G supports the U.N. Global LGBTI Standards for Business and is a founding member of the Partnership for Global LGBTI Equality (PGLE), which is a coalition of organizations committed to leveraging their individual and collective advocacy to accelerate LGBTI equality and inclusion globally and drive positive change.

Freedom of Association and Collective Bargaining

We respect our employees’ right to choose to join or not to join a trade union or to have recognized employee representation in accordance with local law. Where employees are represented by a legally recognized union or employee representative, we are committed to establishing a constructive dialogue regarding the interests of both the employees and the business. The Company will negotiate a labor agreement in good faith with such representatives in accordance with local law. Whether the facility is union or non-union, we strive to create a high-performing workforce—where employees are highly-engaged, multi-skilled and process owners.
Doing the Right Thing with Our Employees

We bring our values to life as we focus on improving consumers' lives now and for generations to come. We recruit, hire and retain the best talent from around the world, reflecting the diversity of the markets and consumers we serve. Developing and retaining a diverse workforce provides us with a sustained competitive advantage. We recognize that a diverse mix of backgrounds, skills and experiences drives new ideas, products and services. This maximizes our ability to achieve our goals together.

Confidence and Trust

We strive to promote a work environment of confidence and trust. Our Worldwide Business Conduct Manual (WBCM) and Employee Rights Policy provides employees with clear guidance on specific situations they may face and directs them where to go when they have questions or concerns. We are a recognized leader in providing a safe, healthy, secure and productive work environment. We are committed to maintaining a workplace that is free of violence, harassment, intimidation or other unsafe or disruptive behaviors or conditions due to threats inside or outside of our facilities. Each employee has a personal responsibility to their fellow employees and to the Company to follow all Company safety and security procedures, as well as applicable laws and regulations.

Our “Do the Right Thing” training series enables continuous learning and support for our employees. The all-employee general training session is derived from our WBCM principles—Respect, Integrity and Stewardship—and other ethics and compliance topics related to the given theme. In addition, we deploy breakout training sessions based on organizational needs. In fiscal year 2019-2020, the general training session was: “Doing the Right Thing—Integrity at P&G,” and the breakout training sessions were: “Handling Personal Data Basics” and “Working with External Parties.” We have also developed a course that explains P&G’s Acceptable Use of Technology Assets Policy.

We have a library of engaging, custom-built training courses, which are available to all employees as a resource and are further assigned based on role and location to maximize relevance and impact. These address conflicts of interest, stopping retaliation, opposing bribery and other areas. In 2017, we partnered with a renowned behavioral scientist and an award-winning documentary filmmaker to create a series of short films that spotlight clinical research on integrity and feature P&G leaders and employees reflecting on “doing the right thing.” This miniseries of five episodes has been hailed for its cinematic style, the genuine and unscripted participation by executive leadership, and its candid discussion of human vulnerability to the challenges, pressures and unseen psychological factors for which we all must be vigilant. In 2019, we launched a new series of video vignettes to help employees learn from the ethical missteps of others. The stories, based on actual events, are anonymized, digitally animated and presented in a compelling first-person style that conveys the wisdom of hindsight to improve the power of foresight for viewers.
Doing the Right Thing with Our Employees

Celebrating Our Do the Right Thing Culture

Every year, we celebrate our shared Purpose, Values and Principles (PVP) foundation with the “Do the Right Thing Celebration.” Our locations around the world create their own employee engagement events tied to a global theme derived from our WBCM principles of Respect, Integrity and Stewardship. The 2019 celebration theme was “Integrity. The Heartbeat of Our PVPs.” Events feature activities and contests to engage employees and raise awareness, leadership townhall discussions and inspiring videos from employees making a difference. Sites are recognized for the outstanding results in the areas of creativity, engagement and passionate leadership.

Though we set high standards for all employees, those who personally demonstrate commitment to ethics and compliance can also be recognized by peers or managers with a special “PVP Champion” designation. Since its inception in 2016, hundreds of employees have been recognized. In addition to these local activations, our 2019 celebration featured a recorded townhall discussion led by Matthew Price, P&G President for Greater China, sharing what he has learned firsthand about the pivotal role integrity and strong stewardship play in improving business performance.
Doing the Right Thing with Our Employees

Compensation and Benefits

P&G supports paying employees competitive total compensation, as benchmarked against other leading companies. The Company is a recognized leader in employee benefits, which have been developed to help protect the financial security of employees. While offerings vary depending on each country’s market practices, they include benefits like comprehensive coverage for health care, a competitive pension scheme, paid parental leave, vacation and holiday time and other work/family balance benefits, including flextime and less-than-full-time schedules, all subject to local requirements.

We are also committed to recognizing and rewarding individual and team performance that reflects behaviors consistent with our PVPs and PEAK Performance Factors (Lead with Courage, Innovate for Growth, Champion Productivity, Execute with Excellence and Bring Out Our Best). Recognition helps confirm achievements, contributes to employees feeling valued and encourages them to give their very best. It provides evidence that others believe in what we do and that we are doing the right things to help us succeed.

Benefits Navigator

This image describes the types of benefits that P&G offers to its employees around the world. Some of the benefits described in the Benefits Navigator may not be available to all employees at all locations. P&G also may offer some benefits not described in the Benefits Navigator to employees in some locations.
Doing the Right Thing with Our Employees

Employee and Labor Relations

At P&G, we believe an engaged and capable workforce is critical to the Company’s success. A key strategy to winning in the marketplace is to create a highly-skilled, agile and flexible workforce that delivers business initiatives—better than our competition.

We offer an expansive array of skill-building programs that allow employees to grow their individual skills, leading to better business results and career advancement. These programs help to ensure a strong and highly-skilled labor workforce that benefits the Company as well as the communities in which we operate.

We regularly assess employee and labor relations through standard Company tools like our Corporate Employee Engagement Survey and the Labor Relations Compliance & Health Assessment Tool. These assessments allow us to proactively identify and address any individual or employee group concerns that may potentially impact employee engagement, company policies or compliance with local laws or regulations.
Doing the Right Thing with Our Consumers

Since 1837, we’ve built a rich heritage of positively impacting consumers’ lives with brands that make each day a little better.

Earning Your Trust Through Product Safety and Transparency

At P&G, nothing is more important than ensuring our products are safe for consumers. Providing people the information they need to make more informed choices while continually improving our product portfolio with the product performance and ingredient preferences they seek remains a core focus for the Company.

Throughout our history, P&G has provided products of superior value and performance. To make products of superior value and performance, we must have high quality, safe ingredients. These ingredients can be sourced from science or nature—as long as they are proven safe. Innovation with ingredients is an ever-evolving area where we invest many resources to develop new options and continually consider what is possible.

This year, we launched several new items which bring new ingredients for a superior consumer experience. For example:

**Oral-B PureActiv** is a toothpaste with the purity of nature and the expertise of Oral-B. With 92% naturally derived ingredients like peppermint, spearmint, stevia and sorbitol—it’s an expert clean that tastes great. All of these ingredients are carefully crafted to give consumers the best of both worlds, the purity of nature they value and the effectiveness of Oral-B.

**Febreze LIGHT Air Effects** gently removes odors with just a hint of scent. There are no dyes or heavy perfumes, either. That’s because this spray gently cleans away odors from the air without them.

**Relentlessly pursue the best and safest ingredients from both science and nature.**

**Lead by sharing the what, where and how of our ingredients.**

**Collaborate to solve big ingredient and material challenges.**
Doing the Right Thing with Our Consumers

2019 Safer Choice Partner of the Year by the Environmental Protection Agency

P&G was recognized as a 2019 Safer Choice Partner of the Year by the Environmental Protection Agency (EPA). The award recognizes selected products in P&G's Home Made Simple™ product portfolio for outstanding achievement in the design, manufacture, selection and use of its dish, fabric and surface cleaning products developed in accordance with EPA Safer Choice criteria. All of the bottles are 100% recyclable and the laundry detergent bottles are made from 25% or more post-consumer recycled plastic. We are honored to be recognized as an EPA Safer Choice Partner, providing consumers with irresistibly superior household cleaning products that are safe and deliver the cleaning consumers expect from P&G's trusted and well-known brands.

Ingredient Disclosures

Not only are we innovating with product ingredients and sourcing choices, we are also sharing more about those choices. Our brand websites and pg.com offer more information than ever before about our ingredients, making it easy to discover a product's ingredients, as well as what we simply won't use.

Since 2018, P&G has supported ingredient disclosure in North America with all formulated product ingredients listed in SmartLabel. In 2020, we delivered on our expanded transparency commitment in North America to share the ingredients in our fragrances down to 0.01%. Today, the details of our fragrance formulas can be found in Smart Label™, including descriptions of the fragrance ingredients we use.
Going Beyond Ingredient Transparency and Exploring Supply Traceability

Tampax PURE is raising the bar in ingredient transparency by showing where the organic cotton is harvested and how the tampons are made using an ingredient tracking system.*

Additionally, our brand websites are offering more information about the safety process we follow to ensure our products are safe to use as directed. Consumers can see this come to life through a few examples here:

Safe ingredients and products never go out of style—so we will continue innovating with ingredients to provide new solutions for life’s everyday demands. One example of advancing safety science is the work on qualifying botanical extracts for use in a range of consumer goods. This white paper presents guidance for assessing the safe use of botanicals in beauty products, with historical case examples, practical tools and background knowledge. P&G hopes this work will help ensure all botanicals used in beauty products will be safely enjoyed by consumers throughout the world.

We are committed to collaborating on the biggest ingredient and materials challenges to ensure we continue to be a force for good and a force for growth—in all we do.

*P&G is piloting this unique technology and it’s currently available in the U.S. and Canada for Tampax PURE.
Doing the Right Thing with Our Consumers

Our Voice in Advertising and Media
We've made a choice to step up and use our voice in advertising as a force for good and a force for growth—by taking a stand on equality. We recognize that P&G and our leadership brands can make a meaningful impact with our wide reach, as images and portrayals of people in advertising embed memories which can lead to bias. That’s why, as the world’s largest advertiser, we’ve committed to use our voice to shed a light on bias and promote equality.

Keeping Privacy and Security Strong—Protecting Personal Information
Our stakeholders—whether consumers, employees, shareholders or vendors—trust that P&G will ensure that appropriate privacy measures are implemented to transparently process personal information, and information security controls will be in place to help safeguard critical business and personal information. Our stakeholders also expect that we take appropriate steps to ensure that personal data is maintained with due confidentiality, appropriate integrity and is retrievable when needed.

We believe in having a strong culture of protecting our stakeholders’ personal information in order to build a relationship of trust with them. With that in mind, we continue to develop a strong information security program to help ensure we have the appropriate levels of controls to secure the data both internally and externally. We also believe in transparency, which is why we consistently update our consumer and employee privacy policies, as well as disclosures to clearly communicate how we collect, use and protect consumer personal information. P&G is committed to using consumer personal information only for the purpose of improving the content, products and services offered and implements strong data retention and minimization standards. We also provide consumers with the ability to control the manner in which P&G uses their personal information as set out in applicable laws.

Our privacy policies also detail the steps we take to protect personal information from loss, misuse or alteration. These steps can include technical measures like firewalls, intrusion detection and prevention systems, unique and complex passwords and encryption. Our intent is to implement appropriate safeguards to attempt to protect against evolving and emerging privacy risks across the globe, even where the laws may not require it.

P&G has built global and regional corporate privacy compliance processes to help ensure that privacy compliance is driven through every part of the organization in a sustainable manner. We continue to refine and update these programs internally, while ensuring that we also drive compliance with our suppliers through privacy and information security assessments and contractual obligations.

In addition, we drive a culture of compliance through the training of employees on data processing and privacy obligations, centralized identification and management of security incidents and risks, restricting employee access to personal information on a need-to-know basis, and implementing appropriate security measures, including appropriately securing documents when not being used by the employee.
Doing the Right Thing with Our Supply Chain

P&G cannot deliver products to our consumers without collaboration from our External Business Partners, and we are making intentional choices to include them on our journey to be a force for good and force for growth. From transparent sourcing practices that aid consumer decision-making to growing shareholder value through innovation-driving programs like global supplier diversity, P&G is proud to be a leader in supply chain responsibility. We continue to evolve our strategies for supplier diversity, responsible sourcing and sustainable innovation to manage risk and bring value to our brands, businesses and consumers but also to amplify and accelerate the positive impact we can have on the people in our supply chain and the planet.

To assist in collaboration on making progress, we had approximately 290 suppliers share their data and programs with P&G in 2019, and in 2020, we invited more than 1,000 to participate in this growing engagement. With almost 40% of our spend represented by respondents, we were proud to learn that 74% of our respondents have a written Diversity & Inclusion program, 81% have a process to monitor and assess equal pay and 87% have a corporate Community Impact program or initiative. We are doing more to help our partners accelerate their work, including developing toolkits, introducing them to our thought leaders and think tanks we work with, and continuing our investment in Supplier Summits, the last of which was attended by more than 400 external visitors to Cincinnati to learn all about our sustainability work. We will continue to encourage and help our External Business Partners learn and do more in each space as this collaboration is critical to amplify our collective results.
Doing the Right Thing with Our Supply Chain

Responsible Sourcing

Our vision is to be the company with the most responsible, ethical and transparent supply chain, which positively impacts the world’s greatest challenges.

We have several initiatives underway that allow us to continuously assess or monitor human rights and environmental risks in our supply chains. We work across corporate and business unit resources to evaluate the need for robust responsible sourcing programs, sharing and reapplying from each other. This includes a refreshed social audit strategy and work process, whereby we leverage the work and systems of our partner, SEDEX.

This new approach has allowed us to focus on suppliers that are located in countries with higher risk to human rights and efficiently tracks progress by our suppliers on scheduling and conducting audits. We have clear owners and action plans to proactively remediate issues with labor standards, health and safety concerns, environmental issues and business ethics. In these and other efforts, we build a robust system of business partners that is fully integrated and synchronized with our business and values.

We have clear owners and action plans to proactively remediate issues with labor standards, health and safety concerns, environmental issues and business ethics.
Doing the Right Thing with Our Supply Chain

Supplier Diversity
When our supplier ecosystem reflects the diversity of our consumers, our business grows and the communities in which we live and operate thrive. P&G’s supplier diversity work in the United States, we strategically spend money with businesses owned by minorities, women, LGBTQ+, people with disabilities and U.S. Veterans. Since 2008, we have spent more than $2 billion annually with diverse-owned businesses in the U.S., and now track our growing spend with women-owned businesses globally. Supplier diversity is a competitive advantage for us, and we are committed to drive economic empowerment across our end-to-end supply chain. For this reason, we help and encourage our External Business Partners (EBP) to invest in their own supplier diversity strategy, and more than 200 EBPs submit their own direct diversity spend to P&G on a quarterly basis. P&G also invests in building capabilities of small businesses to form a solid pipeline of potential suppliers in the future. For example, we sponsored four Business Development Forums in Singapore, Thailand, Japan and Canada with WeConnect to train women entrepreneurs on key business-building capabilities. Lastly, P&G continues to be a leading voice in the Marketing and Media industry to more accurately portray diversity in front of the camera and improve representation in key creative roles behind the camera. All of this work is to build a more diverse and inclusive supply chain through which P&G can deliver superior products to our diverse consumers around the world.

Supplier inclusion in our Citizenship work is a clear business imperative because we know that having diverse supplier ecosystems delivers a more resilient supply chain, allowing us to respond to evolving consumer and customer needs. Our work has been recognized by influential organizations in this space as they awarded P&G:

- America’s Top Corporations, National Minority Supplier Development Council (NMSDC)
- Corporation of the Year, Ohio Minority Supplier Development Council (OMSDC)

Sustainable Innovation
One way we will reduce our environmental footprint is through external partnerships. For example, we are collaborating with a team of key suppliers to solve our supply chain’s most challenging problems like water stewardship in key water-stressed regions. We partnered with the World Wildlife Fund (WWF) to develop a three-part webinar series that focused on developing science-based targets for greenhouse gas emissions reduction—a topic that we presented to more than 30 suppliers starting on this journey. This was an outcome of our engagement with more than 400 supplier representatives that joined us for a Supplier Citizenship Summit focused on Sustainability in October 2019.

They were able to hear from key thoughts leaders at P&G and in the industry to help our partners make progress in our key areas. This level of sharing and alignment is key to driving focus in these areas, allowing for better collaboration and faster progress.
Speaking Up

Our employees hold themselves and one another accountable for operating with trust and integrity and for stepping up as leaders and owners of the business. We are committed to creating a work environment that fosters open communication and supports employees in reporting potential violations of Company policies or the law. Employees and individuals in our operations or extended supply chain can report violations at the Worldwide Business Conduct Helpline, which is staffed by an independent third party—24 hours a day, seven days a week—and includes, where permitted by local law, an anonymous way to report concerns. We are committed to reviewing all allegations of wrongdoing with trained teams who ensure thorough, impartial and fact-based investigations.

Proper investigation is essential to promoting a culture of integrity, reducing the likelihood of incidents occurring and increasing willingness to proactively raise concerns. It is an important part of our commitment to prevent and detect wrongdoing. Retaliation for raising concerns in good faith is inconsistent with our Values of Integrity and Trust and simply will not be tolerated.

WORLDWIDE BUSINESS CONDUCT HELPLINE
Stakeholder Engagement

We acknowledge that improving transparency, respecting human and labor rights and sourcing responsibly is an enormous challenge, and progress will be made through a journey of collaboration and engagement with our stakeholders. Thus, we seek meaningful collaboration and engagement with our stakeholders as we work to be a good corporate neighbor and to improve lives in the communities where we live and work.

**Employees**

Every year, we survey all employees globally—from plant technicians to our office population—via the P&G Survey. Employee feedback is extremely valuable in assessing what we do well as a Company and where we can improve, and we develop and execute action plans in response. When we compare our results against our external benchmarking group, we find P&G scoring higher than the average of our peer group on the majority of our benchmarking questions—showing that we remain an Employer of Choice versus competition. Every year, the P&G Survey proves how ingrained our Purpose, Values and Principles (PVPs) are in the are in the organization. Continuing to uphold and safeguard our PVPs consistently is the top response to “What should not change about P&G?”

**Investors**

We value our relationships with all of our shareholders. Engagement with shareholders builds mutual understanding and a basis for progress, and the input we receive from them impacts and informs our corporate practices. Senior management, our investor relations team and subject matter experts from the Company maintain a year-round dialogue with investors to gain their perspectives on current issues and address any questions or concerns, and we make our Directors available for engagement with shareholders when appropriate. The Company’s top 100 institutional shareholders collectively own more than 50% of the Company’s outstanding shares of common stock, and we generally focus our proactive shareholder outreach efforts on these shareholders. We conduct meetings with institutional shareholders in person, via telephone calls and one-on-one at conferences throughout the year. We also routinely respond to individual shareholders and other stakeholders who provide feedback about our business.
Stakeholder Engagement

Consumers
We are committed to providing products and services that can help improve the lives of our consumers all over the world. In developing and marketing our products, we adopt a “Consumer Is Boss” approach to ensure that we delight consumers by launching new products and product improvements that genuinely meet their needs. We actively encourage consumers to contact us because we want to hear about our consumers’ experiences with our products. We feel very privileged that consumers care enough about our products to contact us.

Communities
Each P&G production facility has site-specific activities to build appropriate and constructive relationships with industry associations, residential and business neighbors, action groups, thought leaders, and news media. Depending on the cultures and interests of individual communities, this can range from regular official meetings, during which new information is shared or questions are answered, to more informal engagement.

Government Authorities: Local, Regional and Global
Guided by our PVPs, P&G appropriately engages in the political process to ensure that the interests of our employees, consumers and shareholders are fairly represented at all levels of government around the world. We are committed to being transparent about our political involvement globally, and our policies and procedures on appropriate contact with government officials prohibit bribery and any kind of improper influence.

Our approach to taxes is also based on our PVPs. Consistent with the law and international norms, we believe tax should follow business substance and that profits are generated where key business activities take place. We are committed to the highest level of tax compliance. We observe and adhere to the tax laws, the underlying tax policy intent and the disclosure and reporting requirements.

External Business Partners
We work closely with our external business partners to ensure that our products are sourced responsibly. P&G’s Responsible Sourcing Guidelines for External Business Partners set our expectations with our supply base regarding social and environmental responsibility.

Non-Governmental Organizations (NGOs): Local, Regional and Global
We frequently partner with NGOs that support communities, advance equality and protect the environment. We also enter into dialogue with NGOs to understand their priorities and concerns. Our partnerships with NGOs can vary by area of mutual interest and geography.

Principal Industry and Business Associations
We hold membership in many industry and business associations whose activities are related to the Company’s. These associations provide a forum for us to promote and defend our interests in the broader industry context, while providing a lawful platform for joint research, issue monitoring and advocacy, and sharing of best practices. Participation in business associations is controlled by Company policy to ensure such industry activities have the right governance and oversight. However, as with many associations, there will be diverse points of view, and we will not agree with positions taken by each association on every issue.
Recognitions and Awards

Here are just a few of the external recognitions we’ve received this year in our Citizenship priority areas.

Equality & Inclusion

Environmental Sustainability

Ethics & Corporate Responsibility

U.S. CHAMBER OF COMMERCE FOUNDATION
Social Responsibility in Action

BEST PLACES TO WORK
CORPORATE EQUALITY INDEX | 2020

Forbes 2020
THE BEST EMPLOYERS for DIVERSITY

FTSE4Good
Since 2001

Dow Jones Sustainability Indices
In collaboration with

Ranked in Top 20

Ethics & Corporate Responsibility

Data in this report covers the period of July 1, 2019, to June 30, 2020. Financial information is given in U.S. dollars. Questions related to this report can be directed to mediateam.im@pg.com. This report references GRI 102: General Disclosures 2016 and specific disclosures from other GRI Standards as specified in the GRI Content Index for this report which can be found here.