



# 2020 Citizenship Report

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#### **DAVID S. TAYLOR**

Chairman of the Board, President and Chief Executive Officer

David Taylor visits our plant in Lima, Ohio, one of several global locations where we began producing hand sanitizer for use in our facilities to help us operate safely and to share with hospitals, health care facilities and relief organizations.

#### MESSAGE FROM THE CEO

# Dear Stakeholders,

Last fiscal year, we stepped up our efforts to be a force for good and a force for growth by doing our part to help people and communities overcome the challenges of the COVID-19 pandemic, address longstanding issues of inequality and tackle climate change. We activated every element of our Citizenship platform—Community Impact, Equality & Inclusion and Environmental Sustainability, with a foundation of Ethics & Corporate Responsibility guiding everything we do.

As health care workers and first responders fought the pandemic, P&G people worked tirelessly to supply people and their families with much needed health, hygiene and cleaning products.

Our ability to continue to supply consumers during this extraordinary time was dependent on the trust in our Company that we had built with governments and other stakeholders. Our track record as a responsible company that works to do the right thing enabled us to quickly and credibly work with governments around the world to ensure we could continue to operate, with important safety protocols in place, to maximize the availability of our products for people who count on our brands and the benefits they provide.

At the same time, we ramped up our Community Impact efforts on a global scale like never before, expanding our existing disaster relief operations to donate tens of millions of dollars worth of products, cash and in-kind support, including personal protective equipment, to families and communities in need through more than 200 relief organizations worldwide.

Crises like COVID-19 often reveal the inequalities in our society, and this crisis showed just how much more there is to be done to create an equal world. We accelerated our efforts in Equality & Inclusion with deliberate, sustained action, inside and outside of P&G.

#### **MESSAGE FROM THE CEO**

We started internally by reviewing our policies and practices to make sure they are not only inclusive but deliberately advance and enable equality and inclusion. For example, flexibility at work, intentional career planning and paid parental leave are proven accelerators of equality, and even during the pandemic we remained focused on each of these. We also made progress on our aspiration to reach 50/50 women and men at every level of our Company, including P&G's Board of Directors. We're now sharing our representation data and progress transparently on our website at pg.com/equalityandinclusion.

Externally, over the past few years, we've taken a stand and used our voice on important issues, ranging from pay equality to equal representation to racial inequality, through films and campaigns such as "The Look," "The Talk," "The Words Matter," and "We See Equal," among others. In recent months, we continued this work with films and campaigns like "Choose Equal," "The Pause," "The Choice," "Talk About Bias" and more.

To specifically address the systemic racism and inequality that have been institutionalized in our society, especially against Black Americans, we established the P&G Take On Race fund to help fuel organizations that fight for justice, advance economic opportunity, enable greater access to education and health care and make our communities more equitable.

We are committed to be part of the solution in the fight against inequality.

At the same time, we remain steadfast in our environmental sustainability commitments because

the next decade represents a critical window to address climate change. This summer we announced our plan to be carbon neutral for the decade by 2030. We'll do this by increasing energy efficiency, purchasing 100% renewable electricity globally and advancing a series of natural climate solutions. Importantly, while climate change impacts everyone, all too often the people and communities most impacted are those who are most vulnerable. By accelerating our progress and investing in natural climate solutions, we can help protect ecosystems and communities around the world.

We've also accelerated our commitments to protect forests. Responsible sourcing is essential for not just our business, but more importantly, for the environment and people who depend on it. Our shareholders have asked us to issue a report assessing how we can further increase the scale, pace and rigor of our efforts on responsible forestry. We are engaging with and learning from shareholders and stakeholders who supported this resolution, and we will provide that report in mid-2021. We also publish detailed information about our forestry practices in the Environmental Sustainability section of this report.

The past year is proof that Citizenship cannot be something done on the side; it has to be built into how we do business every day. Not only does it build trust and equity with consumers and the broader set of stakeholders we serve, when done with the right intentions and with meaningful actions, it drives growth and value creation, which allows us to be a force for good and a force for growth in our world that needs us all to work together.

Citizenship cannot be something done on the side; it has to be built into how we do business every day.

Daid S. Taylox

**DAVID S. TAYLOR** 

Chairman of the Board,
President and Chief Executive Officer

#### **P&G AND THE UN SUSTAINABLE DEVELOPMENT GOALS**

# Transforming Our World

At P&G, we serve nearly five billion people around the world and have one of the strongest portfolios of trusted brands. We are committed to being a good citizen and always doing the right thing. We are proud that many of our ongoing corporate Citizenship efforts support the United Nation's Sustainable Development Goals (SDGs).

### SUSTAINABLE DEVELOPMENT GOALS

#### **P&G PARTICIPATION**



- For more than 180 years, P&G has been focused on improving the communities we serve. Many of our community impact programs such as our Children's Safe Drinking Water Program and Hope Schools are aimed at alleviating poverty and providing those in needs with health, hygiene and the comforts of home.
- In response to the COVID-19 pandemic, P&G, our brands and its people stepped up to provide tens of millions of dollars in product, cash and in-kind donations.



P&G and our brands have donated millions of dollars in cash and product to Feeding America and similar organizations to help them provide food to people in need through a nationwide network of food banks.



- Through partnerships with more than 150 organizations, our Children's Safe Drinking Water Program has provided clean drinking water to people in more than 90 countries.
- Our Safeguard handwashing program has helped more than 72 million children by teaching them one simple message: clean hands save lives.
- The Always Puberty & Confidence Education program helps more than 18 million people across more than 50 countries navigate puberty with confidence.



- Always has been helping girls around the world by tackling period-related barriers to their education and confidence.
   This includes providing access to period products and helping break the stigma that still surrounds periods. Through programs like our global award-winning #EndPeriodPoverty campaign and others, we've donated more than 90 million period products to help keep girls focused on reaching their full potential.
- In 1996, P&G founded Project Hope, a program that has built and renovated hundreds of schools in China, benefitting children living in rural or underdeveloped areas. P&G China continues its three-year corporate social responsibility plan, which includes giving P&G Hope School students more access to the performing arts.



Our gender equality efforts are focused on three areas where we can have the greatest impact:

- Leveraging our significant voice in advertising and media to tackle gender bias through campaigns like Ariel
   #ShareTheLoad, Secret #AllStrengthNoSweat, Always #LikeAGirl and the Always Saudi #WeAreTheGenerationOfFirsts;
- Removing gender-biased barriers to education for girls and economic opportunities for women through our corporate programs and policy advocacy efforts;
- Creating an inclusive, gender-equal environment inside P&G—and advocating for gender-equal workplaces beyond. P&G—where everyone can contribute to their full potential.



# P&G AND THE UN SUSTAINABLE DEVELOPMENT GOALS



- The P&G Children's Safe Drinking Water Program provides clean water through water-purification packets invented by P&G scientists. Working with more than 150 partners, we've provided more than 17 billion liters of clean water to families in need and will deliver 25 billion liters of clean water by 2025.
- · We have provided one billion people with access to water-efficient products.
- We have reduced water use in manufacturing facilities by 27% per unit of production, with conservation focused on water-stressed regions.



- P&G now purchases 100% renewable electricity in the U.S., Canada and Europe. These three markets represent more than 70% of our purchased electricity globally.
- · Our plants are now powered by 30% renewable energy, including our Albany Georgia bio-mass facility.
- · We will continue pursuing new wind, solar and geothermal projects to further accelerate the transition to renewables.



- With more than 99,000 global employees, P&G takes seriously the responsibility to provide our workforce with the
  economic stability to support their families and local communities. This employment spurs economic growth in the
  nearly 70 countries where we have operations, thus building stable economies and supporting civil society. P&G works
  with more than 45,000 suppliers globally, creating hundreds of thousands of jobs in many communities to support
  P&G business.
- Starting in 1976, our Supplier Diversity program in the U.S. has created economic opportunities for underrepresented businesses, such as minority-owned, women-owned, LGBTQ+, veterans and people with disabilities. The program has since expanded globally, and we're partnering with organizations like U.N. Women and WeConnect to further ensure women entrepreneurs in all regions are getting access to training, support and business opportunities.



Innovation is at the center of P&C's operations, and we invest \$1.8 billion annually in our research and development programs. P&G operates 13 Innovation Centers around the world and leverages hundreds of scientific disciplines to create and drive innovation to anticipate and improve the lives of the world's consumers.



For years we have put a spotlight on bias and inequality to spark dialogue that leads to understanding and action. This year, we highlighted the disproportionate impact of COVID-19 on Black, Hispanic and LGBTQ+ communities and sponsored fundraising and relief efforts for those impacted by the pandemic in America. We established the P&C Take On Race Fund to help fuel organizations that fight for justice, advance economic opportunity, enable greater access to education and health care and make our communities more equitable.



- P&G and our brands bring the comforts of home to those impacted by natural disaster. This year, we supported more than 20 global disaster responses.
- Through our COVID-19 relief efforts, we helped local communities around the world with our brands, resources and
  people to help alleviate some of the impacts of the pandemic. For example, in the U.S., Tide Loads of Hope, made
  possible by Tide and Tide Cleaners, provided free laundry services for first responders and their families. They served
  more than 104,000 frontline responder visits, cleaning more than 1.8 million garments—all for free.
- We have active community impact projects around the world. From Shiksha education programs in India, to building
  inclusive playgrounds in Germany, to constructing a girls home in Kenya in partnership with Habitat for Humanity, we
  are committed to improving lives and communities around the world.



# P&G AND THE UN SUSTAINABLE DEVELOPMENT GOALS



In 2010, P&G set ambitious environmental goals for 2020 and to date we have achieved the following:

- · 100% of our plants are now zero manufacturing waste to landfill.
- · 90% of product packaging is either recyclable or programs are in place to create the ability to recycle it.
- 99.5% of paper packaging contains either recycled or third-party certified virgin content, and we have plans in place to address the remaining small fraction (0.5%) of our supply.
- $\boldsymbol{\cdot}$  We have doubled the use of recycled resin in plastic packaging.



This year, P&G made a new commitment to be carbon neutral for the decade across our operations. We will achieve this by:

- · Cutting greenhouse gas (GHG) emissions by 50% across our operations by 2030
- Funding a range of natural climate solutions projects that protect, improve and restore critical ecosystems where carbon is stored, delivering a carbon benefit equal to remaining GHG emissions from our operations
   P&G reaches five billion people through our brands, and with this scale, comes a responsibility to give consumers the power to reduce their own carbon footprints with products that are designed to help save energy, water and natural resources. This includes ensuring 70% of machine loads are washed in low-energy cycles—a goal set in 2010 that we



P&G is committed to help reduce the flow of plastic to our oceans. We've taken a leadership role in the Alliance to End Plastic Waste, a CEO-driven international organization focused on bringing together industry, government, communities and civil society in the fight to end plastic waste. We are also joining forces with organizations like The Ocean Conservancy's Trash Free Seas Alliance, WWF ReSource: Plastic and others to find solutions that keep plastic out of nature.



P&G's goal is to create responsible, ethical and transparent supply chains. Our commitment and approach in sustainable palm is based on: RSPO certification and supply chain management; environmental and social development programs and working to influence change across the industry via partnership. We now use 100% RSPO certified palm oil, with plans to increase to 100% certified palm kernel oil by the end 2022. Our long-term smallholder program is focused on improving yields, sustainable practices and thus livelihood of small farmers. Consumers can support responsible forestry by choosing our Charmin and Puffs products, which are Forest Stewardship Council® certified and for every tree used, at least one is regrown.



Ethics is at the foundation of all of P&C's Citizenship efforts. We believe in transparency and partnerships, we respect human and labor rights, and we source responsibly. This reputation of trust and integrity, as well as holding all of our partners to these same standards, is what sets us apart.



P&G partners with U.N. agencies, the World Economic Forum, governments, civil society, NGOs, suppliers, retailers, industry associations and businesses as we work toward our goals to promote economic growth, equality and inclusion, protect our planet and improve lives.



# Internal Leadership

The objective of our Citizenship efforts is to build trust with consumers and the broader set of stakeholders we serve, and to have a positive impact on society and the world. We'll achieve this through a strong ethics and compliance culture that supports conserving resources, protecting the environment, improving social conditions, respecting human and labor rights, and empowering individuals and the communities in which we live, work and serve. Ethics & Corporate Responsibility is the foundation for our other three priority focus areas: Community Impact, Equality & Inclusion and Environmental Sustainability. Each of these areas is led by an executive sponsor committed to ensuring we achieve our specific objectives. These executive sponsors form the P&G Citizenship Board with P&G's Chairman of the Board, President and Chief Executive Officer as the Chair.

# **Citizenship Board**

David Taylor, Chairman of the Board,
President and Chief Executive Officer

#### **Additional Board Members**

Damon Jones, Chief Communications Officer; Tracey Grabowski, Chief Human Resources Officer



# Community Impact

Marc Pritchard

Chief Brand Officer



# Equality & Inclusion

Shelly McNamara
Chief Equality & Inclusion Officer



# **Environmental Sustainability**

Virginie Helias Chief Sustainability Officer



# Ethics & Corporate Responsibility

Debbie Majoras Chief Legal Officer and Secretary

# **Issue Prioritization**

Issue prioritization continues to be an important tool to ensure we understand stakeholder views and address the most relevant issues through our Citizenship focus areas. This year, we calibrated our previous issue prioritization exercise by assessing both external and internal data. To assess relevant external views, we assessed social media sources and trend reports, and interviewed P&G personnel who interact with key external stakeholder groups. P&G employee insights formed our internal stakeholder view. The results from this exercise were consistent with what was reported last year and served to reinforce our key Citizenship priorities addressed in this report.

# Insight 1

Governance & Ethical Conduct, Human & Labor Rights, Corporate Transparency, and Product Safety & Ingredient Transparency were rated as high priorities by stakeholders. Our ongoing commitment and efforts in these areas are embedded within our entire Citizenship report and highlighted in our Ethics & Corporate Responsibility section. This year, the issue of Social & Economic Inclusion ranked noticeably higher than in years past. Global events over the last 12 months have clearly elevated the importance of this issue for both internal and external stakeholders.

As outlined in this report, P&G has been focused on inclusion for many years, and we have placed an increased emphasis on how we can be a force for positive change.

#### Insight 2

Climate, water, waste and packaging are major focus areas of our environmental sustainability pillar and results of the issue prioritization exercise reinforced the importance of these issues for our stakeholders. This year, climate change ranked noticeably higher than in previous years. Recent U.N. reports on climate change, increased severity and frequency of severe weather events, and intense fire seasons in some regions of the world have rightly increased the urgency and focus on addressing climate change. We have responded to this by delivering on our existing commitments and accelerating our efforts on climate change. Read about our efforts on climate change and other key environmental issues in the Environmental Sustainability section of this year's report.

#### Insight 3

The topics of Promoting Sustainable Lifestyles and Sustainable Product Design & Innovation were also important to our stakeholders. Our brands continue to play a leading role in driving innovation and engaging with our consumers on a wide range of topics. Our Ambition 2030 framework places an increased emphasis on the role our brands can play in driving positive impact. Learn more about the four focus areas of our 2030 Ambition Goals.



# P&G at a Glance

Our aspiration is to serve the world's consumers better than our best competitors, in every category and every country where we choose to compete—creating superior shareholder value in the process. We work hard every day to make quality products and services that improve people's lives, now and for generations to come.

#### **FINANCIAL HIGHLIGHTS (UNAUDITED)** 2020 Amounts in billions, except per share amounts Net Sales \$71.0 Operating Income \$15.7 \$13.0 Net Earnings Attributable to P&G Net Earnings Margin from Continuing Operations 18.5% \$4.96 Diluted Net Earnings per Common Share from Continuing Operations<sup>1</sup> Diluted Net Earnings per Common Share<sup>1</sup> \$4.96 **Operating Cash Flow** \$17.4 ..... Dividends per Common Share \$3.03

# 2020 NET SALES BY BUSINESS SEGMENT<sup>2</sup>



•	Fabric & Home Care	33%
•	Baby, Feminine & Family Care	26%
•	Beauty	19%
	Health Care	13%
•	Grooming	9%

# 2020 NET SALES BY GEOGRAPHIC REGION



•	North America <sup>3</sup>	47%
•	Europe	22%
	Asia Pacific	10%
	Greater China	9%
ullet	Latin America	6%
	India, Middle East & Africa (IMEA)	6%

Diluted net earnings per common share are calculated based on net earnings attributable to Procter & Gamble.

<sup>2</sup> These results exclude net sales in Corporate.

<sup>3</sup> North America includes the United States, Canada and Puerto Rico.

# A Company of Leading Brands

Our portfolio is organized around 10 product categories and about 65 brands. These 10 category-based business units have historically grown faster with higher margins than the balance of the Company. These are categories where we have leading market positions and where product technologies deliver performance differences that matter to consumers. Across all 10 of our categories, we're focused on meaningful and noticeable superiority in all elements of our consumer proposition—products, packaging, brand communication, retail execution (in-store and online) and superior value—in each price tier where we compete.

#### **HEALTH CARE**



**Personal Health Care** 





#### **BEAUTY**





#### GROOMING





Grooming

#### **FABRIC AND HOME CARE**





#### **BABY AND FEMININE CARE**





FAMILY CARE AND P&G VENTURES



Fabric Care Home Care Baby Care Feminine Care Family Care

# **Brand 2030**

### Brands as a Force for Good and a Force for Growth

Consumers today want to know what brands—and the people behind the brands—believe in, and they expect brands to play a meaningful role in solving some of the most complex challenges facing our world. Our brands serve five billion people around the world, which provides a unique opportunity to not only delight consumers through superior product performance, but also to spark conversations, influence attitudes, change behaviors and drive positive impact on society and the environment. This is why, in addition to and in line with our ongoing Citizenship efforts, our brands are reinventing brand-building to become a force for good and a force for growth.

Last year we introduced the framework we're using to ensure our leadership brands enable responsible consumption and have a positive impact on the world, called Brand 2030. We've trained our brand teams on the Brand 2030 requirements, supporting them as they integrate brand citizenship, including social impact and environmental sustainability, as a core expectation in their respective brand strategies and executions. Within this framework, each brand needs to implement seven ambitious Fundamentals across product, packaging and supply chain and define a brand-specific North Star commitment, helping to solve for a societal challenge to which they can uniquely and meaningfully contribute.

Today, 30% of our leadership brands have achieved the first out of three milestones on the journey to 2030: they have defined meaningful and measurable goals for a brand-specific North Star and have systematically integrated all Brand 2030 requirements into their end-to-end business processes. To achieve the second

milestone, they will need to take consistent action to achieve their North Star commitment over time with a measurable positive impact on society and the environment. Additionally, they will work to meet the ambitious goals of at least three of the seven Fundamentals, progressing their efforts in the areas of product, packaging, more sustainable materials, communication, transparency, responsible sourcing and manufacturing.

We expect most brands to achieve the second milestone by 2025, progressing to the third and last milestone—which will require significant and sustained progress against their North Star goals and delivering against two more Fundamentals—towards the end-goal of meeting all criteria by 2030. As the journey will take us through the next decade, our intent is to regularly review these criteria and update them as science, stakeholder views and our own experience evolves.







Equality & Inclusion



**Environmental Sustainability** 



Ethics & Corporate Responsibility

**Brand 2030 Journey** 



North Star and Fundamentals integrated into brand strategy

. +

1/7 Fundamentals met

2

On track to achieve North Star Goals

+

3/7 Fundamentals met

3

Significant progress against North Star Goals

+

5/7 Fundamentals met

2030 Goals Met

Brand has met its North Star Goals

+

7/7 Fundamentals met

# **Brand 2030**

### Always

Always is committed to protecting tomorrow, together, with responsible menstrual care and bladder leak solutions. We believe that we have a responsibility to offer products that are safe, have less environmental impact and help girls and women feel protected and confident.



#ENDPERIODPOVERTY 7

By 2030, Always wants to ensure that no girl loses confidence at puberty because of their gender or their period. Our #LikeAGirl campaign has been successful in tackling gender stereotypes around the world, with 94% agreeing that it helps girls feel more confident.<sup>1</sup>

Our global <u>Puberty & Confidence Education program</u>, which reaches more than 18 million children, parents and teachers each year, helps ensure young people have the knowledge they need to navigate puberty and their periods with confidence; and our global product donation programs, including the award-winning <u>#EndPeriodPoverty</u> campaign, help ensure that young people have access to the period products they need to keep learning and stay confident. Over the past year, Always has donated more than 58 million period products to those in need and we are more than halfway toward reaching our two-year 100 million target. Learn more about Always' work around the world <u>here</u>.

Always is also working to make meaningful progress to reduce our environmental footprint through ambitious goals around product innovation and supply chain impacts. To further enable responsible consumption, we are committed to increasing the use of sustainable materials in our products to 50%, and are working to have our packaging incorporate 50% renewable or recycled materials by 2025. We work to incorporate better materials so we can use less of it, as seen in the



Always' #LikeAGirl campaign has been successful in tackling gender stereotypes, helping girls feel more confident.

Always Ultra pads in the United States, Europe and India, where we have reduced the materials used by 10–20% in the last seven years.

Today, almost all Always packaging is recyclable where recycling programs exist. Our manufacturing sites send zero manufacturing waste to landfill globally and are on track to use 100% renewable purchased electricity across all facilities by the end of the decade. Through these efforts to protect the planet, combined with an ongoing commitment to product safety and ingredient transparency, Always strives to ensure consumers don't have to choose between period products that are right for them and right for the world.

**ENVIRONMENTAL IMPACT** 7

PRODUCT SAFETY **₹** 

# We donate our smallest nappies for premature babies to UK hospitals. Pampers.



- 1 Data valid for Europe
- 2 Products available on shelf, for Western Europe only
- 3 Excluding Russia and Ukraine, Certificates of renewable energy from windmill farm

# **Brand 2030**

### **Pampers**

Babies make the world a better place for us all. That's why Pampers cares for every baby's happy and healthy development and for the planet they grow up in. The brand is committed to giving every baby the best start in life, including babies in need, and to leading new sustainable waste management solutions for diapers and wipes.

Out of 135 million babies born every year, approximately one million are born extremely premature and most of them currently don't have access to the diapers they need to develop. By the end of the decade, Pampers aims to provide them with the smallest diapers, specially designed to help enhance what's vital for their early development like uninterrupted sleep, skin protection and "Kangaroo Care." The journey has already started with nearly 35,000 extremely premature babies already using Pampers Preemie diapers. The brand is also using our voice to raise awareness around preemie issues and best practices. A recent example is the #PampersforPreemies campaign launched in November 2019 in the UK, where Pampers announced we are also donating our smallest diapers to premature babies across hospitals.

Pampers is also committed to give used diapers and wipes a second life via leading new sustainable waste management solutions to help babies grow up in a more sustainable planet. Steps are already in place via the first recycling facility in Italy that recycles used diapers with a technology developed by FaterSmart,

a joint venture of P&G and Angelini. Pampers has also been running a diaper waste collection pilot in Amsterdam since 2019 that was honored with the AIM (Association des Industries de Marque)—Nudging For Goods Award 2019.

**RECYCLING USED BABY DIAPERS** 

AIM NUDGING FOR GOOD AWARD 7

Pampers is also committed to make a meaningful difference across our total environmental footprint by 2030 to further drive and enable responsible consumption. We have made our products lighter, halving the diaper weight while doubling the absorbency<sup>1</sup> over the past 50 years. The cellulose in the diaper and the paper boxes are made from materials from FSC-certified forests and other controlled sources.<sup>2</sup> Today, all of our diaper packaging is recyclable where recycling programs exist. And all P&G Baby Care manufacturing sites send zero manufacturing waste to landfill globally. We also recently celebrated that all Baby Care manufacturing sites in U.S. and Europe<sup>3</sup> now purchase 100% renewable electricity. This is a significant step toward our commitment of 100% renewable electricity globally by 2030. Our Pampers® Pure™ diapers and wipes were created with responsibly sourced plant-based materials and other thoughtfully selected materials.

# **Brand 2030**

#### Charmin

Charmin is committed to promoting healthy forests for generations to come. We drive this forestry commitment by helping to protect, restore, and grow forests. To protect forests and ensure our paper is sourced from responsibly managed forests, Charmin is Forest Stewardship Council™ (FSC) certified. To restore forests, we have been partnering with the Arbor Day Foundation since 2017, planting trees, especially in areas devastated by wildfires. And in Brazil's Atlantic Forest, we've teamed up with one of our suppliers to do landscape restoration planning. We work with the Nature Conservancy and the American Forest Foundation to help family forest owners in the U.S. better manage their forests. We have continued our partnership with the Rainforest Alliance<sup>1</sup> by supporting their efforts to develop and launch the Forest Allies Community of Practice, and we are proud to be founding members. Finally, Charmin is committed to driving tree growth. Within our supply chain, for every tree we use, at least one is regrown. However, our efforts do not stop with forestry. Charmin continues to use recycled fibers where it makes sense, with 100% of our toilet tissue inner cores made from recycled fiber. Additionally, we have reduced the consumption necessary to complete the task via improved strength and absorbency, thus allowing consumers to use less toilet tissue.2



# **Brand 2030**

#### **Herbal Essences**

Herbal Essences aims to enable everyone to experience the positive power of nature, every day. Unleashing the power of plants, Herbal Essences nurtures our consumers' hair, their spirit and the planet.

Herbal Essences is the first global hair care brand to partner with the Royal Botanic Gardens, Kew, a world-leading authority on plant science. The brand is committed to protecting endangered plants and promoting plant biodiversity. To achieve this, Herbal Essences is partnering with Kew's Millennium Seed Bank, the largest and most diverse wild plant seed bank in the world. We have successfully launched the first step in the journey with the "Save 20 in 2020" initiative, working with local partner organizations to save 20 threatened plant species that are at risk from climate change and habitat loss. Herbal Essences is engaging consumers, influencers and other partners to promote the campaign and raise awareness of the global threat to plant biodiversity, with experts predicting that two in five plant species are at risk of extinction.

To further enable and inspire responsible consumption, Herbal Essences has clearly defined goals to decrease our environmental footprint, with a 50% reduction in the use of petroleum-based virgin plastic by 2025 and 100% recyclable or reusable packaging by 2030. We are exploring innovative closed-loop packaging systems with the 'Loop' initiative in partnership with TerraCycle in Paris.



Herbal Essences teamed up with Royal Botanic Gardens Kew's Millennium Seed Bank to help protect 20 endangered plant species in 2020.

SAVE 20 IN 2020 **↗** 

All the Herbal Essences manufacturing sites are 100% Zero Waste to Landfill, with goals to achieve 100% renewable electricity, a 50% reduction in GHG and a 35% increase in water efficiency by 2030.

Herbal Essences is also committed to the responsible sourcing of priority ingredients of natural origin. We are leading the way in sharing comprehensive information about our <u>ingredients</u>, transparently explaining our <u>4-step safety process</u> and being recognized by PETA as a cruelty free brand.

Herbal Essences has pioneered the use of tactile markings to make product recognition easier for visually impaired consumers, and we have a goal to include this on all packaging by 2025. We have also made our new website accessible to people with visual impairments, and aim to make all our priority communication tools sight- and hearing-impaired accessible by 2025.





Ariel's clear focus is helping to save resources, in particular energy, when doing the laundry. Turning from 40°C to 30°C already saves 35% of the in-use energy.

# **Brand 2030**

#### **Ariel**

Ariel's history and equity are rooted in science, so we intend to make use of our expertise in this area to have a positive impact on the planet.

Scientifically, the biggest environmental impact of laundry is primarily related to the energy used to heat water for a load of laundry. Ariel's clear focus is helping to save resources, in particular energy, when doing the laundry. Turning from 40°C to 30°C already saves 35% of the in-use energy.

In addition, we have robust plans to use less and better plastics. Ariel packaging will be designed for full recyclability in Europe by 2022 and globally by 2025. Last year, we replaced our round PODs tubs with lightweight bags across European markets, saving 75% of plastic per unit, and as of this this year, the level of post-consumer recycled resin has been increased up to 50% in European Ariel bottles.

We also place great emphasis on transparency, so the ingredients used for Ariel are available on our <u>website</u>, and we want to expand this to include even more details across the supply chain. Our Fabric & Home Care manufacturing sites in North America and the E.U. use 100% renewable purchased electricity and send zero manufacturing waste to landfill.

In 2019, P&G Global Fabric Care reported that 70% of machine loads were being done in low-energy cycles, meeting our 2020 goal. Because every degree makes a difference, Ariel strives to lower the average temperature of doing the laundry even further. We want to inspire half a billion people in Europe and beyond to adapt a more sustainable habit of washing in colder temperatures. Additionally, we aspire to make washing in cold water the new standard and to save additional CO2 in our own operations, as well as through innovative, scientifically-grounded partnerships.



Ariel strives to set new standards for sustainable laundry.

# **Brand 2030**

#### **Pantene**

Pantene has been working with experts\* from <u>Yale University</u> and <u>Columbia Business School</u> and found that while a great hair day feels and looks different for everyone, one thing is certain: hair has the power to transform how people feel about themselves, their sense of identity and even how they think.

Unfortunately, less than one out of ten people who identify as female have a great hair day every day. In addition to constantly innovating to create more great hair days for everyone—all hair types, all hair conditions, all ages and all genders—we are leveraging our voice to remove the cultural or social biases about hair that prevent people from expressing their true identity. In Europe, for example, Pantene took a first step with #HairHasNoGender, which explores the power of hair to express one's identity through

personal, powerful stories from transgender individuals and gender nonconforming advocates.

#### #HAIRHASNOGENDER ↗

In Japan, the brand tackled hair-related discrimination in school. Japanese students who have anything other than black, straight hair were required to submit a signed "natural hair certificate" or to bring in baby pictures to prove that their hair is natural, not created with chemicals or a curling iron. Even after submitting proof, many students were still forced to dye and straighten their hair to conform. In the summer of 2019, a petition inspired by the Pantene Japan #HairWeGo campaign led the Tokyo Metropolitan Board of Education to change school policy permanently.

#### #HAIRWEGO 7

We are also using our global scale to drive positive change for the environment and enable responsible consumption. Among our goals, Pantene is committed to providing water efficient products and waterless product innovation to consumers, such as the Pantene No-Rinse conditioner launched in 2019 in Indonesia and the Pantene Waterl<ss collection launched in 2020 in North America. We have also clearly defined goals



to decrease our environmental footprint, with a 50% reduction in the use of petroleum-based virgin plastic by 2025 and 100% recyclable or reusable packaging by 2030. In Europe, for example, the brand already uses up to 25% PCR in all plastic bottles, and we were the first hair care brand to be part of Loop in the U.S., an e-commerce circular platform that provides reusable and durable packaging to shoppers. Furthermore, all manufacturing sites are 100% zero waste to landfill, with goals to achieve a 50% reduction in GHG, 35% increase in water efficiency and 100% purchased renewable electricity by 2030. We have already achieved the renewable electricity goal in North America and Europe.



\*Dr. Marianne LaFrance, Emerita Professor of Psychology and of Women's, Gender, and Sexuality Studies Ph.D. at Yale Univeristy, and Dr. Adam Galinsky, Ph.D., Paul Calello Professor of Leadership and Ethics at the Columbia Business School.





# **Community Impact**

As a Company committed to being a force for good and a force for growth, we believe we have a responsibility to give back to the communities around the world. Helping communities is one of our Citizenship priorities and rooted in who we are as a Company. As a result of COVID-19, we stepped up to provide support for communities around the world in addition to the work our brands and people are doing to make a tremendous positive difference in the lives of so many. These pages share just a few of the many community impact stories from fiscal year 2019/2020.

# **Community Impact**

Message from Marc Pritchard	<b>&gt;</b>
Bringing Clean Water to Communities Around the World	<b>&gt;</b>
Disaster Relief	<b>&gt;</b>
COVID-19 Relief Efforts	<b>&gt;</b>
North America	<b>&gt;</b>
Europe	<b>&gt;</b>
Asia Pacific, Middle East and Africa	>
Greater China	>
Latin America	>

Habitat for Humanity	
Regional Impact	
North America	>
Europe	>
Asia Pacific, Middle East and Africa	>
Greater China	>
Latin America	>
Employee and Consumer Programs	>





MARC PRITCHARD

**Chief Brand Officer** 

# Message from Marc Pritchard

For generations, we've united to support consumers and communities through unexpected challenges, providing the brands people count on to take care of their personal health and to create clean and healthy homes. In light of this year's pandemic, we've stepped up even further to ensure we are protecting our employees, serving consumers and supporting communities.

We are using our brands and people to help bring a sense of normalcy in these uncertain times, and our brands are uniquely positioned to help those in need, especially those in underserved communities who are disproportionately impacted by the pandemic.

In the following pages, we will share just a few of the many stories about how we are making a difference in the communities everywhere—bringing clean water to those in need, being there in times of disaster and using our brands, our voices and our talents to give back.

Being a good corporate citizen is core to who we are as a Company, and our founders made giving back a priority and a bedrock principle in how we do business. It remains a priority now, and in the future, as we are committed to making a meaningful difference in peoples' lives each and every day.

# **Bringing Clean Water to Communities Around the World**

Nearly a billion people do not have access to clean water and that is exactly the challenge that U.N.
Sustainable Development Goal #6 and our Children's Safe Drinking Water (CSDW) Program works to address.

In 2004, we launched the non-profit program that uses a P&G-invented technology—P&G Purifier of Water packets—that can transform 10 liters of dirty and potentially deadly water into clean, drinkable water in only 30 minutes.

PRG. C
PURIFIER OF
WATER

Bath-packet treats
10 litera/25 galfora of Water
Cattre game analosis charines
NET CONTENTS 4g (0.4 oz)

We have provided more than

# 17 billion liters

of clean water using our P&G Purifier of Water packets. Working with more than 150 public, private and non-profit partners, we have delivered more than 17 billion liters of clean water that has helped transform communities through improved health, access to education and better economic opportunities. We've set a new goal of providing 25 billion liters by 2025. To learn more about the CSDW Program, visit our website.

CSDW PROGRAM 7



# Bringing Clean Water to Communities Around the World

## The Power of Clean Water in Argentina

P&G Argentina continues supporting the CSDW Program in the vulnerable regions of the country lacking access to clean water. This year, we expanded our program and delivered more than 7.5 million liters of water, reaching a total of more than 12,000 families. Last March, we celebrated World Water Day and included new families in the Salta province who were in desperate need after a river overflowed. With the support of many local NGOs of Salta, we were able to support them and help them get access to clean water. We are proud to share that we have surpassed our goal of delivering 25 million liters of clean water in Argentina since the program began, and we are looking forward to expanding the program.



In Argentina, we've surpassed our goal to provide 25 million liters of clean water.

# Photography Exhibit Features the Power of Clean Water

As part of our fifth anniversary of the CSDW Program in Central America, we launched a photography contest in alliance with Walmart. In August 2019, consumers in Central America were able to see the power of clean water through the lens of their local artists. Photographers from Guatemala, Honduras, Nicaragua and Costa Rica visited a community that benefited from the CSDW Program and showed their photos in a regional exhibition in different Walmart stores in these countries.

The exhibit told the stories of Petrona, a grandma supporting five grandchildren in Jalapa, Guatemala, who has seen her community transformed by the power of clean water; Rosa in Honduras who sends her husband to work every day with clean water thanks to the program; Olmara in Nicaragua and Saray in Costa Rica who use P&G's water purifier to transform the water of their rivers into clean drinking water.





# **Bringing Clean Water to Communities Around the World**





We reached a significant milestone for our CSDW Program—providing 17 billion liters of clean water on our way to 25 billion by 2025.

# Celebrating Our 17 Billion Liter Milestone with Mary and Her Family In Kenya

In June, we reached a significant milestone for our CSDW Program—providing 17 billion liters of clean water on our way to 25 billion by 2025. We recognized this milestone with Mary, her husband Daniel, their two daughters, Celline and Lupita, their son Keith, as well as Vena, who is just nine years old, immune-compromised and staying with Mary to have access to medical care. They live in western Kenya and benefit from the clean water brought to them by our CSDW Program through our partnership with <u>CARE International</u>.

Mary's life was forever changed when her sister was diagnosed with cholera after drinking untreated water. "Since then, my family only drinks water treated using P&G water purifier," she said.

For Mary, the transformation has been significant. "Clean water means that my children who are still very young have access to safe water at all times. We have not experienced any cases of diarrhea in this household since we started using P&G Purifier of Water."

According to Mary, her community used to experience a lot of cholera cases; however, since 2016 when they started using the packets, they have not had any cholera issues.

# Partnering with Our Customers in Vietnam to Bring Clean Water to Those in Need

P&G's CSDW Program started in Vietnam in 2016 with the partnership of Red Cross Vietnam. After four years, the program has touched and improved the lives of more than 580,000 people by providing 90 million liters of clean drinking water in 10 provinces of Vietnam. P&G Vietnam has partnered with our customer, Saigon CO.OP, to bring this meaningful program to Vietnamese consumers.



MARY'S STORY 7





We provided emergency aid grants to organizations providing critical services in the Bahamas.

# **Disaster Relief**

When faced with unexpected conditions following a disaster, P&G products can provide comfort and restore a sense of normalcy to those who are recovering. Working with a global of network of trusted disaster relief partner organizations, we provide everyday essential products and critical aid to families around the globe. This year, we provided aid and direct support in response to more than twenty disasters, including the Australian bushfires, flooding in India and Thailand, Hurricane Dorian in the Caribbean, devastating earthquakes in Puerto Rico and Turkey, and floods and tornadoes across the U.S. And when faced with a global pandemic, we shifted our resources to assist frontline workers and health care providers while also reaching communities most disproportionately impacted.

# Providing Aid to the Bahamas After Hurricane Dorian

Hurricane Dorian made landfall in the northwest Bahamas as a Category 5 storm on September 1, 2019. As the strongest storm in the history of the Bahamas, it caused catastrophic damage to infrastructure and massive flooding on Abaco and Grand Bahama Islands.

We partnered with local organizations to provide P&G products, including Pampers donations, in collaboration with local retailer Price Smart. We also provided emergency aid grants to organizations providing critical services on the island, including International Medical Corps, Water Mission and World Central Kitchen.

With our support, Global Medic's Rapid Response team delivered family emergency kits to the Bahamas. Kits contained P&G Purifier of Water packets, soap, toothbrushes, toothpaste, solar lights and oral rehydration salt sachets to keep families clean and healthy while they recovered from the disaster.

Matthew 25: Ministries shipped many pallets of aid to the Bahamas, which included P&G personal care kits and products from Bounty, Charmin, Mr. Clean, Pampers, Pantene and Tide. Additional product supplies were also provided to communities in the U.S. flooded by Hurricane Dorian.

# **Helping Out Down Under**

From September 2019 to March 2020, Australia experienced its worst bushfire crisis in decades. It is estimated that the fires destroyed more than 12 million hectares, taking human lives, damaging homes and killing many native animals. Many people suffered from a heavy smoke haze which lasted for months.

To assist the community and recovery efforts, P&G with our partner Foodbank donated more than 100,000 products, including Fairy detergent, Gillette razors, Head & Shoulders shampoo, and Oral-B toothbrushes and toothpaste. Our teams in both Sydney and Melbourne volunteered in the Foodbank warehouses to help distribute the muchneeded supplies. We also donated money from our global disaster relief fund to Habitat for Humanity to assist in critical rebuild and recovery projects. The Aussie hair care brand donated more than \$100.000 to WWF-Australia and WIRES WildLife Rescue, and Vicks Australia partnered with Direct Relief to donate more than \$20,000 to help distribute N-95 masks to assist those exposed to poor air quality and smoke haze.













# **Disaster Relief**

# **Elazig Earthquake Donations**

The city of Elazig, Turkey, was shocked by a 6.7 magnitude earthquake on January 24, 2020. P&G Turkey was one of the first corporate responders to deliver aid to the people and families in need. Our teams deployed more than 33,000 products with the Turkish Red Crescent, helping impacted families in Elazig.

Additionally, one of the 30 Olympic athletes P&G Turkey supports as part of the Olympic Moms project for the Tokyo Olympic Games, Aliye Demirbag, lost her home as a result of the earthquake. We helped cover accommodation expenses for Aliye and her family.

# **Flooding Support**

In August 2019, floods hit the western region of India, impacting and displacing countless families. We provided disaster relief to more than 2,500 families helping with brand donations. We also distributed more than 100,000 Whisper sanitary pads to women and girls impacted by Cyclone Amphan that struck West Bengal in May 2020.





# **COVID-19 Relief Efforts**

**33** 

PROTECTING P&G PEOPLE



SERVING CONSUMERS



SUPPORTING COMMUNITIES

P&G has a long history of supporting communities in times of need all around the world. Since the onset of the COVID-19 outbreak, P&G has stepped up its commitment to be a force for good and has been working with long-standing partner organizations around the globe to provide support to communities, relief agencies and people impacted by this challenging situation.

During these uncertain times, we have found ourselves faced with a pandemic that has forced us into an everchanging 'new normal' as the situation continues to evolve. While our communities have been through a lot in the past few months, it is important to remember that while many things have changed, one thing has remained the same—P&G's commitment to protect and support our consumers and our own P&G employee family.

Our intent from the beginning of the pandemic has been to ensure a safe and healthy work environment for our employees, and to continue to serve our consumers and the communities where we operate.



# **COVID-19 Relief Efforts— North America**

#### Cincinnati

In our headquarters city, we provided product donations and financial support to our local community as we:

- Joined forces with the Greater Cincinnati Foundation, the United Way of Greater Cincinnati and other companies to raise money for food banks, shelters, child and senior services and organizations as part of the COVID-19 Regional Response Fund.
- Donated monetary gift cards from Olay to the local United Way for distribution to local agencies.
- Continued our work with our Disaster Relief partner, Matthew 25: Ministries, to get brands such as Crest, Gillette, Pampers, Secret and Tide to those impacted by the pandemic.
- Sponsored the Cincy Card Connection designed to help support local businesses in partnership with the Cincinnati Center City Development Corporation (3CDC).
- Donated thousands of medical masks to four local hospitals, the City of Mason's public service department, multiple emergency teams and a police department through our P&G Chinese employee community and their partnership with the Greater Cincinnati Chinese Association (GCCA).



## **Puerto Rico**

P&G Puerto Rico provided hospital workers and their families the essentials they needed to take care of their personal health and hygiene and keep their homes clean and healthy through significant product donations. Ace laundry pods, Bounty paper towels, Crest toothpaste, Gillette and Venus razors, Head & Shoulders shampoo, and Secret deodorant were distributed to hospital workers through the American Red Cross, Puerto Rico Chapter.

P&G Puerto Rico delivered a message of gratitude, appreciation and motivation to hospital workers and other emergency first responders through an inspiring online video featuring young professional Puerto Rican athletes, including four Olympians.

#### PUERTO RICO GRATITUDE VIDEO 7

#### Canada

P&G Canada donated millions in cash and hygiene kits to Canadian families and communities in need through shelters and foodbanks and donated product to frontline health care workers in appreciation of their efforts.

We made hand sanitizer and masks at our Brockville and Belleville sites for employee use and for donation to local communities. This included a donation to Ornge, a provider of air ambulance and medical transport services in Ontario.

# When We're Out, It's 'Masks On, Ohio'

During COVID-19, P&G leveraged our marketing expertise to support public health measures to help flatten the curve and slow the spread of the virus. One key initiative was "Masks On, Ohio," a campaign created for the state where our headquarters is located.

Chief Brand Officer Marc Pritchard enlisted advertising agency partner Grey to create assets, such as outdoor advertising, social media visuals and radio ads, to remind Ohioans about the importance of wearing masks.

We then joined forces with state and local government contacts and businesses to share the assets as broadly as possible with a very direct message: While we wait for a cure for COVID-19, wearing masks is one we can help protect ourselves, family, friends and neighbors.





# Tide Cleaners Provided Loads of Hope for Frontline Responders

Tide and Tide Cleaners franchisees created a program in the midst of COVID-19 to provide free dry cleaning and laundry services to frontline workers and their immediate family members affected by the extreme working conditions of the pandemic. The effort began in late March and within weeks, Project Hope was operating in more 26 cities. By the end of June, Project Hope served more than 104,000 frontline responder visits, cleaning more than 1.8 million garments—all for free and giving our frontline responders some of the hope they give us every day.

# COVID-19 Relief Efforts— North America

#### **Personal Health Care**

The North America Personal Health Care family of brands made significant contributions to the health and well-being of people around the world through our support of several relief organizations. In March, the Vicks brand donated \$1 million to Direct Relief. These funds were used to equip frontline health care workers with protective gear and provided medicines and equipment needed to treat ICU patients. In April, Vicks joined the family of P&G brands who supported Global Citizen's "One World: Together at Home," a virtual event benefiting the World Health Organization's COVID-19 Solidarity Response Fund and regional relief organizations. In addition to tune-in social posts, Vicks leveraged their social channels to raise awareness of Direct Relief's work in support of frontline health care workers. Vicks also raised awareness of the "Altisimo! Live" Music and Pop Culture Festival with tune-in posts and donated \$50,000 to the Farmworkers' COVID-19 Pandemic Relief Fund.

The Vicks brand donated
\$1 million to Direct Relief.

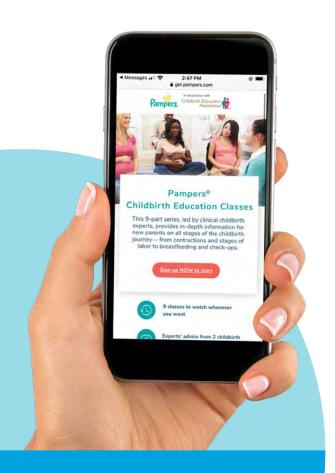
In May, P&G's digestive wellness brands supported the virtual comedy show, "COVID is No Joke," benefitting Americares. Pepto Bismol donated \$25,000 to Americares after sponsoring the "Pepto Cares Song & Dance Challenge." Pepto Bismol closed out the fiscal year by donating \$50,000 to Feeding America and \$50,000 to the National Restaurant Association Educational Foundation.

## **Charmin and Bounty**

To meet the spike in demand for toilet paper, our Family Care Team has been hard at work, and our responsive workforce took incredible ownership of the business. Our team in the Albany, Georgia, plant, with significant support from teammates from the Cape Girardeau and Mehoopany plants, started up idle equipment in just two weeks—a process that typically takes months—to make sure consumers could find what they needed on store shelves.







# Pampers

Pampers provided free online video classes for expecting parents.

# COVID-19 Relief Efforts— North America

## **Pampers**

In North America, Pampers recognized the impact COVID-19 safety measures would have on new parents and their babies. In addition to the diaper donations we make year-round, the brand wanted to do more through its Bright Beginnings program. It's critically important for parents-to-be to feel ready and prepared for their new arrivals, but many in-person childbirth education classes were canceled in early 2020. Thus, Pampers announced they would provide free online video classes for expecting parents. Hospital restrictions also made it more difficult for new parents to stay with their littlest fighters in Newborn Intensive Care Units (NICUs). To keep families and babies connected, Pampers provided \$400,000 in technology grants to eligible hospital NICUs across North America. With the money, NICUs purchased technology solutions that allow parents and families to talk, read and sing to their infants in the NICU, even when they can't be physically together.

## Safeguard

In June, Safeguard announced a hygiene education and product donation initiative to help reach the estimated 48 million kids under the age of 12 who were reentering playgrounds, parks, recreational facilities and schools in the U.S. Safeguard committed to donate \$10 million to promote handwashing habits among kids and provide more underserved communities and families with free hygiene products through organizations like Save the Children, Americares and Feeding America.

Actress, entrepreneur and new mother, Shay Mitchell, advocated the importance of instilling hand hygiene habits at home starting at an early age. Family physician, Dr. Jen Caudle, joined the initiative to help parents understand how to follow CDC guidelines and advise on how children can safely remain active.

Save the Children serves as a catalyst for providing basic health and hygiene resources like hand soap to U.S. communities in need. Cosmic Kids Yoga and other social media personalities participated in the initiative, reaching children and families to introduce an interactive handwashing routine in the form of a song.

SAFEGUARD HANDWASHING SONG 7

In Europe, P&G's donations totaled more than \$25 million in financial aid and product. P&G Europe helped protect the dignity of vulnerable people by providing financial aid and millions of P&G products to families in need, the homeless and the elderly. We joined forces with relief partners, such as the Red Cross Red Crescent movement and food banks, donated food baskets during Ramadan and Easter meals to the homeless and helped fund temporary emergency centers.

We found solutions to keep essential workers healthy and safe, commissioning lines at our plants to start production of masks and repurposing some perfumemaking equipment to manufacture surface disinfectant and hand sanitizer—for our people and partners as well as for hospitals, health authorities and relief organizations.

We showed solidarity with frontline heroes, donating razors to health workers, offering hygiene products to health care services, as well as support for vital lifesaving work and medical supplies. We used our voice to thank them and joined the #keepclapping campaign on World Red Cross Red Crescent Day on May 8, 2020.

In the next few pages, we will highlight some of the country-specific efforts.

#KEEPCLAPPING 7





## Bulgaria

P&G and our brands Ariel, Fairy and Always made financial and product donations to the Red Cross Bulgaria. The donation supported several initiatives aiming to help mitigate the consequences of the COVID-19 pandemic in the country, including protective equipment for medical staff. The campaign was implemented under the hashtag #StrongerTogether.

## **Czech Republic**

To combat COVID-19, the government of the Czech Republic introduced a mandatory use of face masks and recommended frequent use of hand sanitizer. However, there was a shortage of masks and hand sanitizer in the local community.

The P&G team at our Fabric and Home Care plant in Rakona, Czech Republic, quickly started in-house production of disinfectants and organized on-site and in-home production of textile face masks to help. These much-needed items were provided to professionals at the frontline in local hospitals, ambulances, police offices and local doctors' offices, as well as at-risk populations in retirement homes, foster homes, elderly care services, and prisons. In partnership with our dish bottle supplier, the Rakona plant also donated empty bottles to a company producing disinfectant that had run out.

#### France

P&G Amiens plant donated thousands of masks to health authorities, as well as mobilizing production capabilities to provide sanitizer. The site also donated hundreds of kits composed of masks, gloves, Mr. Clean sanitizer and hydroalcoholic gel produced on site to health facilities, nursing homes and homes for the elderly. The Blois plant donated PPE to local health authorities and medical centers, along with lab coats, hygiene caps and gloves to hospitals.

France and Benelux communities donated more than 100,000 P&G products per week to our long-standing partners, Dons Solidaires, Agence du Don en Nature, as well as to the French Red Cross, hospitals and local public and health institutions.

We committed funds to the French Red Cross to support its actions and enable the volunteers and staff to continue their essential work on the frontline of the fight against COVID-19 and also through a call for donations—#EnsembleaveclaCroixRouge ("Together with the Red Cross").

P&G France has been partnering with SOS Villages d'Enfants (SOS Children Villages) since 2014 with yearly cash donations. During the pandemic, we made an extra cash donation to help with the educational and emotional support for hundreds of children.

## **Germany, Austria and Switzerland**

In Germany, we created the #GemeinsamStaerker (#StrongerTogether) program that brought together health care, home care, beauty and parenting advisors to offer consumers help and advice during uncertain times. With Nina Ruge, German journalist, TV presenter and anchor, as moderator and our team of experts, we wanted to provide answers for the people in Germany, Austria and Switzerland that are of practical use to everyone. The ad-free live talk focused on reliable information on hygiene, children and family life, fitness and mental health.

P&G partnered with journalist
Nina Ruge to help German
consumers be #StrongerTogether.



#### Greece

P&G and our brands Always, Ariel and Fairy provided financial support to the Ministry of Health for equipping intensive care units of hospitals, as well as supporting tens of thousands of people with personal health, hygiene and household products. Medical personnel received personal hygiene and laundry products, and we helped people at home with everyday essentials. For the homeless, Fairy delivered meals to many in partnership with Solidarity Center of Athens, and Ariel assisted by offering free laundry.







# **Hungary**

Budapest's biggest sports arena was used by the Hungarian Red Cross as a warehouse during the pandemic. P&G's support arrived in the earliest stage of the response, as the staff our Budapest General Offices and two local plants donated brands like Always, Ariel, Jar, Lenor, Naturella, Pampers and Tampax to local partners, including the Hungarian Red Cross, UNICEF, Habitat for Humanity and hospitals in the area.



## Italy

Our people at the plant in Gattatico volunteered four free hours of additional work to produce extra cases of Mr. Proper with bleach, which was then donated to local hospitals. The Pampers team developed an educational music video to help parents teach their children the proper handwashing technique, a necessary first line of defense against the virus spread.

DOBBIAM LAVAR LE MANI 7

#### **Poland**

P&G Poland donated products to the Polish Red Cross, the Association of Nurses and Midwives and numerous hospitals and care institutions. We financed the equipment for a temporary epidemic hospital, helped with the operation of a help line for nurses and paramedics and purchased PPE for medical personnel.

In addition, two plants in Poland launched production of PPE in record time. The Aleksandrów Plant celebrated the fastest new product production ever, launching manufacturing of sanitizer. The Targówek plant installed and started operating a mask production line in a record time. The resulting sanitizer and masks were shared with employees, P&G locations in Poland and our local communities

Two plants in Poland, Aleksandrów and Targówek, launched production of PPE in record time.

## **Portugal**

P&G Portugal donated cash and products to the Red Cross to support health care professionals and medical centers—including tens of thousands of products from brands such as Dodot, Evax, Fairy, Gillette, Head & Shoulders, Pantene and Tampax. We also helped promote awareness and donations for the Red Cross fundraising campaign #EuAjudoQuemAjuda (#IHelpWhoHelps) aimed to support health professionals and hospital units through the financing of health initiatives, projects and operations, as well as humanitarian aid developed to prevent and control COVID-19. As one of the biggest advertisers in the Portuguese market, we also gave advertising slots to promote the campaign #EuAjudoQuemAjuda.

Fairy partnered with the Portuguese Food Bank special network created for this relief period (Food Emergency Network) and the biggest media group in Portugal (Media Capital) to create the initiative, "With Fairy, Help Cannot Stop." This campaign lasted 11 days and consisted of a kickoff TV show with spokespeople from Food Bank, Fairy and the ambassadors of the campaign, as well as a strong digital element, many radio spots and a synchronized instore execution. The campaign raised more than \$230,000 with the Fairy brand contributing another \$50,000.



We gave advertising slots to promote the #EuAjudoQuemAjuda campaign, which supported health professionals and hospital units.

#### Romania

P&G Romania and our brands Always, Ariel and Fairy provided financial support, personal health and hygiene and household products to Red Cross Romania. The Company supported frontline medical staff by providing the local health system with funds to purchase the medical equipment needed to fight the pandemic. Part of the donation supported the Emergency Hosptial in Ploiesti at the frontline of the pandemic fight. In parallel, P&G products have been donated to those most impacted. The campaign was implemented under the hashtag #StrongerTogether.

#### Russia

P&G Russia activated our COVID-19 disaster relief program under one corporate umbrella "Care to Every Home." Brands designed and executed initiatives to help the local community. Head & Shoulders launched a social campaign, #ApartButUnited, to encourage people to stay in touch with one another. The campaign

started with an online concert by Head & Shoulders ambassador Basta, who sang from his home, resulting in tens of thousands of people tuning in. Gillette's plant in St. Petersburg—the only major razor manufacturing site in Russia—held a "charity shift." All products during that shift—500,000 disposable razors—along with 500,000 donated by the brand, were sent to medical staff across Russia via our NGO partner Foodbank. P&G Russia also donated substantial quantities of products to help support basic needs for people across different regions in the country.



#### Serbia

P&G and our brands Always, Ariel and Fairy announced donations to Red Cross Serbia in financial support, and in personal health and hygiene and household products. The Company supported local communities by providing funds to purchase food packs for those in need. We also donated everyday P&G product essentials.





#### Spain

P&G Spain and our brands provided financial aid to the Spanish Red Cross Plan "CRUZ ROJA RESPONDE" to help construct temporary emergency medical centers during the health emergency. Our brands, such as Ausonia, Dodot, Evax, Gillette, Head & Shoulders, Old Spice, Oral-B and Pantene were included in personal care kits distributed by the Spanish Red Cross to provide families and those in need with basic goods.

With the Spanish Red Cross, their volunteers and our sponsorship, we created a service—"Tu farmacia más cerca"—to deliver products to those in need. Pharmacies and users from all over Spain could request the shipment of pharmaceutical products and medicines through the Red Cross. From there, a network of volunteers delivered supplies to the corresponding homes.

Health care workers also received help from P&G brands that were sent directly to hospitals. Olay helped workers take care of their skin damaged by the use of glasses and masks, Hair Care and Old Spice allowed workers to have a shower before going back home, and Fairy helped workers clean their protective goggles.



P&G Spain and our brands provided financial aid to the Spanish Red Cross RESPONDE Plan.

# **COVID-19 Relief Efforts—Europe**

# Turkey, Caucasus and Central Asian Republics

P&G Turkey, Caucasus and Central Asian Republics (CCAR) has been actively working during the COVID-19 outbreak to ensure that people who stayed in a temporary quarantine residence had access to necessary personal care products and the comforts of home. Working with the Turkish Ministry of Youth and Sports, we delivered packs of Ariel and bottles of Fairy and Flash to the Turkish Red Crescent to be distributed to the residences. We also worked with the Turkish Red Crescent to provide P&G multi-pack kits to those living in quarantine. Through these efforts, we reached thousands of people staying in the quarantine dorms.

Together with the Food Rescue Association, Fairy created the "Don't Waste" project to finance basic food needs and donate Fairy products during the month of Ramadan.

Metro Grossmarket Turkey started the "For My Small Business" program to aid small and mid-size businesses that were shut down due to COVID-19. P&G Turkey donated one cleaning pack per business to support this movement. We also launched the "Stepping Up For Hope, Under the Same Roof" project to support families whose lives have been adversely affected. Within the scope of the project, with the cooperation of the Turkish Red Crescent, we delivered Hope 2020 hygiene packages consisting of basic hygiene, health and personal care products to tens of thousands of families across the country. The same initiative was then applied in Azerbaijan.

Finally, our Gebze Plant workers voluteered their time to increase production. The result was the donation of thousands of bottles of Fairy and packs of Ariel to the Turkish Red Crescent to benefit the neighborhoods in the Gebze community.



Our Gebze Plant donated thousands of bottles of Fairy and packs of Ariel to the Turkish Red Crescent.





# **COVID-19 Relief Efforts—Europe**

#### UK

In the UK, we have stepped up to help those impacted by the pandemic through various brand and business unit contributions. Here are just a few of the initiatives we supported:

- We donated more than \$1 million in products from brands such as Fairy, Gillette and Pampers to our long-standing partner, In Kind Direct.
- Our Fabric Care team donated 3,000 units of laundry products to Great Ormond Street Hospital to help keep health care workers' uniforms clean.
- Gillette, after learning health care workers were being asked to shave for their safety to allow a closer fit of respiratory masks, established a free donation mechanic to NHS staff in the UK and Health Service Executives in Ireland, donating many razors as a result.
- UK manufacturing and R&D plants manufactured much needed hand sanitizer and face shields, donating tens of thousands of liters of hand sanitizer and more than one million face masks.
- We transformed our end of year celebration this year allowing us to support three charities, Macmillan, Refuge and Calm, who each received a grant of more than \$45,000.
- Our site teams expanded grants and donated more than \$130,000 in total to local charities.

- Always and Tampax donated hundreds of thousands of products to frontline workers at NHS Nightingale hospitals.
- Our hair care brands, Olay and Oral-B collectively donated almost \$1 million worth of products to frontline workers at NHS trusts across the country.
- Our brands created unique ways to help, such as home haircut tips from Braun, healthy handwashing habits from Pampers and the British Skin Foundation, encouragement to Bring Nature In and support of the Global Citizen "One World: Together at Home" campaign from Herbal Essences and their ambassadors.

#### Ukraine

P&G Ukraine teamed up with Caritas Ukraine Charitable Foundation to benefit the elderly with the "Care to Every Home" program. Caritas volunteers picked up their laundry and returned it clean, thereby minimizing the need for outside contact. By using brands like Ariel, Fairy, Lenora, Mr. Proper and Tide, we worked to make this service useful and effective. P&G Ukraine also helped the Ukrainian Red Cross set up a hotline to inform Ukrainians about the pandemic, giving them useful information on how to protect themselves.

#### India

P&G India launched its COVID-19 response and relief program, P&G Suraksha India, to support consumers and communities. Suraksha is the Hindi word for "protecting." Through our efforts, we supported government and NGOs via product donations and PPE, leveraged the voice of our brands to create safety and hygiene awareness, utilized our reach with instore counselors and direct-to-consumer capabilities to connect with consumers to raise awareness about hygienic practices to help avoid the spread of COVID-19, raised safety and hygiene standards across our end-to-end supply chain and provided additional financial support to partners for their vulnerable employees.

In partnership with the government and relief organizations, we distributed Whisper sanitary pads to women and girls from underprivileged and migrant communities, childcare institutions, frontline healthcare workers and sanitation workers across the country. We partnered with NGOs to distribute Tide detergents to thousands of health workers nationwide. Vicks India, through its #ShowWeCare initiative, donated \$100,000 to HelpAge India to provide rations and hygiene kits to disadvantaged elderly people. The initiative also included advertising to drive community awareness about the importance of physical distancing, not emotional distancing.

We extended our support to migrant and underprivileged families in our neighboring communities by distributing thousands of grocery kits. In partnership with NITI Aayog, we supported self-employed women entrepreneurs in Gujarat, Rajasthan and Punjab and helped restart their businesses.

We also extended our support to the barber community who were among those greatly impacted by the lockdown through Gillette Barber Suraksha Program. The program aimed to educate, protect and provide resources to them as they return to business.

On Mother's Day, we launched the #ThankYouMa (Ma meaning mother in Hindi) to thank mothers who, irrespective of distance or circumstance, continue to care about the smallest of things in the lives of their children. The campaign featured stories of real-life mothers who help their children with laundry, shopping for essentials, ensuring personal hygiene, checking on their meals and more—all while taking care of the big things on the frontlines of the pandemic.

Through our Suraksha Circle program, we shared our learnings and best practices on the highest standards of health, hygiene and safety measures at manufacturing sites with others in the industry.

P&G employees in India donated to the PM Cares Fund to support India's fight against COVID-19. In addition to the in-kind donations, P&G India also made financial contributions to the state governments to support their response efforts.



We launched the #ThankYouMa campaign to thank mothers who help their children amidst being on the frontline of the pandemic.



#### Indonesia

P&G Indonesia delivered essential supplies for children and families around the country. The team shared hundreds of packages that consisted of rice, food supplies, disinfectants, masks and P&G products. These supplies were sourced from the local community, helping to keep businesses running while in turn delivering a care package to families in need. We also provided PPE kits for the medical frontline workers. The Personal Health Care team in Indonesia provided thousands of care kits to employees of our distributor partner with Sangobion® (iron supplement) as a part of these packages.

#### **Japan**

The Shiga Plant, home to the production of SK-II, was able to do a quick start up and begin producing critically needed masks. With production up and running, masks were initially donated to employees and their families while masks were difficult to find in Japan. Mask donations have expanded to the government, business partners and contractors at our P&G sites.

#### **Philippines**

Medical frontline workers have been the unsung heroes amidst the COVID-19 pandemic. They work around the clock as they risk their own lives to care for the sick, while many others are encouraged to stay at home. What is left unsaid, however, is that they

are also real people with families waiting for them. Through the "Frontliner's Sacrifice" online video, P&G Philippines showed how we can be a #ForceForGood as we #CareForFrontliners and encourage the public to do its part to help them come home soon.

The video captured real clips and footages from frontline workers and in just 48 hours, the video received one million online views and the total continues to grow today. We are inspired to see our consumers join us in sharing the gratitude.

#### A FRONTLINER'S SACRIFICE 7

We also launched the #PhilippinesCares campaign founded on the idea that care goes beyond the physical touch we give. Linked with this campaign, Vicks donated hundreds of cases of Vicks inhaler to the Cabuyao City health office.

Safeguard Philippines supported the nation's health care frontline workers by teaming with the Philippine Red Cross to create the P&G Safeguard's BayaniHands Project. Coined from the Filipino term 'bayanihan,' or the communal unity of working together to achieve a common goal, the brand encouraged Filipinos to become everyday heroes by embracing the power of safe hands and to come together as a nation helping each other. The BayaniHands Project encourages consumers to support the

Red Cross frontline workers' efforts by donating online through an e-commerce platform.

Safeguard launched the campaign with a heart-warming online video that tells the story of Filipino bayanihan in these unprecedented times. Shot entirely while adhering to Enhanced Community Quarantine (ECQ) protocols, the team pieced together a story that stems from the spirit of bayanihan with clips shot by different filmmakers from across the region.

#### SAFEGUARD BAYANIHANDS 7



P&G Safeguard's BayaniHands
Project for the Red Cross
encouraged consumers to
support frontline workers.



#### **Singapore**

We have donated thousands of care packs to vulnerable families and frontline workers and hundreds of sets of cleaning products to social service agencies and preschools. We have also launched a fundraiser with each dollar matched by the Company for the National Council for Social Services. In partnership with the Singapore government, we extended our support to migrant workers and helped curb further transmission of the virus by distributing hundreds of thousands of care packs. Employees prepared care packages and were joined by Ms. Josephine Teo. Minister for Manpower and Second Minister for Home Affairs and Ms. Low Yen Ling, Mayor of South West District and Senior Parliamentary Secretary, Ministry of Manpower and Ministry of Education. Oral Care also donated products for inclusion in the P&G Care Packs to migrant workers.

#### **United Arab Emirates**

With employees juggling home responsibilities as well as work responsibilities, we adapted quickly to empower them to succeed. We established "No Meeting Zones" so our people would have increased flexibility. We helped employees whose homes were not set up with the tools required to work from home full time, providing them necessary IT tools and ergonomic furniture to work from home effectively.

We also stepped up to provide support for communities and relief agencies under our Protect Our Heroes COVID-19 Relief Mission. We expanded our manufacturing facilities to produce PPE for donation to organizations supporting frontline workers across Middle East and Africa, as well as a donation of Safeguard antibacterial soaps and handwashing stations in Nigeria. We also donated products like Always, Fairy, Gillette and Safeguard to frontline relief workers and communities in need across the region.

#### **Vietnam**

P&G Vietnam closely worked with Vietnam Red Cross and People's Committee of Binh Duong to provide thousands of Safeguard soaps and handwashing liquid to support communities and people in need, as well as organizing hygiene training courses. We also supported the Vietnamese Fatherland Front Central Committee with cash donations, PPE for the medical frontline workers and P&G personal hygiene kits that included Ariel, Gillette, Head & Shoulders and Safeguard products for those staying in temporary government-provided guarantine residences.

#### Nigeria

In Nigeria, we committed to providing more than \$250,000 worth of humanitarian aid to support the Nigerian government in combating COVID-19. This aid included hygiene products, handwashing stations and PPE for frontline health care workers in all 36 states and the Federal Capital Territory. As part of this contribution, we also launched a nationwide media awareness campaign to promote handwashing amongst Nigerians.

#### **South Africa**

P&G South Africa stepped up during COVID-19 and donated \$950,000 in cash and product to various organizations, including UNICEF, Department of Women, Youth & Persons with Disabilities and the Mamas Alliance. We also expanded our Always Keeping Girls in School program to not only provide young girls with access to sanitary pads but also food items and educational materials because we believe that nothing should get in the way of girls' education—not even COVID-19.

#### Kenya

In Kenya, we provided the government with more than \$60,000 worth of PPE to help curb the spread of COVID-19. Across our Africa expansion markets, we provided the governments of Uganda, Cote d'Ivoire and Ghana with humanitarian intervention valued at more than \$35,000.



P&G South Africa donated \$950,000 in cash and product to various organizations.

We provided the government in Kenya with

\$60,000+

worth of PPE to help curb the spread of COVID-19.



# **COVID-19 Relief Efforts— Greater China**

Health care workers in China have been at the forefront of fighting the COVID-19 virus, forging new directions for others around the globe to follow. We were among the earliest donors, and we made our donations in waves to answer the evolving needs in a timely way at the frontlines.

Our P&G China team worked with long-time partners and provided product donations and financial aid worth millions of dollars. Our brands such as Always Discreet, Ariel, Braun, Crest, Gillette, Head & Shoulders, Olay, Oral-B, Pampers, Safeguard, SK-II and Whisper actively supported relief efforts and ensured continued access to products. The China team contributed to our vital P&G partners, the Wuhan Municipal Charity Foundation, the China Youth Development Foundation and One Foundation.

Ariel and Safeguard donated thousands of packages of laundry liquid, liquid hand soap and body wash sanitizers to hospitals, fire departments and communities. Head & Shoulders and Olay donated shampoo and skin care products, while Crest and Oral-B donated toothpaste and brushes to mobile hospitals in Wuhan. SK-II funded ventilators, while Always Discreet and Whisper donated sanitary products to support female doctors and nurses. Braun and Gillette provided shavers and razors for male medical workers.

In addition, the Pampers team reacted quickly to help the kids of health care workers on the frontline, donating diapers and wipes.

#### SK-II

In support of the global relief and recovery efforts around COVID-19, SK-II announced "WE STAND TOGETHER," an initiative to support medical professionals and health care workers on the frontlines. It started with a partnership with the China Women's Development Foundation and a donation of more than \$290,000 and included ventilators and PPE for health care workers in Hubei, China. SK-II "WE STAND TOGETHER" was shared in Times Square, New York City, as a symbol of hope, encouragement and solidarity.

In addition, SK-II pivoted from its Olympics campaign "Beauty is No Competition" during the pandemic to share human stories of hope as part of its brand purpose #ChangeDestiny, which seeks to inspire women to overcome pressures and shape their own destiny. SK-II partnered with swimmer Ikee Rikako who shared her personal journey battling leukemia and finding strength and resilience in challenging times to give strength to everyone.

SK-II partnered with swimmer Ikee Rikako who shared her personal journey.



# **COVID-19 Relief Efforts— Latin America**

## Helping Our Communities and Our Health Care Professionals in Latin America

In Latin America, we focused our efforts on serving the most vulnerable communities and supporting frontline health care professionals. We donated more than \$2 million worth of PPE to health care institutions and associations. We developed and launched the "Thank You Doctor" video to recognize their heroic efforts with thank you messages directly from our teams.

THANK YOU DOCTOR 
□

#### **Argentina**

P&G Argentina donated millions of products to vulnerable communities and people on the frontlines. This was done in conjunction with our key partners—United Way Argentina, Red Cross, Foodbank— and many other NGOs. This was the most significant contribution, done in record time, in P&C's 30-year history in Argentina.

We were part of the most important social program in Argentina, #SeamosUno, where we donated our home care products to hundreds of thousands of families. We stepped up to provide much needed product donations, P&G Purifier of Water packets, virtual volunteering hours and financial support to help hundreds of women in vulnerable situations put their sewing skills into practice making face masks. Our brands also supported consumers by offering different activities, such as Pantene working with hair dressers and Pampers helping parents.

#### **Brazil**

P&G Brazil donated millions of dollars in products, hygiene kits and food baskets to vulnerable communities and frontline professionals. Donations were executed thanks to our strong partnerships with Red Cross, United Way, the São Paulo Government Secretary and Fundação Amazonas Sustentável.

Our brands also supported consumers by offering free workshops and courses online. Pampers offered parents ideas on how to play with babies at home during quarantine and an online baby shower platform; Oral-B Professional offered lectures with experts to help dentists with COVID-19 doubts; Downy offered yoga and dance lessons; and Gillette deodorant created a platform to help gym teachers with online classes. In addition, Always and Vicks donated more than \$100,000 to support research and innovation in the context of the COVID-19 crisis





# **COVID-19 Relief Efforts— Latin America**

#### Chile

Through our NGO partner World Vision, P&G Chile donated thousands of hygiene and home products kits to health care personnel. The #HéroesSinCapa campaign helped with products from Ace, Always, Gillette, Head & Shoulders, Herbal Essences, Oral-B Pampers and Pantene to family health centers.

We also worked with World Vision on the "Feeding Hearts" campaign. The initiative sought to raise funds to support vulnerable households with food boxes.

In addition, each box had a book and a calendar developed by World Vision. The educational material contains suggestions for daily activities that seek to help children understand what the virus is and the importance of maintaining hygiene to avoid spreading it.

The Company also participated in the #YoTeCuido initiative, led by the Geriatrics Society, that benefitted health professionals. The goal of this program was to help doctors and health personnel from hospital centers across the country through the delivery of Gillette brand face shields and razors. Both donations sought to take care of the personnel who are focused on safeguarding the health of Chileans.

"We see it as very important to make this donation possible, since it is about reaching health centers with many difficulties and that, at the same time, have the mission of serving vulnerable families. It is also part of a global campaign by World Vision called #HéroeAnónimo, which highlights worldwide the work of all the people behind an emergency, coinciding with that of P&G."

—Johanna Montero, Country Manager of World Vision Chile

#### Colombia

When Colombia needed to reopen hospitals, we partnered with government institutions and our trade associations to help. We donated detergent and shaving products for hospitals. Also, through the National Food Bank, we donated products to the elderly and vulnerable population.

# Cheade shoulders.

Head & Shoulders donated PPE to HCPs and shared supportive messages from consumers.



# COVID-19 Relief Efforts— Latin America

#### Head & Shoulders #CabezaEnAlto

Head & Shoulders decided to shift its campaign, #HeadHeldHigh, to support Ecuador and Panama health care professionals (HCPs) during the COVID-19 crisis. Through social media, Head & Shoulders invited its consumers to send positive messages to HCPs in those countries and invited local artists for virtual live concerts to continue driving awareness of the campaign.

For each consumer post with the #CabezaEnAlto hashtag, Head & Shoulders donated PPE to HCPs. Thanks to so many supportive messages from consumers, we exceeded our goal and donated more than 2,000 pieces of PPE in Panama and 1,400 in Ecuador.

#### #HEADHELDHIGH 7

In Mexico, Head & Shoulders helped by donating the equivalent of more than 1,300 protective kits for HCPs through our disaster relief partner CADENA and invited consumers to join and donate a peso to match each one donated through the program. Mexicans helped us raise enough money to buy approximately 330 more protective kits and protect more than 1,630 health care workers.

HÉROES EN MÉXICO 7

#### Peru

During the 2019 Pan American Games, the Villa Panamericana in Peru was home to hero athletes. Due to the pandemic, it became home to COVID-19 patients and heroic health care workers. As the situation in the country became critical, the accommodations had to be adjusted quickly but required many resources to work properly. To help, we gathered our brand teams and in less than 48 hours we provided three months worth of hygiene and cleaning products from Ariel, Gillette, Head & Shoulders, Old Spice, Oral B, Pantene and Venus.



In Peru, we donated products from brands like Ariel, Gillette, Head & Shoulders, Old Spice, Oral B, Pantene and Venus.

# **Habitat for Humanity**

#### **P&G's Habitat for Humanity Partnership**

P&G has worked with Habitat for Humanity around the world for more than a decade. Throughout that time, the foundation of our partnership has been the generous spirit of our employees, who embrace Habitat's mission of bringing people together to build homes, communities and hope. By partnering with the homebuyers, Habitat uses shelter to help build strength, stability and self-reliance, creating a hand up to a better life.

Many plans for our employees to help build homes were canceled due to the pandemic. However, before the pandemic hit, we brought to life a number of important projects in Brazil, Indonesia, Kenya, Mexico, Romania, Thailand, Vietnam and our global headquarters in Cincinnati. We also continued to support Habitat financially.

P&G's partnership has helped sustain Habitat for Humanity of Greater Cincinnati through the pandemic and has helped continue a legacy of racial justice and inclusion. Habitat was founded on a deep belief of racial collaboration and equal opportunity for homeownership, and its work continues to address longstanding inequities.

Habitat homeowner Kiki exemplifies the families whose lives are improved through P&G's support.

A mother of four, Kiki works at Cincinnati Children's

Hospital Medical Center. She is most thankful for her new home because her youngest daughter, a 1-year-old with health issues, will struggle to learn to do things like walk on her own. Kiki wanted a home with a first-floor bathroom and bedroom to make caring for her daughter easier. She now has a home that meets all of her children's needs and is looking forward to raising her "miracle baby" in the new home with her siblings.

In Thailand, P&G engaged the local community and Habitat for Humanity to create a new house made from plastic waste. Employees teamed up with local government, teachers and students to clean a local beach. The plastic waste collected was added to more than 10 tons of material to be upcycled into pellets used to build a house. The intent was to help the local community and the environment, while educating children on the importance of sustainability.

We also partnered with Habitat for Humanity in Kenya to build a shelter for economically disadvantaged girls at high risk of gender-based violence in rural Kenya. The building provides a home to many girls who use the shelter as a safe place to learn and pursue their dreams. The community, including the girls and their parents, elders and government representatives, commissioned the facility last year.



# Regional Impact—North America

#### **Helping Families Thrive in P&G's Backyard**

United Way of Greater Cincinnati, with P&G's strong financial and volunteer support, brings together resources to tackle deep-rooted problems throughout Greater Cincinnati. United Way changes systems and creates new models of support, achieving results no one entity can achieve on its own. United Way's core efforts help families meet their basic needs and achieve financial stability, pursue quality education opportunities and access services promoting strong physical and mental health. Last year alone, United Way handled 136.000 requests for food, housing and other services through its 211 resource and referral line. The organization's work led to nearly 2,000 children enrolling in quality early childhood education programs, more than 10,000 individuals accessing regular health care and almost 10,000 families maintaining stable housing for at least a year. P&G, along with our employees and retirees, made the single largest contribution to the 2019 Cincinnati United Way Campaign, nearly \$10 million, of all Cincinnati workplace giving campaigns.

United Way

We are United Way's single largest contributor with nearly

\$10 million donated in 2019.

Just as important, our employees volunteer, serve on United Way-related boards and provide critical advice and counsel. This year, P&G CEO David Taylor is leading United Way's annual campaign, promising to help the community recover and revitalize from COVID-19.

#### **Flying High**

Arlene has a rare form of cancer, and she needs to travel hundreds of miles to Boston for her treatments. In May 2020, due to COVID-19, this journey quickly became more complicated. That's when P&G's Flight Operations Team, with the help of Corporate Angel Network, arranged for Arlene to fly to Boston roundtrip on a private P&G jet.

Arlene appreciated the lift. "I was treated like a VIP. The kindness and thoughtfulness of the flight crew, physical comfort, cleanliness, sense of security in the aircraft and the speed of trip was well beyond anything I had experienced previously in any form of travel in my lifetime. This experience is especially valuable in my world of complete uncertainty, always achy feeling with other less-than-desirable physical feelings from these chemical treatment effects."

Since 1989, P&G has partnered with Corporate Angel Network to provide private air travel for cancer patients like Arlene.

#### Canada

As the kick-off to our P&G Gives Back employee engagement campaign, P&G Canada hosted our third annual Park Clean-Up event. Hundreds of Toronto employees cleaned up a local park, which included removing invasive species and planting native wildflower and grasses to improve biodiversity in the region and help restore essential wildlife habitat.

Canada employees also worked with our longstanding partner Global Medic and helped pack more than 50,000 personal hygiene kits that are distributed to Canadians in need at food banks, shelters and other community organizations.



# Regional Impact—North America

#### 2020 Cincinnati Music Festival

P&G was proud to continue our sponsorship of the Cincinnati Music Festival (CMF) in 2020, and the festival didn't skip a beat with the #FeelsLikeCMF Virtual Weekend Experience, despite having to postpone the in-person event to 2021 to be mindful of health and safety during the pandemic. The innovative, engaging and free virtual weekend experience was available on the CMF website for all to enjoy from the comfort of home. It focused on celebration, community and local impact to bring people together through music. Featuring music from Triiibe, Aprina Johnson, Regina Belle, DJ DNICE and more, the #FeelsLikeCMF virtual experience helped uplift spirits during uncertain times. A digital program booklet was created with a letter from Shelly McNamara. Chief Equality and Inclusion Officer, and ads from P&G's Olay and My Black is Beautiful brands, as well as our Supplier Diversity program. Also, P&G's Take on Race videos "The Talk," "The Choice" and the Ohio "Masks On" campaign were aired during the weekend. As one of the largest music festivals in the United States for the past 58 years. the Cincinnati Music Festival has been a staple in Cincinnati, especially the African American community, and the diversity it brings enhances the fabric of the city and its culture overall. The national support of the festival each year creates tremendous economic impact by benefitting local businesses and helping create new jobs for those in our community.

The festival also helped to bring awareness to organizations that support the African American community and to drive commerce to Black-owned businesses and restaurants in a time when support in this community is needed. P&G also partnered with ArtsWave to create the CMF Outdoor Museum as a new feature to this year's virtual event. The CMF Outdoor Museum was an outdoor public art installation featuring works from 15 artists of color, all focused on the themes of community, unity, music and celebration. By bringing this event to life, organizers hoped to stay focused on the fight for racial equality, while highlighting the need for joy and positivity during challenging times. As a result of all creative efforts, more than 20,000 viewers tuned in to the show throughout the entire CMF Virtual Weekend, spanning an impressive 39 states nationwide.



The festival focused on the fight for racial equality, while highlighting the need for joy and positivity during challenging times.



## **Product Sales Help Provide Shelter for Families in Austria**

In honor of Mother's Day, P&G and retail partner BIPA partnered together to support the Caritas #wirtun initiative. Through product sales of Ariel, Gillette, Oral-B, Pampers, Pantene and Venus in BIPA stores and online, consumers raised money that benefitted homeless mothers and children staying in Caritas homes in Austria. With increasing demand for sleeping places in Caritas facilities, the funds supported renovation of rooms and expanded the range of psychological support for women returning to work.

In addition, P&G made an in-kind donation, providing Caritas tens of thousands of face masks and thousands of liters of hand sanitizers produced at our plants.

"We are very grateful for the reliable support of strong and committed partners from the business world. Together with P&G and BIPA customers, we are giving hope and confidence to children and their mothers in need."

Klaus Schwertner, Caritas Secretary
 General of the Vienna Archdiocese.

#### **Building Inclusive Playgrounds in Germany**

The idea of "A Piece of Happiness" or "Stück zum Glück" started in April 2018 with a program that helps build inclusive playgrounds. It reached a major milestone this year with total donations exceeding one million euros—a year earlier than expected. Donations come from the joint fundraising campaign sponsored by P&G, REWE and Aktion Mensch.

Many children with disabilities are limited in where they can play as a result of their disability. Through this special program and thanks to the support of many REWE customers, "Stück zum Glück" has implemented 23 inclusive playground projects in Germany with plans for four more to be built in 2020.

With every purchase of a P&G product, including brands such as Always, Ariel, Oral-B and Pampers, REWE customers throughout Germany are supporting the project.

"It is important to us to maintain the playgrounds and sports facilities that we build together with REWE and Aktion Mensch in the long term. Our goal is to support the children's future in the best possible way," said Astrid Teckentrup, Senior VP Sales of P&G.



#### **Helping Families Together**

#FamilienChancen (Family Opportunities) has been drawing attention to the everyday challenges faced by families. The goal is to relieve the burden on parents as much as possible and to enable children to participate in more sporting activities by helping "Stiftung RTL—Wir helfen Kindern e.V." and nearly 20 RTL children's homes. RTL is a TV broadcaster in Germany with a foundation supporting families and children in need.

The campaign, supported by FC Bayern Munich, raised more than 500,000 euros this year through some amazing activities. P&G and FC Bayern München partnered to provide an unforgettable day with #FamilienChancen where children from the RTL Kinderhaus München visited FC Bayern München. Together with FC Bayern Munich Ambassador Giovane Élber, the children were able to get a behind-the-scenes look at the FC Bayern Munich training grounds and attend a match in the Allianz Arena.

In addition, P&G supported the RTL Donation Marathon through advertising with TV spot placements of brands such as Ariel, Gillette, Lenor, Pampers, Pantene, Head & Shoulders, Always, Blend-A-Dent and Oral-B.

"We use our strong voice in advertising with great pleasure to achieve something positive for society. Commitment to families with children is a matter of the heart for us at P&G. We are pleased to be able to support the 'Stiftung RTL—Wir helfen Kindern e.V.'

with some of our brands in a targeted and powerful way," said Susanne Kunz, P&G Media Senior Director and mother of three.

# **Employees Supporting Aldeas Infantiles SOS in Spain**

Our employees are committed to supporting Aldeas Infantiles SOS. The Aldeas SOS work addresses many of the United Nations Sustainable Development Goals by helping to care for children who need a home and some of life's necessities.

In addition to donations, employees organized other activities to raise funds. Additional creative efforts enabled children to experience special activities such as a night at the ice circus during the holidays. Through its consumer activation platform, Próxima a ti, P&G Spain created a channel for consumers to help.

"These 13 years of collaboration by P&G have had a huge impact on the lives of children in our programs. Many children who, thanks to partnerships like P&G, have been able to improve their situation and their future."

-Aldeas



#### **France Solidarity Day**

In July 2019, we celebrated another Solidarity Day in France with a mix of social and environment activities. About 30% of Paris employees participated in one of the five activities—supporting an LGBT community center in Paris, addressing poverty needs in a shelter in Asnières; cleaning up the environment in association with Project Rescue Ocean in Canal de l'Ourcq; helping children in need in the Plaisir area in association with SOS Villages d'Enfants; and coaching people in the Paris area with SOS Villages d'Enfants and Proxité. Check out the inspiring highlights from that day here.

SOLIDARITY DAY HIGHLIGHTS 7



#### **QUOTES FROM THE BENEFICIARIES:**

•••••

"It is fantastic what happened today."

"Given our limited resources, it is a blessing that P&G comes to help us."

"It was so good to feel valued. It was good to see that there was no difference when P&Gers talked to us."

"The young adults from SOS Villages d'Enfants have highlighted the simplicity and quality of the exchanges they have had with P&G employees."

But sometimes it is those who are doing the giving who get the most from the experience.

"I am proud to have helped and was so touched by the welcome we have had."

"A lot of positive energy, wonderful! Thank you for the day."

"The action with Project Rescue Ocean was a great opportunity to educate us on environment matters."

#### **Ariel Donation in Turkey**

Ariel, together with retailer Migros and Community Volunteers Foundation (TOG), ran another successful Clothing Donation Campaign. The campaign invites consumers to bring their gently used clothes and donate them in Migros stores. These clothes are then washed and cleaned by Ariel and distributed to children across Turkey.

The campaign took place in November and December and more than 45,000 pieces of clothing were collected, among which 10,000 children's clothes were sorted, washed and prepared for distribution. The distribution, originally planned for March, had to be postponed due to COVID-19.

#### **Olympic Moms #StayHomeDoSports**

P&G Turkey is sponsoring Olympic athletes through the 'Olympic Moms' initiative, which recognizes that "every mom helping her children to do sports is an Olympic Mom."

This year, our sponsored athletes who were supposed to perform in Tokyo had to #StayHome due to COVID-19 precautions. While the whole country had to #StayHome, we wanted to share some healthy tips. Along with our sponsored athletes and their families, we created social media videos showing how to do sports in the comfort of your living room as a family.

#### **Pantene Beautiful Lengths**

Our Pantene brand supports women who have lost their hair due to cancer treatments and helps them regain their self-confidence.

For three years, Pantene worked with customer Globus on the Beautiful Lengths program. This year, we needed to make adjustments due to the many lockdowns in the Czech Republic. For every Pantene product sold, a donation was made to help produce and donate wigs for cancer patients. The brand also sponsored a virtual fundraising concert. The concert was headlined by local ambassador Marketa Konvickova, a popular Czech singer, who overcame cancer herself in 2019 and received a wig from our charity partner. Other performers included singer and model Jitka Boho, as well as Ivana Jiresova, a stage actress who also overcame cancer and was the ambassador when we originally launched the Beautiful Lengths program in the Czech Republic.

#### BEAUTIFUL LENGTHS 7

In southeast Europe, Pantene helped women struggling with the challenges of cancer through the "Give Strength" campaign. We received more than 23,000 hair donations to provide more than 500 wigs to women who have lost their hair due to the impacts of cancer treatment.

#### **Prima Preemies Donation Campaign**

For the third year in a row in Turkey, we worked with retailer Prima on a preemie diaper donation campaign together with El Bebek Gul Bebek Foundation. Prima donates preemie diapers to hospitals across Turkey in support of families and raising awareness for premature babies. One in 10 babies born in Turkey is considered premature. With this year's campaign, Prima donated more than 500,000 premature diapers to families in need.

#### **A Classroom Called Home**

P&G has transformed another classroom into a totally new space for children in a small town in Romania. Thanks to the creativity of a renowned Romanian designer, the classroom has been fully renovated and redecorated to welcome kids for their first experience with primary school in a place that feels like home.







We are committed to breaking gender-biased barriers to education for girls in India.

# Regional Impact—Asia Pacific, Middle East and Africa

#### **P&G Shiksha in India**

We are improving access to holistic education for millions of underprivileged children across India through our flagship community impact program 'P&G Shiksha.' Since its inception in 2005, P&G Shiksha has focused on improving education infrastructure, empowering marginalized girls through education and improving learning outcomes. Over the years, in partnership with NGOs and experts, we have built and supported nearly 2,300 schools.

We are partnering with leading NGOs and partners who serve as specialists, lending their expertise to aspects of the educational system.

We are looking at improving three areas:

#### 1. Improving education infrastructure

We partnered with the NGO Round Table India (RTI) to build, refurbish and renovate school buildings, classrooms and playgrounds. We are improving health and hygiene by increasing access to clean drinking water and building separate toilet facilities for boys and girls. We are also providing smart classroom technology across schools for interactive audio/visual-base learning.

#### 2. Empowering marginalized girls through education

We are committed to breaking gender-biased barriers to education for girls in India. We have partnered with Save the Children to support the governmentrun residential Kasturba Gandhi Balika Vidyalaya's (KGBV) in Rajasthan to provide quality education to girls through holistic infrastructure and learning interventions.

#### 3. Improving learning outcomes

We are working with partners to implement unique and innovative solutions that help bridge learning gaps and improve learning outcomes in children. We are also working in early childhood education to build foundational skills in children so that they are set up for success as they enter the formal education system.

#### **Education During COVID-19**

Schools around India temporarily closed as a preventive measure to contain the spread of COVID-19 affecting millions of students, particularly from underprivileged communities. To facilitate continuity of learning, we partnered with Pratham to pilot new platforms of learning. We connected with students via phone calls, SMSs, video calls and WhatsApp to encourage them to continue learning from home. For children in their formative years, we encouraged mothers to engage their children in simple hands-on activities focused on building their child's cognitive and language skills.

For students in grades 1-8, we provided academic content and engaging activities in math, science and English to help them continue learning. Along with partner Education Initiatives, we provided students access to the Mindspark software to enable them to continue learning. We also set up a toll-free hotline for students to hear educational stories and solve questions over the phone.

# Regional Impact—Asia Pacific, Middle East and Africa

# Gillette's 'Safalta Apni Mutthi Mein' Program Grooms the Next Generation in India

Gillette wants to help youth to develop skills they can use as adults in their profession through our youth-grooming program 'Safalta Apni Mutthi Mein.' The program is composed of practical training, such as seminars and workshops on resume writing, interview skills and how to succeed in the professional world. In the more than three years since it launched, it has reached more than 8,000 colleges and universities.

## **Gillette**

Gillette's youth-grooming program 'Safalta Apni Mutthi Mein' has reached more than 8,000 colleges and universities.

#### For Our Smallest Consumers— "S6 Size" Pampers

Our passion to do the right thing has led us to create a project team to create a superior neonatal intensive care unit (NICU) diaper for the smallest of babies. After the successful launch of a smaller sized diaper, 4S for 1-1.8kg babies and 3S for 1.8-3kg, we started the challenging production of 5S for babies 500g-1,000g and 6S for babies around 500 grams. These sizes have never been made in a P&G plant before but we knew it needed to be done. Thanks to the technical mastery of our team and collaboration across multiple functions, we were able to bring these diapers to the market.





# Regional Impact—Asia Pacific, Middle East and Africa

# P&G Health's SEHAT on a Mission to Help India

SEHAT (meaning Health) is an umbrella program by P&G to channel all its community impact efforts towards building a healthier India.

Projects under SEHAT include preventive health, community health and public health interventions; health awareness, screening and education; financial support for health care needs of marginalized and underprivileged communities; capability-building of health care professionals, health care infrastructure and health care assistance as part of disaster relief and support. All projects under SEHAT are co-created and implemented with reputable public health and non-profit partner organizations.

#### Here are our three flagship SEHAT projects:

With the twin-fold objective of helping build a public health cadre to address India's complex public health challenges and supporting interested candidates to choose public health as a career opportunity to improve health conditions and quality of life for Indians, the P&G Public Health Scholarship was instituted in partnership with the Public Health Foundation of India (PHFI). In FY19/20, 34 P&G Health Scholars, deserving students from socially and economically challenged communities, initiated their master's in public health across PHFI's Indian Institutes of Public Health (IIPHs) with the aspiration to become tomorrow's change makers.

Access to affordable screening, diagnostics and epidemiological data continues to be a major hurdle in India. To help improve the delivery of reproductive and maternal health services, the Company in partnership with PHFI, instituted the 'Swasthya Sakhi' (meaning Health companions) project in select districts of two Indian states—UP and Goa. Under this project, Swasthya Sakhis selected from district communities and empowered with PHFI's technological Innovation Swasthya Sahayak—a portable, backpack sized, point-of-care information gathering and diagnostic tool—have been deployed to seek and digitize health information of families including conducting diagnostics of pregnant women and refer high-risk cases to Primary Health Centres. The Swasthya Sakhis reached more than 60,000 households and 200,000 people with the goal to reach 700,000.

With the objective of supporting health needs of vulnerable children under institutional care, the Company joined NGO Catalysts for Social Action as it's 'Health Care Partner' providing support to more than 2,000 children residing at Child Care Institutions across four Indian states. Activities included regular health check-up camps, distribution of hygiene kits, awareness sessions and a treatment contingency fund.

Along with focusing on health, our employees have been enthusiastically participating and contributing to national giving programs like the Joy of Giving Week with partner NGO HelpAge India and the annual Mumbai Marathon where employees ran for partner NGO 'Catalysts for Social Action' to help children in need of care and protection.



P&G HEALTH INDIA 7

# Regional Impact—Greater China

#### **P&G Hope Schools: Sowing New Hope**

This is the third year our Hope School Program has partnered with the National Center for Performing Arts (NCPA) through the China Youth Development Foundation (CYDF). We kicked off the season under the theme of "Listen to the Kids, in Arts We Believe to Sow New Hope of Health."

The highlight of the season is always the event day at NCPA. Despite the unprecedented challenges of COVID-19, students from the P&G Hope School in Qianshan county in the Anhui province performed "A Little Wish." This children's drama is based on true stories from other P&G Hope School students in the Hunan province. The event had nearly 30,000 viewers

on site and via livestream. The in-person audience included P&G, CYDF and NCPA management, government officials, P&G partners, influencers and employees.

The kids and teachers from a P&G Hope School in the Anhui province led a P&G Happy Health Class under the Theater in Education (TIE), a cutting-edge teaching methodology leveraging art empowerment and new technology. Instead of the traditional one-way teaching approach, teachers from the P&G Hope School used TIE training to create an innovative curriculum that utilizes student-created visual and performative art, such as handmade 3D playbooks, hand shadowing and theater to learn and remember health tips.

#### Safeguard's Journey to Spread Health Across China for Hygiene, Health and Life

More than 97% of the population in China are aware that handwashing helps prevent diseases, but only around 10% of people apply the right handwashing habits, according to the latest Chinese People Handwashing Habits Research done by Health Education Center of Chinese Academy of Medical Sciences. Safeguard has been focusing on kids handwashing education for more than 13 years in urban and rural areas, benefitting millions of children.

Beyond education in rural areas and schools, Safeguard supported China during the critical "Back to Work and Back to School" period by activating "Safeguard Health Charging Stations" across the nation to drive education on the right hygiene behaviors and provide access to the right products. In 2020, Safeguard initiated the "Spread Health Across China" Program to provide hygiene education to 100 million people and develop correct hand washing habits via the Health Charging Stations activation.

During the COVID-19 outbreak, we donated more than 100,000 products to the Hubei province and helped more than 2,000 children of frontline workers with donations of kid's foaming body wash. Since April 2020, we also launched Health Charging Stations in Shanghai, Hangzhou, Guangzhou, Shenzhen and 10 other cities across the country to help schools with health education and control measures.





# Regional Impact—Latin America

## A Better Day—Helping Moms, Babies and Families in Panama

We want to provide #UnMejorDía (A Better Day) to those who need it most. That is why we seek to strengthen the care and services provided by maternal homes administered by the Panamanian Ministry of Health in the Ngabe Buglé Region. The goal is to provide professional care to pregnant women categorized as "high risk" due to the economic and geographical barriers they face to access professional health services.

The program provides training to women responsible for the five maternal homes, strengthening their knowledge over subjects, such as prenatal care, the importance of professional delivery, postpartum care for both moms and newborns, recognition of warning signs and newborn care. Additionally, the program provides packs loaded with P&G products for nursing women and their newborn babies that promote hygiene habits to help prevent illness.

"Mamás Seguras" empowers these women by giving them training and economic independence as they are hired to serve as trainers to the women who visit the homes. The program stems from a multisectoral agreement between the Ministry of Health, NGOs (Panama Volunteers and United Way Panama) and P&G. Recently, Smurffit Kappa (one of P&G 's biggest paperboard suppliers) joined to help provide easy-to-assemble cribs

The "Mamás Seguras" program was awarded the "2019 Sustainable Leadership" recognition by Pan AMCHAM. The program celebrated its fifth anniversary and has improved the lives of thousands of indigenous mothers and their babies.

# **Brazil Social Projects Accelerator**

In the face of many challenges and changes, P&G Brazil launched the Aceleradora P&G Social, a platform that was designed to support initiatives focused on



mitigating the impacts generated by the COVID-19 pandemic in the country. The platform creates connections and accelerate innovative ideas, seeking projects from consumers, NGOs, small companies or professionals from any sector and from the most diverse parts of Brazil. The projects are segmented into diversified categories, such as gender equality, racial diversity, social inclusion, impact on the community and sustainability.

The Aceleradora has accumulated more than 240 projects. The startup Coletando was the first successful partnership and created a system that provides cashin/cashback payments for collected recyclable content. The new initiative will continue to explore 20 additional concepts for the future.





# Regional Impact—Latin America

#### **Giving Back in Peru**

Once a year, as part of our holiday celebration in December, we close the doors at our Lima offices to dedicate the morning to give back to the community. This year, we separated our employees into two groups for volunteering activities.

The first group of employees shared their morning reading stories, making crafts and celebrating with children from a public school. Volunteers donated books to the school library. The second group went to clean a beach where they collected waste which was then given to recyclers so it could be used again.

#### **Virtual Volunteering**

Due to the pandemic emergency in Peru, the "Learning at Home" program was activated by the government to ensure that students attend classes virtually. However, many teachers from vulnerable communities did not have the knowledge or digital tools to effectively teach online. Our ally, United Way Peru, identified the problem and organized a series of online sessions led by P&G volunteers in which they trained teachers on a wide range of digital tools. As a result, more than 80 teachers benefitted from these workshops and their students can now take advantage of higher-quality online education.

Additionally, United Way Peru opened a virtual library consisting of videos of our volunteers reading short stories to children. Thousands of children from vulnerable communities in Peru, Argentina and Chile

benefitted from this initiative and can now access books anytime without having to rely on physical ones.

## Oral-B Joins "Caring Smiles Campaign" to Provide Free Dental Services in Chile

As a way to reinforce aid to Chileans in the current health crisis, Oral-B joined the campaign "Caring Smiles," an initiative led by Fundación Sonrisas, a nonprofit organization to help recover the smiles of Chileans, together with the NGO TECHO.

The campaign provides primary care benefits through free dental operations, including oral health exams, family prevention and the delivery of Oral-B kits that include toothbrushes and toothpastes, all to help thousands of Chileans living in vulnerable sections of the Metropolitan and Valparaíso regions.

Oral-B has worked with Fundación Sonrisas since 2019, and their work has benefitted hundreds of children, delivering 120 comprehensive rehabilitations at no cost and performed 1,800 free dental services to children and adults throughout the country.

Lucas Álvarez, Oral-B Director Chile shared, "Both at Oral-B and P&G, we know the importance of having healthy teeth, both for self-esteem and for the confidence of children and adults. We are happy to be able to collaborate with Fundación Sonrisas and TECHO through the free delivery of oral hygiene and care kits because we know that today, more than ever, Chileans need to recover their smiles."

# **Employee and Consumer Programs**

#### **Supporting Employee Wellbeing**

P&G has invested in the health and wellbeing of our employees since the Company's beginnings in 1837. From an 8-hour workday in 1919 to the introduction of disability insurance in 1994, employee wellness has been a continued focus from one generation to the next.

Today, a host of health care professionals lend occupational medical expertise to support the safety and wellbeing of employees in every country and site where we operate. We've built a strong foundation to enable our employees' physical and mental wellbeing with initiatives like creating robust workplace health and hygiene standards that comply with local regulations, partnering with Human Resources on wellness strategies and programs and cultivating external networks providing expertise on societal health issues impacting our employees or business.

Never was the importance of this work more evident than during the COVID pandemic. Facing an urgent need to prevent its spread and an unprecedented demand for the health, hygiene and cleaning products we make, we built upon our strong foundation of wellness strategies and resources to act quickly to ensure the safety and health of our employees—and our ability to serve consumers.



We acted quickly to ensure the safety and health of our employees—and our ability to serve consumers.

#### **Protecting Our Employees**

Our Human Resources and facilities personnel collaborated to establish robust safety protocols for working at our sites including creating access protocols like temperature scans, shift rotations, queueing avoidance, physical distancing and handling incoming and outgoing shipments of raw materials and goods. We also provided personal protective equipment like hand sanitizers and masks and initiated comprehensive, methodical cleaning.

We also provided employees expanded benefits and support such as no-cost access to virtual medical and mental health support and COVID-19 testing and treatment and health counseling where we encouraged employees to make appropriate choices such as staying at home if they feel unwell, responding to employee questions and concerns and assisting employees directly impacted by COVID-19.



# **Employee and Consumer Programs**

#### **Vibrant Living Program**

Our Vibrant Living global health and wellbeing program equips employees with offerings in the areas of fitness, nutrition, mental and emotional resilience, and health education and training.

At an 80%+ participation rate, the program's offerings are familiar to, and valued by, employees. Our first step was to bring greater visibility to the many resources available. We did this on our Vibrant Living website and through a series of postings on a global COVID-19 Employee Information Hub, which provided employees up-to-date information about the pandemic and resources available to them.

Serendipitously, we celebrate Global Vibrant Living Awareness Day each April in conjunction with World Health Day. This was our sixth year celebrating the importance of our health and wellbeing. Vibrant Living teams at P&G sites ran mostly digital campaigns behind the theme "Healthy Body, Vibrant Living," encouraging employees to take small steps to improve personal health, increase physical activity and focus on mental wellbeing. Sites were creative in bringing attention to stress and resilience resources, virtual workouts, healthy eating and minimizing the spread of illness.



With 94% of sites around the world participating, our highest rate yet, employees showed us how dedicated, resilient and creative they are, even during uncertain and stressful times.

## P&G Good Everyday: Turning Everyday Actions into Acts of Good for the World

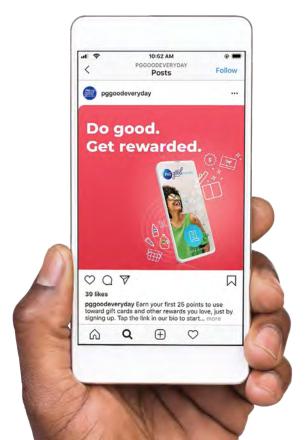
In May, we launched P&G Good Everyday, a new consumer rewards program enabling people to make a positive impact with their purchases. Powered by trusted P&G brands such as Crest, Dawn and Tide, this program is helping turn everyday actions into acts of good for our consumers, their families, communities and the world.

By joining the P&G Good Everyday rewards program and engaging through the website, consumers can earn rewards they'll love — and P&G automatically makes donations to the consumer's cause of choice. The website also features stories about P&G causes, partnerships and inspiring good news articles with helpful tips on how people take action to make a difference.

P&G and our family of household brands have a longstanding commitment to doing what is right — making a positive community impact, driving equality and inclusion and promoting environmental sustainability in the world.

We will continue to use our global reach and resources, but we know we can accomplish more together. With P&G Good Everyday, we're pairing consumers' desire to do good with our ongoing efforts to help solve challenges around the world.

P&G GOOD EVERYDAY 7







# **Equality** & Inclusion

At P&G, we know that an equal world is a better world—for everyone. Our success is grounded in the success of our employees, consumers and communities. All of them. Our Equality & Inclusion (E&I) strategy is holistic and integrated so that we make meaningful impact in four key areas: for our employees, with our brands, through our partners and in our communities.

We are committed to honoring the individuality and unique contributions of our people, and by being united in our values and goals, our people flourish, business thrives and our communities prosper.

# **Equality & Inclusion**

Message from Shelly McNamara	>
Employees	>
Brands	>
Partners & Communities	>
•••••	



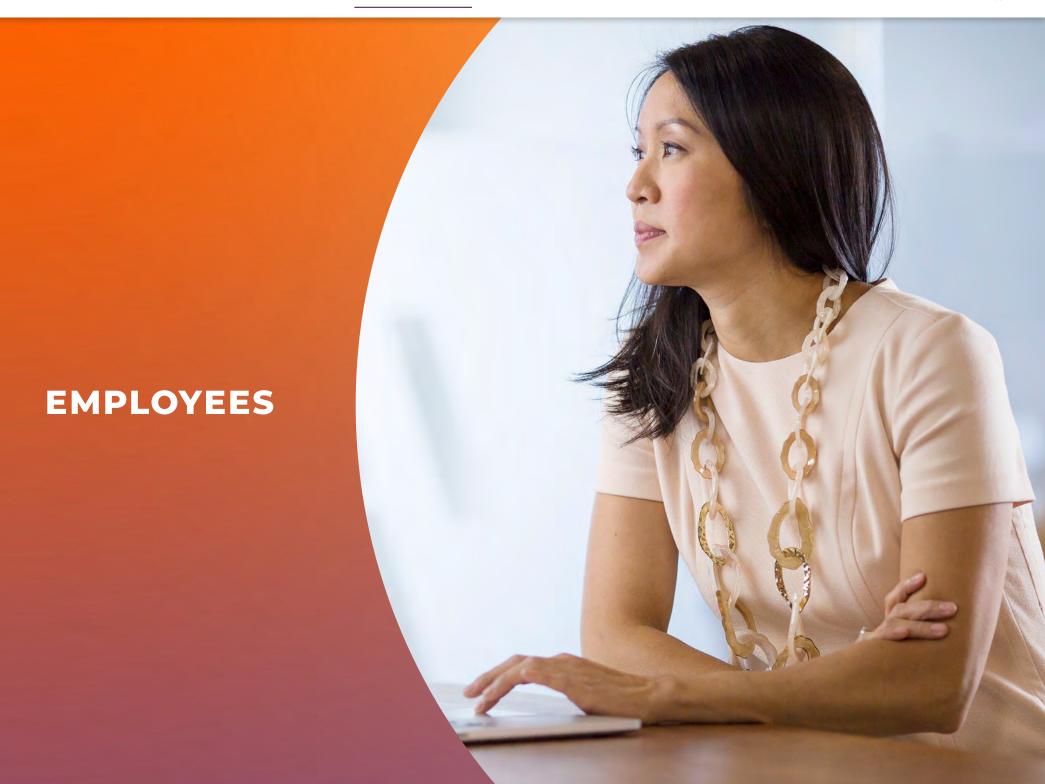


# Message from Shelly McNamara

At P&G, we aspire to create a company and a world where equality and inclusion is achievable for all; where respect and inclusion are the cornerstones of our culture; where equal access and opportunity to learn, grow, succeed and thrive are available to everyone. We are committed to honoring the individuality and unique contributions of our people and ensuring that every single employee shows up to work as their whole, authentic self and to feel safe in doing so. It is only then that we can unlock the real potential of our teams: the power of our differences and the strength of our togetherness.

Externally, we have an opportunity and obligation to use our voice as a force for good and a force for growth and to express and reflect our equality aspirations. As this year has been marked with a global pandemic and racial injustice, P&G and our brands have stepped up our ongoing efforts to advance equality for all people. We partnered with organizations and allies that share our perspectives on diversity, equality, equity and inclusivity and worked with them to identify the gaps that create inequity and developed programs that can change experiences, lives and whole communities.

We believe now, more than ever, companies and organizations must remain committed to equality and inclusion and stay committed for a more equal world inside and outside our walls. By being visible in our actions and staying anchored to our commitments to our employees, through our brands and with our business partners, we can continue to drive important change around the world.



# We Are Unique and We Are United

#### **Workplace Equality Begins at Home**

Caring for home and family has no gender. Our new global parental leave framework marks an important milestone in our journey to drive positive change by providing equal opportunity for both parents to share caregiving for new family members. The policy will provide a minimum standard of eight weeks fully paid leave for all parents: biological parents, domestic partners, adoptive parents and parents in same sex couples with an additional six weeks physical recovery leave for birth mothers. The goal is to implement this new policy globally by 2022. More than a policy change, it is a step toward shifting cultural norms by making child caregiving unbiased by gender. We believe equality at home will help to advance equality in

the workplace. We are committed to building a more inclusive, equal workplace where our people are engaged and contribute to their full potential.

SHARE THE CARE 7

We believe equality at home will help to advance equality in the workplace. We are committed to building a more inclusive, equal workplace where our people are engaged and contribute to their full potential.



#### **Brazil Steps Up for Racial Diversity**

Brazil is a dynamic and diverse country where 50% of the population define themselves as Black or mixed race, while 47% declare themselves as Caucasian. However, this has traditionally not reflected the representation of P&G employees. P&G Brazil has historically only had less than 8% of our employees identify as Black or mixed race, leading us to launch The Racial Diversity and Inclusion Project which focuses on increasing our representation of Black and mixed race employees so that we more closely reflect the diversity of our consumers in the workplace.

The Racial Diversity and Inclusion Project includes several interventions starting with our recruiting process. In 2019, we launched the project "P&G pra Voce" creating a hiring process focused on Black and Brown candidates that includes scholarships for English courses and mentorship. We started being more active and intentional in recruiting at universities with more Black representatives, sponsoring recruiting fairs that focus on Black and Brown students and staying close to university affinity groups. Internally, we promote conversations to create an inclusive culture by raising awareness, literacy and best practices to help people feel comfortable talking about racial equality and inclusion.

# We Are Unique and We Are United

#### **GABLE Brazil Celebrates 10th Anniversary**

As the world celebrated Pride in June, we celebrated the 10th anniversary of GABLE in Brazil, a P&G initiative to build an inclusive company that values the diversity and individualities of its LGBTQ+ employees. To celebrate this milestone, the GABLE team in Brazil collaborated with social media influencers. The campaign received significant attention on social media, increasing awareness about our efforts to create an inclusive workplace for everyone.



# Allies Lead the Way for LGBTQ+ Employee Affinity with Expansion into Japan

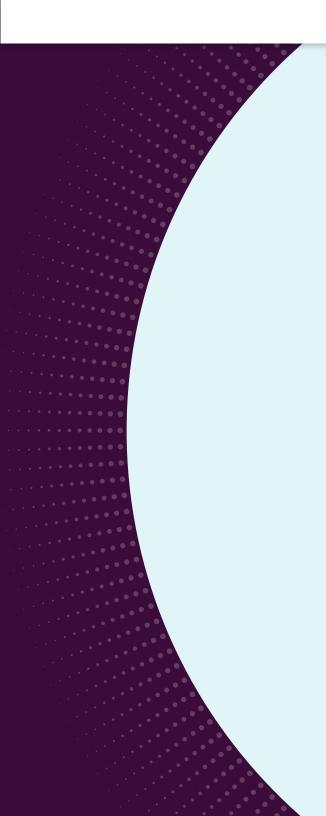
More than 25 years ago, a group of P&G employees created an LGBTO+ organization that would leave a profound and lasting impact on our Company. Today, GABLE, P&G's organization supporting a diverse spectrum of Lesbian, Gay, Bisexual, Transgender, Queer and Ally employees, has expanded to 43 countries with more than 5.000 members worldwide. In 2019. GABLE entered Japan for the first time. The expansion was led by ally employees who recognized that some LGBTQ+ employees were not out, likely due to cultural and societal pressures. The group quickly established multiple learning events for leadership, HR and employees, as well as ensuring recruitment programs include a visible welcome to LGBTO+ talent. They also partnered with PRIDEHOUSE to promote LGBTQ+ inclusion during the 2021 Olympic Games. The work has resulted in P&G being recognized as a top LGBTQ+ friendly company in Japan and established a new benchmark for role modeling behavior for supportive allies working to create more inclusive companies and communities.

## P&G Russia REACHes People with Disabilities

Project REACH in Russia is a successful program for hiring people with disabilities. It gives the opportunity for young people with disabilities to gain work experience and new skills in a multinational company. During the last two years, 19 people graduated from project REACH in Russia. Many of them found permanent jobs in multinational companies, including P&G.

# P&G Japan Expands the Scope of Diversity & Inclusion

P&G Japan conducted its first online Diversity & Inclusion symposium in June 2020. While D&I in Japan used to focus on gender diversity, this symposium captured diversity beyond gender. All the expert panelists passionately discussed several topics, sharing many experiences and stories. Topics included how D&I has been changed and shifted in Japan and the world, how we can enable "individual uniqueness," what is so-called "normal," how we fight unconscious bias and stereotyped thinking, how COVID-19 impacts different values and inclusive mindsets and how D&I will be even more important after the pandemic.



# **#WeSeeEqual Forums**

# Cincinnati HQ Celebrates Multicultural Women's Impact on the Company and the World

In honor of International Women's Day, we hosted our fourth annual #WeSeeEqual Forum at our Cincinnati headquarters. Each year, the #WeSeeEqual Forum welcomes those with diverse perspectives and backgrounds allowing employees, P&G partners and change-makers to share their stories as part of our commitment to gender equality. The annual event was born out of P&G's aspiration to create a world free from gender bias, a world with equal representation and an equal voice for all individuals.

This year, as we reinforced P&G's aspiration to have 50/50 representation of women at every level in the Company, we announced a new aspiration to achieve 40% multicultural representation in management positions in the U.S. To celebrate and acknowledge the amazing impact of multicultural women inside P&G and beyond, this year's #WeSeeEqual Forum featured a variety of panel discussions with P&G leaders and likeminded influencers, including comedian, actress and writer Mindy Kaling, spoken word poet and performing artist Amena Brown and leadership development expert, Tara Jaye Frank. During the Forum, multicultural women shared their expectations for their careers and their aspirations for P&G—along with the meaningful work they are leading across brand campaigns, supplier diversity and community impact.



P&G Celebrates International Women's Day with Mindy Kaling at #WeSeeEqual Forum.

#WESEEEQUAL FORUM 7

## **#WeSeeEqual Forums**

#### P&G Pakistan Partners with UN Women

Held in partnership with U.N. Women Pakistan, the P&G #WeSeeEqual Forum brought together business and government leaders, as well as influencers to share inspiration and discuss challenges that are preventing individuals and society from accelerating the progress of gender equality in the country. The event highlighted our efforts to promote gender equality internally within the workplace, as well as externally through community impact, supplier diversity and brand initiatives.

#### #WESEEEQUAL FORUM 7



# **#WeSeeEqual Program Advocates** for Change in India and Beyond

We are exposing and challenging the myths about women at work and advocating for a new playbook that more broadly addresses the systems, policies, processes and bias that hold women back—both in the workplace and the world.

At our Mumbai #WeSeeEqual Forum, we convened notable advocates of gender equality, industry partners, government representatives and our own engaged employees, inspiring all to continue to advocate for change within the workplace and in their communities across the Asia Pacific, Middle East and Africa region. We also leveraged external platforms like the India Economic Summit hosted by the World Economic Forum, the Bloomberg Equality Summit, ET Workforce of the Future and several industry forums to promote gender equality.

During the Bloomberg Equality Summit, we shared our views on how brands can be a force for good and a force for growth. We talked about how brands are the most pervasive forces in the world and have the power to influence culture, break societal taboos and drive change. We also discussed how we can promote gender equality through compelling stories that accurately portray women and encourage intentional action.

# Geneva HQ Event Encourages Everyone to Check Their Blind Spots

Our Geneva headquarter's first #WeSeeEqual Forum took place under the theme "Will you Check your Blind Spots?" The forum sessions offered insightful conversations around advancing gender equality both at home and at work for our employees and communities. Eve Rodsky, the New York Times bestselling author of Fair Play, introduced our employees to a game-changing solution that teaches couples how to create a system for rebalancing domestic responsibilities fairly, which in turn allows each of us to step into our jobs, our parenting and caregiving roles and the world more fully. This was even more relevant as working from home has become our new normal during the global COVID-19 pandemic. Whether living with family, with roommates or balancing work with homeschooling kids and caring for family members, our need to figure out how to work and live together 24/7 requires new conversations and systems.



The forum sessions offered insightful conversations around advancing gender equality at home and at work.

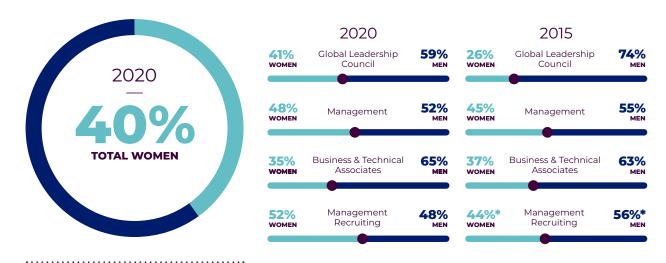
# Increasing Diversity in Our Workforce

We've declared two representation aspirations: globally—to achieve gender-equal representation at every level, and in the U.S.—to achieve 40% representation of multicultural employees at every management level of the Company.

We've taken stock of our efforts, and while we've made progress in many areas —we know we can do even more. We recognize that representation is a continued commitment, and it's one of many ways we make and measure our progress.

We also believe that equality benefits us all—and it will take all of us, working together, to make a bigger impact.

#### **GLOBAL WORKFORCE REPRESENTATION BY GENDER**



On our way to our aspiration of 50/50 women and men at every level.



Consistent with the 50/50 aspiration we declared several years ago, more women are members of P&G's Global Leadership Council and in global management positions compared to 2015. As we continue to make progress at the management level, we are now putting intentional plans in place to accelerate gender equality among our business and technical associate roles.

- Data as of June 30, 2015 and June 30, 2020 based on employees' initial self-identification
- Business & Technical Associates (BTAs) are employees who typically perform administrative tasks at our facilities or technical tasks at our manufacturing locations. These roles often do not require post-secondary education. Due to the nature of these roles, the available talent pool is more local to the areas surrounding our facilities, as opposed to the situation with respect to our Management positions, where the talent pools are national or global in nature. In addition, while there are pathways from the BTA level to the Management level, many BTA employees do not choose to pursue that option and that advancement is not necessarily an inherent part of the BTA career path.

# Increasing Diversity in Our Workforce

### U.S. WORKFORCE REPRESENTATION BY RACE AND ETHNICITY



On our way to our aspiration of 40% multicultural employees at management level.

#### **U.S. RACE AND ETHNICITY COMPOSITION**

	AL 2015
36% Global Leadership Counc	zil 23%
<b>28%</b> Management	25%
22% Business & Technical Associ	iates 20%
<b>25%</b> Overall	22%
40% Management Recruiting	g <b>35%*</b>
AFRICAN ANCESTR	Y
6% Global Leadership Counc	cil
8% Management	<b>7%</b>
12% Business & Technical Associ	iates 13%
10% Overall	10%
12%Management Recruiting	g <b>10%*</b>
ASIAN PACIFIC	
18% Global Leadership Counc	zil 11%
10% Management	9%
2% Business & Technical Associ	iates 2%
<b>5%</b> Overall	5%
15% Management Recruiting	g <b>13%*</b>
HISPANIC / LATINX	
12% Global Leadership Counc	cil
9% Management	9%
6% Business & Technical Associ	iates 5%
<b>7%</b> Overall	<b>7%</b>
9% Management Recruiting	g <b>9%*</b>
WHITE	
64% Global Leadership Counc	zil
<b>70%</b> Management	74%
76% Business & Technical Associ	iates <b>78%</b>
74% Overall	76%
2-7/0	

\*Data as of June 30, 2016



In our U.S. workforce, P&G continues to progress toward our aspiration of 40% multicultural representation. Our workforce is meaningfully more diverse than in 2015, with significant progress in representation on our Global Leadership Council.

- Data as of June 30, 2015 and June 30, 2020 based on employees' initial self-identification.
- Multicultural includes: Black or African American, Hispanic or Latino, Asian, American Indian/Alaska Native, two or more races, Native Hawaiian or other Pacific Islander.
- Numbers may not add to 100% due to rounding and because a small percentage of employees have chosen not to disclose their race/ethnicity or chose other.
- Business & Technical Associates (BTAs) are employees who typically perform administrative tasks at our facilities or technical tasks at our manufacturing locations. These roles often do not require post-secondary education. Due to the nature of these roles, the available talent pool is more local to the areas surrounding our facilities, as opposed to the situation with respect to our Management positions, where the talent pools are national or global in nature. In addition, while there are pathways from the BTA level to the Management level, many BTA employees do not choose to pursue that option and that advancement is not necessarily an inherent part of the BTA career path.

# Increasing Diversity in Our Workforce

#### **BOARD REPRESENTATION**



#### **TOTAL MULTICULTURAL 2020**

African Ancestry	8%
Asian Pacific	8%
Hispanic / Latinx	8%
White	<b>75</b> %

#### **TOTAL MULTICULTURAL 2015**

African Ancestry	8%
Asian Pacific	0%
Hispanic / Latinx	8%
White 8	3%



#### **TOTAL REPRESENTATION 2020**

Women	<b>50</b> %
Men	<b>50</b> %

#### **TOTAL REPRESENTATION 2015**

Women	<b>33</b> %
Men	<b>67</b> %



In 2020, P&G achieved equal representation of women and men among our independent Board Directors and increased multicultural representation to 25%. Both statistics represent meaningful growth since 2015.

- · 2015 = Directors elected at the October 2015 Annual Meeting
- 2020 = Directors elected at the October 2020 Annual Meeting
- Multicultural includes: Black or African American, Hispanic or Latino, Asian, American Indian/Alaska Native, two or more races, Native Hawaiian or other Pacific Islander.
- Numbers may not add to 100% due to rounding and because a small percentage of employees have chosen not to disclose their race/ethnicity or chose other.

# **Brands Stepping Up for Equality During COVID-19**

#### My Black Is Beautiful Tackles #TwoEvils

Since 2006, My Black Is Beautiful (MBIB) has stood firm in its commitment to champion Black beauty and culture by shining a spotlight on bias, driving dialogue and advocating for positive representation. In May 2020, the Black community was under attack by two evils at once: COVID-19 and racism. In response, MBIB quickly initiated a campaign to give a voice to Black progress. First, MBIB raised awareness by launching a video, "Two Evils," aimed to highlight the daunting statistics that Black people are 2.5 times more likely to die from COVID-19 and 2.5 times more likely to be killed by police brutality. Next, MBIB created live programming on social media to equip the community

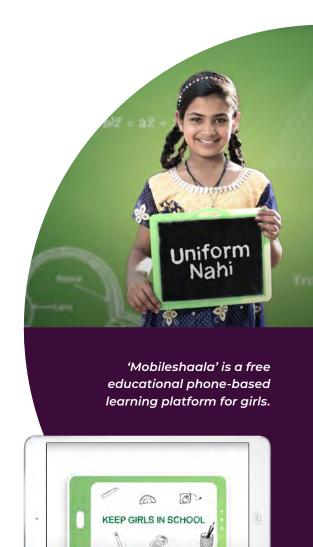
with tools to engage in the movement and bust myths about COVID-19. MBIB engaged leaders on the frontlines to share solutions, direct funding and route resources in a multi-part series titled #HowWe. How We Fight, How We Win, How We Survive and How We Cope focused on solutions to help the community to stay healthy and thrive amidst these dual crises. MBIB created a twice-weekly virtual space for activism, emotional healing and togetherness in a time of social distancing.

TWO EVILS 7

#### Whisper Launched Mobileshaala, Free Phone-Based Learning Platform

The closure of schools due to the pandemic affected access to education, especially for girls from marginalized communities, making them even more vulnerable to dropping out of school completely. In India, Whisper, in partnership with Pratham Education Foundation, launched 'Mobileshaala,' a free phone-based learning platform with curriculum-based education modules on key subjects like English, Science and menstrual hygiene education.

WHISPER MOBILESHAALA 7



# Always supported Global Citizen's One World: Together At Home event, which raised more than \$100 million in aid.

#### **Brands Stepping Up for Equality During COVID-19**

#### Secret Supports Mexican Women During COVID-19 Pandemic

The feminist movement was "halted" in Mexico by COVID -19, and women were hit hardest by economic crisis and job losses in the short, mid- and long-term in the country. Secret launched #MujeresVisibles, a campaign for women in Mexico focused on raising awareness on labor inequality. We revamped our brand communication efforts to inspire, empower and encourage action. We wanted to encourage women to continue their education and support them through relevant content and information like effective time management, importance of community and taking care of themselves mentally and physically.

Standing up for women is in Secret´s DNA. We are proactively supporting women as this crisis evolves by enabling action through our current partners. NGOs focused on enabling more women and their families to #stayathome safely will benefit from Secret's donations to United Way. To drive further impact and awareness of our cause, we invited our community to support this fund and others to help those in need by becoming individual donors or sharing this initiative and spread the word.

DE INVISIBLE A INVENCIBLE 7

#### Always Steps Up to Help. Period.

Periods don't stop during pandemics and neither does Always' commitment to serving people around the world. During the COVID-19 pandemic, an increasing number of people have struggled to get period products and are worried about their ability to afford them in the future. Always has been helping address this need by working with more than 40 relief organizations, across more than 30 countries, to donate more than 23 million period products.

With school attendance disrupted due to COVID-19, Always has also focused on finding relevant ways to ensure girls still have access to the information they need to navigate periods with confidence. This has included strengthening online tools for girls and parents that can be accessed from home and partnering with experts and influencers to provide education.

And, despite social distancing, Always found ways to bring people together by sharing messages of support and unity; supporting frontline and essential workers with messages of gratitude to recognize their efforts and supporting events like Global Citizen's One World: Together At Home event, which raised more than \$100 million in aid.

# **Brands Stepping Up for Equality During COVID-19**

#### Whisper Supports Female Medical Workers Fighting COVID-19

In China, 90% of the frontline medical workers battling COVID-19 were women. Whisper wanted to support them with product donations in honor of their service. In February, we donated 1,650 cases of Koala overnight pants and adult discreet pants to Hubei hospitals.

When sanitary pads were in great shortage, Whisper also initiated #LikeAGirl. It called people's attention to the issue on Weibo, which stressed that periods are a normal, physiological phenomenon instead of something to be ashamed of. The Weibo topic earned more than 20 million impressions, and all top feminine care brands joined in the discussion.

In the long-term, we will work on supporting female medical workers in cooperation with China Women's Development Foundation and China Medical Women's Association by commending outstanding female medical workers during COVID-19.

#### Women Are the #NewBrave

As a result of the COVID-19 outbreak, women have been first responders, whether at home or in the hospital. They've acquired new skills, juggling between work and home with courage and determination. Women, as always, have stepped up and have been a force to be reckoned with during this pandemic. The definition of brave has changed. #NewBrave.

Always, as a force for female good, used its voice to celebrate women's bravery and recognize that these challenging times have only made women stronger. With the #NewBrave campaign in Saudi, UAE, Pakistan and South Africa, Always celebrated the everyday courage and bravery of women in these challenging times with a reminder that women and girls will emerge even stronger than before. Check out this Always video here:

MEET THE NEW BRAVE 7





cases of Koala overnight pants and adult discreet pants to Hubei hospitals.

# ARIEL

Ariel continues to encourage all men to share domestic responsibilities, launching the fourth edition of #ShareTheLoad.



# Positive Portrayal of Men in Domestic Roles

#### Ariel Urges Families to #ShareTheLoad

#### India

In 2020, Ariel launched the fourth edition of the #ShareTheLoad campaign by highlighting that household chores keep women from getting enough sleep and rest. A survey conducted by an independent third-party revealed a startling and uncomfortable truth—71% women in India sleep less than their husbands due to household chores, as they end up waking up early and/or staying up late to take care of these responsibilities. In its latest campaign, Ariel aimed to convert intent to action by urging men to #ShareTheLaundry and take the first step toward #ShareTheLoad.

In light of the current crisis, Ariel realized the impact of changing dynamics within the household. With the message "what we learn in crisis will help us in times of comfort," Ariel continued to encourage all men to share domestic responsibilities during the pandemic.

SHARE THE LOAD 7

#### **France**

In 2018, Ariel continued to take a strong stand on gender equality as #ShareTheLoad expanded to focus on sharing household tasks in France. In the successful campaign, Ariel went further than just taking a stand and took action partnering with Adosen, a local charity to drive education in schools in France on gender stereotypes for the next generation. More than 110,000

students have benefited from the program and more than 50 additional volunteers have been trained to continue and expand this education program. Thanks to the multifaceted campaign, including well-known French influencers, Ariel continued to make sure that the topic remained top of mind.

#### **Prima Portrays Dads as Equal Partners**

Big brands have a role to play in advancing inclusion and equality in society—and to change minds. There are many P&G ads that portray men as equal partners: ads from Luvs, Swiffer, Dawn, Tide and Ariel show fathers caring for their children, cleaning up kitchens, Swiffering floors and doing laundry. Supporting the role of the dads in childcare, our Prima babycare brand shot and aired its most recent TV ad in Turkey with a dad in the leading caregiver role.



Prima shot and aired its most recent TV ad in Turkey with a dad in the leading caregiver role.

PRIMA VIDEO 7

# P&G uses its voice as a force for good... to drive acceptance, normalization, inclusion, and love for humanity.

#### P&G and Our Brands Tackle Bias Around the Globe

#### **Choose Equal**

In 2020, we leveraged our voice in advertising and media to create films and sponsor programs that shine a light on people who are disproportionately affected by the global pandemic—raising awareness and raising funds for relief efforts. We released a film called "Choose Equal" to bring focus to ongoing gender inequalities and inspire action.

This film closes with these words: "These times are not unprecedented. But they give us another chance for equality, if we all choose to step forward as equals. Care equal. Hire equal. Pay equal. Model equal. Do Equal. Choose equal. At home. At work. Right now, for an equal future."

Now more than ever, we remain committed to gender equality. It's up to us to ensure that progress steps forward—not backwards—as we learn from this crisis.

CHOOSE EQUAL ↗

#### The Pause: Lifting Up LGBTQ+ Visibility

P&G is committed to driving LGBTQ+ visibility through the accurate and authentic representation of the community. By highlighting insights and human truths, we are able to drive more positive and accepting societies for LGBTQ+ people. When this happens, economies grow, communities are healthier,

businesses thrive and the world is a better place for everyone. P&G uses its voice as a force for good to drive acceptance, normalization, inclusion, and love for humanity.

Now is the time to remind the world to be intentional, as each choice we make can disproportionally advance the opportunity for a more equal and equitable society. "The Pause" highlights the struggle and hesitation the LGBTQ+ community experiences every day before deciding how much of themselves to reveal to those around them. The film encourages people outside of the community to notice, reflect and realize how their reactions can make a difference.

"The Pause" highlights the critical importance of family support and deliberate and inclusive equality-based policies and laws in our communities, driving empathy and action for those struggling to find themselves in this world. Released during Pride month, the film quickly became one of P&G's most viewed films of the last five years—striking a chord with both the LGBTQ+ community and their allies and helping to start a discussion about making our communities more welcoming and open.

THE PAUSE 7



#### #HairWeGo Challenges the Social Uniformity and Conformity Symbolized by Hair

Pantene Japan's #HairWeGo program started social conversations tackling the longstanding hair biases experienced by Japanese women. #HairWeGo put the spotlight on compulsory "shūkatsu" or "job-hunting" hair: straight, black and pulled back into a very precise, side-parted, low ponytail. Pantene Japan collaborated with more than 100 of the country's top companies to pledge support for current and future employees who choose to forgo shūkatsu hair in favor of their

own personal style. Pantene Japan also tackled hair-related discrimination in schools. Students who have anything other than black, straight hair were required to submit a signed 'natural hair certificate' or to provide baby pictures to prove that their hair is natural, not created with chemicals or a curling iron. Even after submitting proof, many students were still forced to dye and straighten their hair to conform. In the summer of 2019, a petition inspired by the Pantene Japan #HairWeGo campaign led the Tokyo Metropolitan Board of Education to change this school policy permanently.

# さあ、この髪でいこう。 PANTENE #HairWeGo

#### Hair Has No Gender

Pantene's #HairHasNoGender campaign in Europe explored the power of hair to express one's identity through personal, powerful stories from transgender individuals and gender nonconforming advocates. It also shared the struggles this community faces and how Pantene is taking action to help in a meaningful way: by partnering with the DressCode Project, a global network of salons promoting gender-affirming safer spaces for all, as well as working with local LGBTQ+ associations to provide safe spaces, job training and job opportunities to the transgender community. The campaign achieved unprecedented engagement, reaching more than 17 million people across Europe. But our journey did not end there. Our goal is to have 150 salons in Europe signed up by 2022 to the DressCode Project, and we will continue to spread their powerful message and support the community with our next chapter of the campaign. Whatever hair you dream of, we stand with you.



Pantene's
#HairHasNoGender
campaign explores
the power of hair to
express one's identity.

#### SK-II and Olympic Athletes Challenge Us to End Toxic Competition in Beauty

Competition brings out the best in us. It pushes us further, drives us harder and makes us stronger. We celebrate it and revel in it. But there is one place where it does not bring out our best—beauty. It is the one competition that no one signed up for but still many feel the pressure of competing beauty standards, rules and limitations. These toxic competitions dictate how we should look, feel and act, which can hold us back in our daily lives.

SK-II partnered with top Olympic athletes to call out toxic competitions in beauty and shared their personal experiences on their social channels. Since its launch at <a href="The 2020 MAKERS Conference">The 2020 MAKERS Conference</a>, BEAUTY is #NOCOMPETITION has sparked a global conversation about toxic competitions in beauty, becoming a rallying cry for women to call out these situations and define what beauty means to them.

Top Olympic athletes participated in the program, including Simone Biles, the world's most decorated gymnast, LiuXiang, world-record holder swimmer, Ishikawa Kasumi, table tennis player and two-time Olympic medalist, Ayaka Takahashi and Misaki Matsutomo, badminton duo and Olympic gold

medalists, Mahina Maeda, surfer, and Hinotori Nippon, Japan Volleyball Team player. Together they sent a powerful message—"We won't compete anymore. Beauty is #NOCOMPETITION."

#NOCOMPETITION 7





#### Always and Whisper Work to #EndPeriodPoverty and Keep Girls in School

Lack of access to period products is often referred to as 'period poverty,' and it causes girls to miss school, sports and other developmental experiences which can limit girls' confidence and potential far beyond puberty. As a brand that has championed girls' confidence for more than 35 years, Always launched the #EndPeriodPoverty campaign to raise awareness of the issue and encourage people around the world to take action.

#### **France**

Always #EndPeriodPoverty proved to be a strong campaign in France with a real impact. In partnership with Dons Solidaires, the campaign was executed with a call to action "I pack = I pad donated" to keep girls in school. Millions of pads were donated in the second wave of the campaign in 2020.



#EndPeriodPoverty campaign raises awareness of 'period poverty' and continues to help girls stay in school.

#### **Argentina**

Along with Ruta 40, a local NGO that provides resources to ensure that students in rural schools have a quality education, Always donated one additional product for every pack of feminine pads bought in store. The donations went to girls in different schools across the country who were forced to skip classes because they couldn't afford feminine care products, impacting their future. In six months, more than two million products were donated, benefitting almost 15,000 girls in the most vulnerable regions of Argentina.

#### India

Whisper has been leveraging its voice to challenge societal barriers to menstrual hygiene in the country through path-breaking campaigns like #TouchThePickle, #SitImproper and #WhispersBreakSilence. Building on this, Whisper initiated a new campaign #KeepGirlsInSchool to prevent girls from dropping out. As part of this campaign, Whisper aimed to create awareness on how, even today, girls across India drop out of school once they hit puberty. The campaign brought to light the fact that one in five girls drop out of school each year, and many don't even notice.

During the India Economic Summit by the World Economic Forum in October 2019, we led a conversation on 'Ending Menstrual Taboos.' We also announced our commitment to double the reach of our menstrual hygiene program and educate more than 50 million adolescent girls on menstrual hygiene by 2022.

#### **Central America and the Dominican Republic**

The #EndPeriodPoverty campaign was launched in Panama, Costa Rica, Guatemala and the Dominican Republic to deliver sanitary pads. The program also featured health, hygiene, confidence and self-esteem classes for girls at puberty.

Always #EndPeriodPoverty made the decision to direct part of its donation to support vulnerable girls and women during the COVID-19 crisis and help them continue to grow and get education at home. The donations were made through United Way in the Dominican Republic, Guatemala and Panama and through Hogar Siembra y CADENA in Costa Rica.



#### Gillette Urges Men to Show Their Vulnerability

In 2019, Gillette launched its #ShavingStereotypes movement to challenge and redefine gender stereotypes prevalent in Indian society. In its first edition, Gillette showcased the story of two sisters, Jyoti and Neha Narayan, known as the 'Barbershop Girls of India,' who are inspiring the next generation of men by redefining gender stereotypes.

Taking the movement further, this year, Gillette asked the question—'Why don't men show their tears?' This challenges the enduring stereotype on why men are taught to not show their emotions because it makes them seem weak. Through the heartfelt story of Lt. Col. Manoj Kumar Sinha, SM (Ret), the brand paves the way for men to rethink their notions of masculinity and strength. Gillette aims to play a role in influencing culture and set the right standards for the boys of today to be men tomorrow.

MAN ENOUGH 7

#### Olay Declares Commitment to Zero Skin Retouching

Women constantly face conflicting expectations about their outward appearance. In fact, in the U.S., 40% of women surveyed said they felt beauty advertisements impart unrealistic expectations, making it unclear what is actually achievable.

In recognition of this, Olay declared a commitment to zero skin retouching in all of its advertising materials in the U.S. and Canada. The brand introduced the "Olay Skin Promise" logomark, which will appear on their ads to signify the skin of the women featured has not been retouched. Olay's Skin Promise will expand to all advertisements across print, digital, TV and out of home by 2021.



Olay is committed to zero skin retouching in all of its advertising materials in the U.S. and Canada.

Olay also rolled out these guidelines to all influencer partners of the brand, doing their part to fill social feeds with images of courageous women telling the stories of their strong skin.

The Olay Skin Promise debuted with the "My Olay" print campaign, in which Busy Phillips, Denise Bidot and Lilly Singh were featured completely unretouched, baring their skin au naturale.



#### **Olay Disk Refreshed**

Consumers told us that the caps of Olay jars were difficult to open. In response, our Olay team gathered a diverse team of experts, operators and consumers with impaired vision or impaired fine motor skills, including our Company Accessibility Leader Sam Latif. The team realized that this was not a cap issue but rather a cover disk problem.

The team surveyed designs, made prototypes and evaluated options with a goal to understand and address as many pain points as possible. As a part of the design assessment, the Cambridge exclusion calculator was used to measure the visual, dexterity and cognitive skills required to use our packaging.

Initially, it was hard to imagine such a small change having noticeable impact on the consumer experience, but the results of the new disk, designed to be more inclusive among consumers with low dexterity and/or low vision, is both more intuitive and easier to open.

PARTNERS & COMMUNITIES





# Stepping Up Our Ongoing Efforts to Advance Racial Equality for All

For years, we have used our voice as a leading advertiser to shine a light on inequality, highlight bias and spark dialogue that leads to understanding and action with award-winning short films like "The Talk" and "The Look." We've also brought companies together for collective action under our Take On Race coalition.

Recognizing the moment of urgency in our society highlighting systemic inequalities, P&G and our brands stepped up our ongoing efforts to advance equality for all people and especially at this moment for Black and Brown Americans. We have highlighted the disproportionate impact of COVID-19 on Black and Hispanic communities in America with the films "Circumstances" and "Estamos Unidos" and have sponsored fundraising and relief efforts to help those disproportionately affected by the pandemic. We established the P&G Take On Race fund to help fuel organizations that fight for justice, advance economic opportunity, enable greater access to education and health care and make our communities more equitable. The P&G Take On Race fund supports larger, established organizations in North America like the NAACP Legal Defense and Education Fund, YWCA Stand Against Racism and the United Negro College Fund. It also includes smaller organizations that mobilize and advocate, such as Courageous Conversation and groups that hold our elected officials more accountable.

We continued our series of thought-provoking films on bias and racism with "The Choice," which invites the often-silent majority to become allies, advocates and activists to end racial inequality. The film is accompanied by an extensive web-based resource at pg.com/takeonrace giving people a place to start the journey of transforming equality from a dream into a reality. Together, we can make real lasting change when we actively work to prevent, address and rectify racial bias—individually and collectively.

THE CHOICE 7



# Stepping Up Our Ongoing Efforts to Advance Racial Equality for All

#### ¡Estamos Aquí, Estamos Unidos!

P&G aspires to be a force for good and force for growth for Hispanic American employees, consumers and communities. We strive to provide immediate relief when needed, and to tackle the barriers that get in the way of progress, equality and inclusion. This longstanding commitment started over half a century ago and is more important than ever. This year, P&G joined forces with We Are All Human Foundation to kick off the "Hispanic Star Time of Action," an initiative aimed at bringing together individuals and corporations to benefit Hispanics affected by COVID-19. by donating, volunteering or sharing information for faster recovery. This initiative was kicked off in May and continued through Hispanic Heritage Month. To support the effort, P&G produced and helped launch the film "Estamos Unidos." The film illustrates the vital roles that Hispanic Americans are playing during COVID-19 and invites everyone to join the Hispanic Star movement. The Hispanic Star Alliance brings together over 200+ Hispanic organizations and top leaders, over 175+ companies who signed the Hispanic Promise, 5000+ ambassadors ready to take action, and 24 (and growing) local activation hubs across the country working together for bigger, faster impact. Our Estamos Unidos campaign helped strengthen P&G's partnership with leading non-profit organizations providing relief to Hispanic American essential workers by supporting Hispanics in Philanthropy, United Farm

Workers, Justice for Migrant Workers, the Dolores Huerta Foundation and Hispanic Star. Our support helped power 15 activation hubs across 75 cities and mobilize more than 2,000 volunteers. Across these efforts, we have helped raise more than \$2 million dollars. We will keep helping and empowering the Hispanic community with our network of partners across the country so that—sooner rather than later—they can be ready to shine, again.



¡ESTAMOS UNIDOS! 7

#### P&G Canada Matches up to \$1 Million for CanadaHelps Black Solidarity Fund

As part of ongoing efforts to advance equality for all people, especially for Black Canadians who face systemic racism and biases, P&G Canada and our brands stepped up to match donations to the CanadaHelps Black Solidarity Fund, up to \$1 million Canadian dollars. This donation will help support organizations fighting for justice, advancing economic opportunity, enabling greater access to education and health care and making Canadian communities more equitable.

CANADAHELPS 7



P&G Canada and our brands stepped up to match all donations to the CanadaHelps Black Solidarity Fund, up to \$1 million Canadian dollars.

# Removing Barriers to Women and Girls' Advancement

#### LEADing Partnerships to Advance Gender Equality

As a founding partner and longstanding supporter of the Leading Executives Advancing Diversity (LEAD) Network, we joined forces with other corporations to actively attract, retain and advance women in the retail and consumer goods industry in Europe. LEAD is a platform for exchanging ideas, best practices and inspiration to help others find solutions to challenges they might be facing. We are driving our partnership with the LEAD Network in Germany, Netherlands, Spain, Switzerland, Turkey and the UK. This year, two new chapters were established in France and Poland. We are committed to playing our part in driving change across the world of business, starting with our own industry.



We joined forces to actively attract, retain and advance women in the retail and consumer goods industry in Europe.

#### Opening New Opportunities for Girls in Tech

As a corporate partner of <u>Girls Who Code</u> since 2019, we are helping to close the gender gap in technology and change the image of what a programmer looks like and does. We are committed to advancing gender equality by removing barriers to STEM education for girls and economic opportunities for women in STEM fields.

During 2020, we sponsored Girls Who Code After School Clubs and hosted a virtual <u>Girls Who Code Summer Immersion Program</u>. Through the free, two-week program, a group of almost 30 girls from 11th and 12th grades learned about computer science, gaining exposure to tech jobs and joining a national sisterhood of girls who are using computer science to become change-makers.

P&G CIO Vittorio Cretella urged program participants to consider majors in Information Technology, Information Systems, Computer Science or Information Science, where females remain vastly underrepresented. Cretella encouraged the girls to be open to the more creative aspects that careers in technology can provide. "What students learn today in the classroom may become obsolete but what will not change is their capability to learn, be agile and curious to explore solutions."



OLAY

With every mention of #MakeSpaceForWomen on Twitter, Olay donated \$1 (up to \$500,000) to Girls Who Code.

During this year's Super Bowl commercials, Olay partnered with Girls Who Code and five fearless women: Busy Philipps, Lilly Singh, Nicole Stott, Taraji P. Henson and Katie Couric to prove there's enough space...in space...for women. With every mention of #MakeSpaceForWomen on Twitter, Olay donated \$1 to Girls Who Code up to \$500,000.



# Removing Barriers to Women and Girls' Advancement

#### TIME and P&G Reveal 100 Women of the Year

In line with our aspiration to build a world free from gender bias, and in honor of International Women's Day, we partnered with *TIME* and award-winning filmmaker Alma Har'el on the groundbreaking 100 Women of the Year project, spotlighting influential women from 1920 to present day who made tremendous contributions to humanity but were often unrecognized and overshadowed throughout history.

To recognize these women, *TIME* editors embarked on a historic project and selected a woman to represent each year from 1920 to 2020, and then created a *TIME* cover to shine a light on these extraordinary women who deserve their place in history.



#### Seneca's 100 Women to Hear and Getting to Equal Podcasts

Together with the Seneca Women Podcast Network, iHeartRadio and iHeart Podcasts, we launched #Senecas100WomentoHear, a podcast that celebrates 100 diverse women who have shaped the present and who are designing our future. The first episode recognized women's rights activist Sojourner Truth followed by an amazing line up of speakers, including Meghan, The Duchess of Sussex; Madeleine Albright, the first woman Secretary of State; soccer legend Abby Wambach; activist, educator and writer Brittany Packnett Cunningham; Co-Founder and CEO of All In Together Lauren Leader, and many more. To learn from these inspiring women, listen here.

As part of the Seneca Women Podcast Network, Carolyn Tastad, Group President—North America and Chief Sales Officer, and Deanna Bass, Vice President of Global Equality & Inclusion, hosted a series of provocative conversations on leadership. The episodes on "Getting to Equal" are part of the Seneca Conversations on Power and Purpose podcast and help listeners build an action plan for boosting women to 50% representation in leadership ranks.

# Removing Barriers to Women and Girls' Advancement

#### Women's Forum for the Economy and Society

The Women's Forum is dedicated to highlighting women's voice and perspective on global issues and solutions. As a strategic partner of the Women's Forum for the Economy & Society, P&G plays a leading role in the #Women4Business Daring Circle, a collaborative effort with WEConnect, U.N. Women and other partners of the Women's Forum. This coalition aims to build the foundation for supplier diversity in Europe and the missing infrastructure to support womenowned businesses to grow and get more visible to corporate buyers and government. Organizations from multiple industries also attend to help create more diverse and gender responsive supply chains, serving as an accelerator for women's economic empowerment.

At the 2019 Women's Forum Global Meeting, we engaged with a variety of stakeholders and employed a range of initiatives to help break the barriers and myths that hold back women in the workplace and enable greater economic empowerment. From inclusive parental leave policies to MARC<sup>TM</sup> dialogues, we discussed how men's engagement can accelerate closing the gender gap inside and outside the workplace. We also showcased our continued journey to shift mindsets through advertising and media, with our hero brands Gillette and Venus.



WOMEN'S FORUM RECAP VIDEO 7

WOMEN'S FORUM IN PARIS ↗

WEE FARES SAYEGH VIDEO ↗

#### **P&G UK Supported Lesbian Visibility Week**

We supported the launch of DIVA's Lesbian Visibility Week and The Visible 100 list, published in *The Guardian*, which celebrated lesbians and the wider LGBTQ+ community, as well as showing solidarity with all women in our P&G family.

Our Chief Equality & Inclusion Officer, Shelly McNamara, was featured on The Visible 100 list as an influential leader in the LGBTQ+ space, given her role in shaping culture and policies and her leadership to promote greater diversity inside and outside of P&G. Shelly was also featured in one of DIVA's 'TED Style Talks' released over the week, giving her a platform to talk about her own personal experiences with visibility and to outline her experiences and E&I commitments at P&G.

The week also gave P&G a platform to show important ongoing work, both supporting and celebrating the LGBTQ+ community and showing themselves as an ally to their employees and broader communities.



#### Be Seen. Be Heard. Be Proud.

#### P&G Explores LGBTQ+ Visibility in Advertising With "They Will See You"

Imagine living in a world where your story isn't being told. Never seeing yourself reflected in people on TV as they navigate life. Worse yet, never seeing you or your family represented in commercials as people practice daily routines. It could feel as if you didn't exist. This has been the reality for people in the LGBTQ+ community for decades. Only in the last few years have there been steps toward LGBTQ+ representation in advertising, but there is still work to be done.

In 2019, we ran a commercial for Gillette that featured a transgender man learning to shave from his father. It was a groundbreaking depiction of a universal rightof-passage, and many LGBTQ+ activists applauded the ad. Others expressed concern about brands jumping on the bandwagon inauthentically. The questions they asked encouraged us to examine our intentions and ensure that we didn't view this advertisement as a one-time opportunity to represent the experiences of transgender men. It's not always easy to have these conversations in a corporate environment, but we know that visibility and proper representation matters. In the short film, "They Will See You," we explore the history of LGBTQ+ advertising and meet inspirational people whose lives have been impacted by seeing their stories represented.

Over the past decade, the number of brands featuring LGBTQ+ people in advertising, participating in Pride parades or publicly showing their support of the LGBTQ+ community has increased dramatically. Despite this increase in LGBTQ+ support, LGBTQ+ people remain substantially underrepresented in advertising.

By speaking with a diverse range of people representing different points of view, we examined the role of representation, the history and challenges of LGBTQ+ representation in advertising and how visibility of the community has an impact on the lives of LGBTQ+ people and communities where they live.

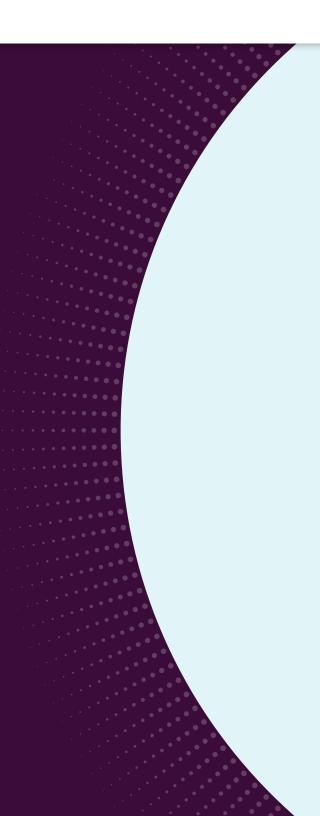
We partnered closely with GLAAD, the Transgender Chorus of LA and local LGBTQ+ people to share their perspectives and stories—representing all points of view and engaging in open dialogue.

This follows P&G award-winning films produced with Great Big Story—"The Words Matter" and "Out of the Shadows" which looked at the history of LGBTQ+ equality inside the Company to now examine the Company's role in being a leader for inclusion, responsible advertising and LGBTQ+ inclusion.



THEY WILL SEE YOU 7

As the number of brands that include LGBTQ+ themes and representation increases, we continue the conversation about how we can best support the community, while learning from our own to create a better world for those around us.



#### Be Seen. Be Heard. Be Proud.

#### **Can't Cancel Pride Raises Visibility and Funds**

Pride Month gives millions of traditionally marginalized people the opportunity to come together every year in an unabashed celebration of who they are. Pride celebrations give voice and visibility to those who have often been overlooked and oppressed, and who—despite great strides—still struggle for equality.

COVID-19 not only led to the disruption of 2020 Pride events which serve as a lifeline to millions of marginalized LGBTQ+ people but also had a damaging effect on fundraising efforts LGBTQ+ organizations rely on to survive.

P&G and our brands created "Can't Cancel Pride:
COVID-19 Relief Benefit for the LGBTQ+ Community"
as a virtual relief effort to help raise visibility and funds
for LGBTQ+ communities most impacted by COVID-19.
The livestreamed event was hosted by iHeartMedia onair personality Elvis Duran and leading LGBTQ+ activist
Laverne Cox. Four million people tuned in, and the
event featured today's biggest names in culture and
entertainment, including Adam Lambert, Big Freedia,
Billy Porter, Katy Perry, Kim Petras, Melissa Etheridge,
Sia, Ricky Martin, Kermit the Frog, Matt Bomer and
Neil Patrick Harris



More than \$4 million was raised to benefit six LGBTQ+ charities: The Trevor Project, GLAAD, Outright International, CenterLink, Sage and the National Black Justice Coalition.

#### **Creating Access and Opportunities**

#### **P&G Employees Volunteer to Be Their Eyes**

As P&G steps up to support communities around the world, we want to be as inclusive as possible. Together with our charity and broadcast partners for the special COVID-19 relief events <u>Global Citizen's One World:</u>

<u>Together At Home</u> and BET Saving Our Selves, we joined forces with <u>Be My Eyes</u>—a unique platform which connects sighted volunteers with the blind and low-vision community to help navigate everyday life.

Thanks to passionate P&G colleagues who volunteered to provide personalized live audio description, people with low and no vision were able to follow and enjoy these entertaining programs using the Be My Eyes app. P&G volunteers were on call, ready to describe anything users wanted to know about the event. They read the lineup, helped access streams and content and answered questions about what was going on in the broadcast.

This partnership is one example of how our employees are stepping up as a force for good. We believe there is always a better, more innovative way to create a more inclusive environment for everyone. That's why we're focused on creating superior experiences with our brands, products and communication that are accessible by everyone.

"There were over 10 volunteers assisting me through the eight-hour concert," one of the Be My Eyes users said. "Describing from the first opening songs to the last which were both tearful moments of joy and connection for me! Almost like a virtual family in my home. The best night out 'in."

—Be My Eyes User

"This experience provided a lot of insight on the daily lives of people who are blind or low vision. It helped me realize that I still have so much to learn as an ally of people with disabilities."

—Be My Eyes Volunteer





#### **Creating Access and Opportunities**

#### Partnerships to Promote People with Disabilities

In Spain, we collaborated with Fundación ONCE "Oportunidad al Talento" program to promote education and access to knowledge for young university students with disabilities. More than 100 grants were awarded to students with disabilities as a result of the collaboration of more than 20 companies including P&G. We also partnered with Randstad's program Integrados to help facilitate access to employment for people with disabilities, working with them through Ability Campus. Thanks to our support and commitment, Randstad Foundation in Madrid reached out to more than 1,000 people.



#### **Supplier Diversity for Equality**

Every year since 2008, P&G has spent more than \$2 billion with diverse-owned businesses globally. Despite the supply chain challenges in 2020, the team rallied together and surpassed the two billion total again and added 21 diverse-owned suppliers to our supplier ecosystem. We have introduced a new supplier for a corporate call center, diverse-owned agencies and a chemical manufacturer for our Fabric and Home Care brands. It takes a lot of work to make this happen. Year after year, our Purchases colleagues work with all functions to grow current diverse suppliers and bring new ones onboard. We have a passionate group of people that invest even more time attending conferences and events to meet with hundreds of businesses, and then they introduce the best of who and what they find to our buyers. We are constantly seeking businesses that can add unique value to P&G and our brands.

P&G's Supplier Citizenship team also contributed to several campaigns focused on helping small and diverse-owned businesses rebuild after COVID-19.

This included the Cincy Card Connection, in collaboration with the Cincinnati Center City Development Corporation (3CDC) to find new ways to support local businesses in the hometown of our global headquarters, Ohio Minority Business Enterprises (MBE) with certification costs, and the National Minority Supplier Development Council (NMSDC) "In This Together" campaign to help expedite recovery efforts within the Black business community. We know it is not just about working with diverse-owned businesses that have scale for our global brands, but also investing in the pipeline of smaller businesses to help them get experience with small opportunities, teaching curriculum on business strategy and leadership, and connecting them with peers and partners who could also utilize their products or services.

This is a team effort across all functions, being led from the top, to ensure our supply chain and external ecosystem also reflect the diversity of our consumers to meet the diverse business needs we have every day, everywhere.





#### **Environmental Sustainability**

At P&G, environmental sustainability is embedded in how we do business. We have a responsibility to make the world better—through the products we create and the positive impact our brands and Company can have in communities worldwide. We've established ambitious goals to minimize our environmental footprint, to innovate with the best and safest ingredients from both science and nature and to create products that make responsible consumption irresistible for people everywhere.

### **Environmental Sustainability**

Message from Virginie Helias	>	Supply Chain	>
2020 Goals	<b>&gt;</b>	Climate & Energy	>
Ambition 2030	>	Transportation	>
Brands	>	Water	>
Packages that Use Less, Recycle or Refill More	·····	Waste	>
Brands Help Save		Striving for Circular Solutions	>
Energy at Home	<b>&gt;</b>	Partnering with Suppliers	>
Water-Efficient Products	>	Forestry	>
Innovating for More Efficient Solutions	>	Palm Oil	>
Building Even Greater Trust		Society	>
Through Transparency, Ingredient Innovation and Sharing Our Safety Science	>	Keeping Plastic Waste Out of the Environment	>

Protecting Water for People and Nature	>
Climate	>
Employees	>
Tracking Our Progress	>
Facilities/LEED	>
Environmental Resource and Waste Summary	>
Global Measurement and Additional Operational Data	>



# Message from Virginie Helias

Much has changed in our world this year. The global pandemic has forced us to adjust our habits—spending more time at home where we're consuming more electricity, accumulating more waste and using more water. While these changes were necessary, they presented an opportunity for all of us to reevaluate habits and routines in the home.

Studies during the pandemic show that a majority of people in the U.S. and Europe would value help from brands on ways to be more environmentally friendly at home. Consumers are demonstrating a renewed focus on maintaining a healthier and more sustainable lifestyle for the long-term—one that can positively impact our home, our community and our planet.

While our world has drastically changed, P&G's commitment to sustainability has remained strong. We are focused on developing innovations and products that make responsible consumption irresistible. We continue to reduce our footprint and strive for more circular approaches in our supply chain. We're building partnerships with external organizations to combat some of the most challenging and complex issues we face today. And most importantly, our employees are committed to ensure that sustainability is built into their work, not bolted on.

Our consumers drive us each day to be a force for good and a force for growth. We are committed to helping them through this time. While I can't predict what lies ahead, I am confident that our employees, our Company and the partners we've joined forces with will accelerate progress to protect our planet, our home.

#### **2020 Goals**

In 2010, P&G declared a set of goals and commitments to reduce our environmental footprint across climate. water and waste. Since then our business has continued to grow, while our teams have developed smarter, more efficient ways to operate. As we close out 2020, we are proud to report that 14 out of 16 goals we set back in 2010 have been achieved. For the two goals we did not achieve, our efforts still drove significant progress—reducing packaging material usage by more than 200,000 metric tons and reducing energy consumption by 19%, while in the process saving hundreds of millions of dollars.

We targeted a 30% reduction in Scope 1 & 2 GHG emissions by 2020, and we overdelivered by achieving a

52% reduction.

#### **CLIMATE**



#### Ensure 70% of machine loads are low-energy cycles

This goal was achieved in 2019 when we reported 70% of machine loads were being done in low-energy cycles.



#### Reduce energy use at P&G facilities by 20% per unit of production by 2020

P&G was able to reduce energy use per unit of production by 19%. While this was just short of goal, we saved hundreds of millions of dollars on our energy conservation efforts in the process.



#### Reduce truck transportation kilometers by 20% per unit of production

This goal was achieved several years early, and we reduced kilometers by more than 25%.



#### Reduce absolute greenhouse gas (GHG) emissions by 30% by 2020

P&G was able to reduce absolute GHG by 52%. We significantly overdelivered on this goal by accelerating efforts on renewable electricity.



#### Ensure plants are powered by 30% renewable energy

P&G was able to reach 31% renewable energy. This result was a combination of reducing our overall energy use while increasing our use of renewable energy sources.



#### Implement palm oil commitments

We achieved our 2020 goal of 100% Roundtable on Sustainable Palm Oil (RSPO) certified for all palm oil and palm oil derivatives. We're on track to deliver 100% RSPO for palm kernel oil and palm kernel oil derivatives used in our brands by the end of 2021, 12 months ahead of our previous commitment.



# Have 100% of the virgin wood fibers used in our tissue/towel and absorbent hygiene products be third-party certified by 2015

This target was achieved in 2015, and we have maintained 100% certification since that time.



#### Create technologies by 2020 to substitute top petroleum-derived raw materials with renewable materials as cost and scale permit

This target was achieved in 2018 when we announced we had developed the capability to substitute our top petroleum-derived materials (plastic resin, cleaning agents and acrylates) with renewable materials.

#### **2020 Goals**

#### **WATER**



#### Provide one billion people with access to water-efficient products

In 2019, we achieved our goal to provide one billion people with access to water-efficient products. The end of the decade doesn't mean the end of this important work. P&G brands, like our Waterl<ss hair care brand, will continue to look for opportunities to help consumers reduce in-home water use.



## Reduce water use in manufacturing facilities by 20% per unit of production with conservation focused on water-stressed regions

P&G has exceeded this goal since 2015. This past year, P&G achieved a reduction of 27% per unit of production.

#### WASTE



#### 100% of plants achieve zero manufacturing waste to landfill by 2020

This goal was achieved in 2020. We estimate that the cumulative cost savings from this effort was more than \$2 billion.



#### Have 100% of our paper packaging contain either recycled or third-party certified virgin content by 2020

We achieved 99.5% with plans in place to address the remaining small fraction (0.5%) of our supply. We will continue to monitor and report the status.



#### Reduce packaging by 20% per consumer use

We have avoided the use of more than 200,000 metric tons of packaging since 2010. While we consider this a success, we also acknowledge this is only a 12% reduction. Market driven headwinds negatively impacted our results. This included customer requests for lower case counts that increased the amount of corrugate per consumer use in some markets. Optimizing our packaging designs will remain a key focus going forward.



#### Double use of recycled resin in plastic packaging

We achieved this goal in 2020, using 52,800 tons of recycled resin, which exceeded our target level of 52,000 tons.



#### Ensure 90% of product packaging is either recyclable or programs are in place to create the ability to recycle it

This goal was achieved in 2019. We will continue to report progress versus our 2030 goal of 100% recyclable or reusable packaging globally.



## Conduct pilot studies in both the developed and developing world to understand how to eliminate landfilled/dumped solid waste

We have implemented a wide range of pilot studies and continue to work in collaboration with many organizations to drive progress towards our 2030 goals on packaging and waste.

With 10 years of progress and

## 14 of 16 goals achieved,

there's still more work to do.



#### **Ambition 2030**

Today, we have new ways to measure the impact of our actions and new tools and technologies to manage how we affect the environment. We also have years of experience that help us refresh our approach to environmental stewardship and evolve what it means to be "environmentally sustainable." In 2018, we took a hard look and refocused our energy toward 2030, with a new set of goals and an embrace of new practices intended not just to reduce our footprint and conserve precious resources, but to help restore the world, ultimately leaving it better than we found it.





# Use the power of innovation and our brands to enable sustainable lifestyles and drive positive impacts

- 100% of our leadership brands will enable and inspire responsible consumption.
- 100% of our packaging will be recyclable or reusable.
- We will reduce our use of virgin petroleum plastic in packaging by 50%.
- We will build even greater trust through transparency, ingredient innovation and sharing our safety science.

#### **Brands**

Information on our leadership brands' efforts to enable and inspire responsible consumption can be found here:

#### **Fairy Turkey Calls for No Food Waste**

Fairy recognizes the important role it plays for families, the food culture, and environmental sustainability in Turkey, launching a new social responsibility project called "No Waste."

Globally, one-third of all food produced goes to waste. When food goes to the landfill and rots, it produces methane—a greenhouse gas even more potent than carbon dioxide. Food waste also threatens water resources when trash makes its way through rivers and oceans.



Fairy Turkey celebrated its 10th anniversary by supporting the fight against food waste and giving back to the community.

In light of this, Fairy celebrated its 10th anniversary by supporting the fight against food waste, educating consumers and other stakeholders on food sustainability and how to reduce food waste. Fairy Turkey is helping the Food Rescue Association collect food surplus in supermarkets and donating it to people in need. So far, donations have allowed the association to double their logistics capacity, resulting in help for 660,000 people in need.

We are also giving back to the community as a part of our anniversary celebration. We donated food baskets to 10 million families helping approximately 50 million people during Ramadan with Fairy products.

#### **Embracing Responsible Beauty**

As a company serving consumers around the world, our responsibility is to help people understand what to look for and why. This year our Beauty brands declared a set of intentional choices—five interconnected guiding principles—to address the needs of consumers across quality and performance, safety, sustainability, transparency, and equality and inclusion. This conviction is what provides clarity to our teams and our consumers and ensures we are a force for growth and a force for good in the world.

Click here to learn more about our Responsible Beauty approach, our goals, our contributions, our partners and our brands in action.

RESPONSIBLE BEAUTY APPROACH 7





#### **Brands**

#### **Pampers: Recycling Used Baby Diapers**

Diaper recycling technology has been developed by FaterSmart, a joint venture of P&G and Angelini in Italy. It is operational in Italy, and we are exploring how to expand in other countries. For example, we are running a diaper waste collection pilot in Amsterdam in partnership with the municipality and others. We placed 12 smart bins near day-care centers and drug stores in three neighborhoods in Amsterdam. Parents can register for the program via a new Pampers recycling app.

Since the start of the program in 2019, more than 600 families have registered and joined. In total, more than 43 tons of diaper waste—equaling more than 200,000 diapers—have been collected for recycling. It is recognized and funded by the E.U. through the Bio-Based Industries (BBI) project, EMBRACED.

The diaper waste collection pilot in Amsterdam was honored with the AIM Nudging For Goods Award 2019. AIM is the European Brands Association, and awards brands and programs that promote the "Nudging for Good" concept. This recognition inspires us to do more—we are committed to launch diaper recycling in 10 cities by 2030.

AIM NUDGING FOR GOOD AWARD 7



Pampers is committed to launch diaper recycling in 10 cities by 2030.

#### **Brands**

#### Recycling Razors with Gillette and TerraCycle

Gillette and Gillette Venus, in partnership with international recycling leader TerraCycle, announced for the first time that all models of razors, blades and disposable razors can now be recycled in the UK thanks to the launch of a new recycling initiative. Once collected, the used products are broken down and separated by material. Plastics are cleaned and recycled into pellets which can then be used to make new products, while metal materials are sent for smelting into new alloys. As market leaders, Gillette and Gillette Venus are dedicated to helping improve the sustainability of the category; therefore, the recycling program will also accept blades, razors and disposable razors from any brand in the UK.





recyclable.

#### Period Products with Environmental Change at Their Heart

Earlier this year, Always and Tampax launched their Cotton Protection collections. The Always Cotton Protection pads and liners are made with a 100% organic cotton top sheet, and the Tampax Cotton Protection tampons are made with 100% organic cotton core and an applicator made from 90% plant-based plastic, derived from sugar cane. Thanks to the blockchain technology applied in Tampax Cotton Protection, a consumer can scan the QR code on the pack to learn more about the cotton's origin and trace its journey, from when and where it was harvested to how it was made into the tampon. This new range is just one of the ways Always and Tampax are offering trusted protection, so users of our products can feel confident in their choice.



#### Packages that Use Less, Recycle or Refill More

Commitment. New ideas. Creative thinking. P&G brands around the world are pursuing a range of solutions with the aim to make packaging more sustainable. As a Company, we are working to ensure 100% of our packaging will be recyclable or reusable by 2030 and to reducing virgin plastic in packaging by 50% by 2030. We're innovating, collaborating and taking action to unleash the circular economy across our portfolio of brands.

As stated in our 2019 Citizenship Report, the scope of our Ambition 2030 goal of 100% recyclable or reusable packaging covers consumer packaging only, as this is what we believe is most meaningful to drive change in our industry. Shippers and boxes that transport products to our retailers, which are predominantly widely-collected and recycled cardboard corrugate, are no longer in our tracking. On this basis, our percentage of recyclable or reusable consumer packaging Is currently about 55%, well on the way to our 2030 goal.

#### Journey to Reduce Virgin Plastic Packaging

Our brands have programs in place to drive us to our Company-wide Ambition 2030 goal of 50% reduction in virgin petroleum-based plastic packaging, and some of these efforts are highlighted in the <u>Brand 2030</u> section of this report. While we announced this goal in 2019 and are in the early phases of implementing plans, we can report that our progress to date represents about a 4% reduction in virgin petroleum-based plastic packaging. We plan to achieve our reduction goal via light weighting, using alternative materials, and increasing recycled content—including post-consumer resin, commonly referred to as PCR. PCR is recycled

plastic that has been collected after consumer use and is used to create new products and packaging.

Pledging to increase the amount of PCR in our packages is good and innovating with partners to recycle and reuse plastic in laundry and shampoo bottles will accelerate progress. By developing and fostering end-markets, we help ensure there is demand for recycled materials which would otherwise be destined for landfill. This helps unleash the circular economy.

In FY19/20, we used approximately 705,000 metric tons of plastic packaging. Of this, 52,800 metric tons were post-consumer resin. Resin types are summarized below.

#### Resin Used in Our Packaging in FY19/20

Resin Type	Percent
PE	46%
PET	20%
PP	23%
Other	11%*



In 2020, our Fabric Care business in Europe announced a significant increase of recycled plastic in its packaging, with leading brand Ariel increasing recycled content in liquid detergent bottles up to 50%. Lenor fabric conditioner also announced it will reach 100% PCR plastic in its transparent PET bottles. By increasing the amount of recycled plastic in Ariel and Lenor bottles, P&G will save the amount of virgin plastic required to produce one line of detergent bottles to go around the earth per year.

Already 90% of Pantene, Head & Shoulders, Aussie and Herbal Essences bottles sold in Europe are made of up to 25% PCR. In a new agreement, P&G Hair Care in Europe has begun increasing the use of Indorama's Ventures circular PET resin—starting with transparent Pantene bottles.

#### Packages that Use Less, Recycle or Refill More

#### Loop

Loop is a new shopping platform where consumers order household products like detergent, toothpaste, shampoo and more in customized, brand-specific durable packaging. When finished with the product, the packaging is collected, cleaned, refilled and reused—creating a revolutionary circular shopping system. Officially introduced at the World Economic Forum in January 2019, P&G brands' participation in Loop quickly advanced from an idea to two full-fledged test markets in New York and Paris.

With over a year of Loop learnings across the New York and Paris pilot markets under our belt and another test kicking off in Tokyo, P&G is looking ahead to the next phase of e-commerce expansion and in-store pilots. Cascade, Pantene and Tide have been among the most frequently ordered Loop products, while the addition of Herbal Essences shampoo and conditioner in the Paris test and Oral B Clic toothbrushes with recyclable heads to both New York and Paris test markets has provided further opportunity to learn and optimize.

During the COVID-19 lockdown, Loop growth stayed consistent with e-commerce channels and retail trends. Loop cleaning products and long shelf-life pantry products are significantly up. Consumers surveyed feel reassured by the professional cleaning of refilled packages.

#### Testing New Packaging Materials

In May 2020, Old Spice and Secret became the first major brands to introduce an allpaper tube package for select aluminum-free deodorants in the U.S. The new packages were co-designed with consumers interested in cutting back on



plastic waste and sold in 500 Walmart stores in the U.S. The paper tube package, made of 90% recycled paper, is certified by the Forest Stewardship Council and features a "push up" design that replaced some of the plastic stick deodorant cannisters.

#### Safeguard Philippines Replaces Plastic Overwraps with Recycled Paper

The Philippines has one of the highest rates of plastic leakage to the ocean in the world and suffers from plastic waste littering its city streets. In order to help address this issue, Safeguard Philippines has taken meaningful action to reduce plastic packaging. The market-leading antibacterial soap brand ditched its plastic overwraps used for bar soaps to use recycled paper board cartons instead. This packaging change eliminated a whopping 66 metric tons of plastic laminate a year, equating to 8,500 kilometers worth of plastic packaging waste.



#### **Refill and Reuse More Bottles**

As of 2021, Head & Shoulders, Pantene, Herbal Essences and Aussie will enable 200 million European households¹ to recycle, reduce and reuse. The leading beauty brands will launch a refill system for their shampoo, thanks to a new reusable 100% aluminium bottle and recyclable² refill pouch, made using 60% less plastic (per mL versus standard brand bottle). P&G Beauty is on track to reduce virgin plastic usage by 50% in shampoos and conditioners bottles by the end of 2021³, where through collective efforts to reduce, reuse and recycle, it will result in 300 million fewer virgin plastic bottles being produced yearly.

<sup>1</sup> Source: Kantar Worldpanel

<sup>2</sup> Where collected. Not recyclable in Belgium, Ireland, Switzerland due to lack of local recycling facilities

<sup>3</sup> OND'21 vs 2016



#### **Brands Help Save Energy at Home**

P&G reaches five billion people through our brands, and with this scale comes a responsibility to give consumers the power to reduce their own carbon footprints with products that are designed to help save energy.

#### **Washing Clothes**

More than 60% of a laundry detergent's footprint is in the consumer use phase, mostly related to the energy used to heat the water. Ariel and Tide have been optimizing detergent formulas for high efficiency in low-temperature washing and inspiring positive "Turn to 30" and "Cold Water Wash" laundry behaviors. The 2020 goal to have 70% of machine loads be low-energy cycle loads has been achieved by educating consumers over the last 10 years on the benefits of low-energy wash cycles. P&G estimates that since 2015, the avoided emissions from U.S. consumers increasing their use of low-energy laundry cycles have been roughly 15 million metric tons of carbon dioxide, which is equivalent to taking three million cars off the road.

Since 2015, the avoided emissions from U.S. consumers increasing their use of low-energy laundry cycles have been

roughly 15 million metric tons of CO<sup>2</sup>.



#### **Washing Dishes**

Busting a popular myth, Cascade is showing consumers how the dishwasher is designed to be more water and energy efficient than washing in the sink. Cascade and Fairy Automatic Dish Washing Tablets allow consumers to skip pre-wash and save the water and energy needed to heat the water. Fairy and Dawn dishwashing liquid's grease-cutting power enables water and energy savings: by reducing the water temperature 20°C (36°F), consumers can save up to 50% of carbon dioxide of the total footprint every wash.

Leveraging the power of our brands and collaborating with our value chain partners has been, and will remain, a key part of our climate change efforts.





WATCH 'DO IT EVERY NIGHT'

#### **BRANDS**

#### **Water-Efficient Products**

In 2019, we achieved our goal to provide one billion people with access to water-efficient products. Cascade, Tide, Downy, Swiffer, Pantene, H&S, Herbal Essences and others brought their innovative formulas to consumers all over the world to enable people to reduce inhome water use during everyday household activities. The end of the decade doesn't mean the end of this important work, and our brands continue to look for opportunities to reduce in-home water use and communicate with consumers about ways they can help.

#### Cascade

Cascade is one of the first P&G brands to address the issue of water scarcity through relevant consumer messaging and support of impactful on-the-ground projects. The "Do It Every Night" ad campaign is working to convert consumers in the U.S. from handwashing to using the dishwasher, which has the potential to reduce household water usage across millions of American homes.

Cascade will support two projects in the Sacramento River basin through the <u>Change the Course</u> initiative. The projects will help to restore millions of gallons of freshwater to river systems in this important waterstressed region. Cascade's commitment will help P&G progress toward our goal to protect water for people and nature in priority basins.

#### Waterl<ss

This year we qualified a new P&G product line born out of the need to look and feel great even when water is scarce. The Waterl<ss brand was created to meet the needs of women who live under water scarcity conditions, leveraging Cape Town, South Africa, as an incubation market in 2019 and launching in North America in January 2020. The Waterl<ss brand lineup is designed to enable consumers to style their hair without the need of water. The collective Waterl<ss lineup qualifies as water efficient and is accessible to more than 16 million people in the U.S.



# Innovating for More Efficient Solutions

#### P&G Brands and Technologies Receive Solar Impulse Efficient Solutions Label

During FY19/20, P&G has been a proud partner of the Solar Impulse

Foundation (SIF), a nonprofit organization created by Swiss psychiatrist and balloonist Bertrand Piccard to fulfill his vision for the worlds of exploration and innovation to contribute to sustainable development. The Solar Impulse Efficient Solutions Label (1000 Efficient Solutions) has already granted certification to more than 750 solutions in the domains of Clean Water & Sanitation, Affordable & Clean Energy, Industry Innovation & Infrastructure, Sustainable Cities & Communities, Responsible Consumption & Production certified to protect the environment in a scalable and profitable way.

Over the past year, the SIF has been working closely with, or is endorsed by, a number of high-profile international institutions, states and cities around the world to facilitate the selection, funding and implementation of the 1000 solutions. As part of this partnership with SIF, P&G has supported their work with a trained and qualified pool of 36 P&G R&D experts assessing the novel solutions and technologies.

To date P&G has obtained six labelled solutions for the following brands or technologies: Ariel Cold Wash, Fairycology technologies, Holy Grail Intelligent Sorting technology, Purecycle polyprolylene advanced recycling technology, Absorbent Hygiene Products recycling with Fatersmart and Professional concentrated cleaning product technologies.

The objective of Bertrand Piccard is to accredit 1000 Efficient Solutions (expected in early 2021) at which point he will begin his campaign with heads of States and Governments to promote the implementation of the solutions and impact legislation for more sustainable consumption.







#### Building Even Greater Trust Through Transparency, Ingredient Innovation and Sharing Our Safety Science

At P&G, nothing is more important than ensuring our products are safe for consumers and the environment. Providing people the information they need to make informed choices while continually improving our product portfolio with new varieties they seek is a focus for the Company and our brands. Our goal is to provide information about our ingredients which is clear, reliable and accessible.

Throughout our history, P&G has provided products of superior value and performance, using safe, high-quality ingredients. Innovation with ingredients is an ever-evolving area where we invest many resources to develop new options and continually consider what is possible.

Our brand websites offer more information than ever before about our ingredients, making it easy to understand a product's ingredients, as well as what we don't use. In North America, we started listing the ingredients for our formulated products in SmartLabel™ in 2018. In 2020, we delivered our expanded transparency commitment in North America by adding the ingredients in our product fragrance formulas down to 0.01%.

We've expanded our transparency efforts to include more information online via videos and other content to explain the safety process we follow to ensure all our products are safe to use as directed. We are working every day to provide the information consumers expect to earn and maintain thier trust in P&G and our brands.

For more information and brand examples on how we are building trust through transparent ingredient innovation and sharing our safety science, click the button below.

INGREDIENT TRANSPARENCY







# Reduce our footprint and strive for circular solutions

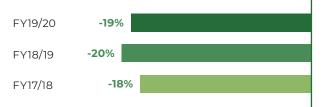
- We will purchase 100% renewable electricity globally, cut GHG emissions in half at P&G sites and be carbon neutral for the decade.
- Our sites will deliver a 35% increase in water efficiency and source at least five billion liters of water from circular sources.
- We will advance at least 10 significant supply chain partnerships to drive circularity on climate, water or waste.
- We will protect and enhance the forests we depend upon.
  - We will partner to increase the area of certified forests globally while working to strengthen certification systems.
  - We will play a leadership role in efforts to develop
     a <u>Forest Positive</u> approach for the forest products
     industry that is based on sound science and delivers
     forest health benefits.
- We will improve livelihoods of palm smallholders by increasing yields from existing lands.

FY17/18

# **Climate & Energy**

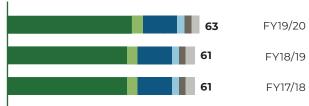
## **Reduction in Energy Consumption**

Percent reduction versus FY09/10, production adjusted



## **Energy Consumption by GBU**

Millions of gigajoules



# **Total Greenhouse Gas Emissions (Scope 1 & Scope 2)**Percent reduction versus FY09/10, absolute

FY19/20 **-52**% **-25**%

-25%

# Total Greenhouse Gas Emissions (Scope 1 & Scope 2) Millions of metric tons

2.6 FY19/20 4.1 FY18/19 4.1 FY17/18



Our GHG emissions data has been verified by an external third party, Lloyd's Register Quality Assurance (LRQA).

LLOYD'S REGISTER QUALITY ASSURANCE 7

# **Climate & Energy**

# Scope 1 & 2 GHG Emissions — Exceeding Commitments and Accelerating Progress

Recognizing the urgent need to address climate change in 2020, P&G accelerated the Company's commitments to reduce Scope 1 & 2 GHG emissions, including a new commitment to be <u>carbon neutral</u> for the decade. This included the expanded use of renewable electricity in U.S., Canada and Europe which enabled us to achieve a 52% reduction in our Scope 1 & 2 emissions, greatly exceeding our 2020 goal of 30%. We will continue progressing toward our 2030 goal to use 100% purchased renewable electricity in the remaining regions and we will take further steps to reduce GHG emissions from thermal energy, specifically natural gas.

Even though we've exceeded our Ambition 2030 goal to reduce absolute emissions across our operations by 50% versus 2010, our work is by no means complete. Science suggests the world needs to emit zero GHG emissions by the middle of the century in order to mitigate the most serious consequence of climate change. For P&G, while we are well on our way to utilizing 100% purchased renewable electricity, the next big challenge is reducing and eventually eliminating emissions from natural gas. There are significant hurdles that need to be overcome. With that in mind. P&G partnered with 18 other manufacturers and local governments to create the Renewable Thermal Collaborative. This coalition is committed to scaling up renewable heating and cooling at their facilities in order to dramatically cut carbon emissions.

## **Renewable Thermal Collaborative**

Organizations like the Renewable Thermal Collaborative will help create renewable sources that are sustainable, scalable and cost-competitive.

## RENEWABLE THERMAL COLLABORATIVE 7



#### **WWF Climate Savers**

WWF Climate Savers is a program to enable leading companies to collaborate and accelerate their efforts to address climate change.

#### WWF CLIMATE SAVERS ↗

For additional perspective on climate change implications that could be relevant for the Company and the steps we are taking to address them, please see the following report that was informed by the Task Force for Climate Related Financial Disclosure quidelines.

P&G TCFD REPORT ↗

P&G CLIMATE POLICY 7

#### **Our Climate Milestones**

2010	Started with 30% Renewable Energy commitment
2013	Announced Albany Green Energy project
2014	Announced Tyler Bluff Wind Farm
2015	30% absolute reduction in GHG emissions (an SBTi-approved 2 degree solution)*
2019	50% absolute reduction in GHG emissions (an SBTi-approved 2 degree solution)*
2020	Commitment that our global operations will be carbon neutral for the decade

\*This is a target validated by the Science Based Targets Initiative that is aligned with pathways that maintain global warming well below 2 deg C

# **Climate & Energy**

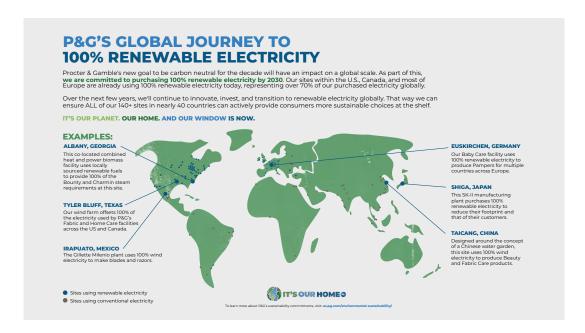
## **Energy Efficiency**

P&G made significant progress toward meeting our 2020 goal to reduce energy use at our facilities by 20% per unit of production. We were able to reduce energy use per unit of production by 19%. While this was just short of our goal, our energy conservation efforts significantly reduced our emissions while enabling hundreds of millions of dollars in cost savings over the last decade. Furthermore, our manufacturing sites, offices and tech centers continue to improve how we utilize energy to run our operations. This important work has allowed us to decouple business growth from GHG emissions. While our production volumes have continued to significantly increase, our absolute energy consumption has remained relatively flat over the last five years.

## **Renewable Energy**

P&G has achieved our 2020 goal to utilize 30% renewable energy. This is a significant increase versus 2019 as P&G is now purchasing 100% renewable electricity for all our operations in the U.S., Canada and Europe, which make up our largest markets. These renewable electricity contracts have accelerated our progress toward our goal to utilize 100% renewable electricity by 2030.

The renewable energy being used by P&G comes from a diverse set of sources including geothermal, solar, wind, biomass and hydro with a mix of on-site and offsite generation. This includes our wind farm project in Tyler Bluff, Texas, which offsets 100% of the electricity



needed for our Fabric and Home Care facilities in the U.S., and the on-site combined heat and power biomass facility in Albany, Georgia, which provides 100% of the Bounty and Charmin steam requirements at this plant.

The work ahead will be to bring renewable electricity to sites in Asia and South America, including countries that do not have well-developed markets for renewable electricity. We are partnering with WWF and the Renewable Energy Buyers Alliance to tackle these challenges.

## Renewable Energy Buyers Alliance (REBA)

REBA is a membership association for large-scale energy buyers seeking to procure renewable energy across the U.S.

RENEWABLE ENERGY BUYERS ALLIANCE 7

# **Climate & Energy**

## **Reducing Scope 1 & 2 Emissions**

## **Brazil's Louveira Plant Reduces Its Footprint**

Building on our legacy of environmental leadership, the Louveira site in Brazil made significant progress toward its ambitious environmental goals. The site developed a Sustainability Committee across multiple departments in order to focus on improving our footprint. This focused effort helped the Louveira site achieve a 34% improvement in energy efficiency in the last four years through a range of individual efficiency improvements. This progress has been recognized as a leader both inside the Company and externally as a leading example of sustainable operations.

## Mexico's Millenio Plant is Recognized for Efficiency

P&G's Millenio site in Mexico has been recognized for four years with the National Energy Efficiency Award given out by the Mexico Ministry of Industry, Energy and Mining. The site improved energy efficiency by 8% in the last year. This was achieved by upgrading air compressors to variable capacity, upgrading lighting controls to take better advantage of daylight and occupancy in addition to implementing energy management systems to keep processes running at base condition with minimal losses.



## WHAT WE CONTROL

# SCOPE 1 DIRECT EMISSIONS OWNED OR CONTROLLED SOURCES



# SCOPE 2 INDIRECT EMISSIONS FROM PURCHASED ENERGY



## WHAT WE INFLUENCE

# OCCUR IN A COMPANY'S VALUE CHAIN



USE OF SOLD PRODUCTS

Ingredients &
Materials, Packaging,
Transportation &
Distribution,
Employee Travel &
Commuting,
Consumer Use at
Home, End of Life,
Waste Disposal

# **Climate & Energy**

## **Scope 3 GHG Emissions**

Almost all of our Scope 3 emissions come from just four categories—purchased goods and services, upstream and downstream transportation and distribution, use of sold product, and end of life treatment of sold product. Of these, the "use phase" of our products, especially those that use hot water during consumer use, is our single greatest opportunity for Scope 3 emissions.

Given these four categories account for more than 99% of Scope 3 emissions, we focused this year's data update on those categories and derived new estimates for them using life cycle assessment (LCA) data and calendar year 2019 production volumes. Findings were consistent with prior years, indicating consumer use of our products remains our greatest opportunity area. The business travel estimate includes commercial airline travel by employees that was managed by our primary outside travel agencies. Travel arranged by other agencies was not covered in the calculation.

Scope 3 Categories	Tons CO <sub>2</sub> e	
Purchased goods and services	17,637,000 <sup>1</sup>	
Upstream and downstream transportation and distribution	<b>5,637,</b> 000¹	
Capital goods	246,508 <sup>2</sup>	
Fuel and energy activities	495,398 <sup>2</sup>	
Waste generated in operations	9,0353	
Business travel	124,872 <sup>4</sup>	
Employee commuting	117,000²	
Upstream leased assets	Not material	
Processing of sold product	Not material	
Use of sold product	208,932,000 <sup>1</sup>	
End of life treatment of sold product	14,041,000 <sup>1</sup>	
Downstream leased assets	Not material	
Franchises	Not material	
Investments	Not material	

<sup>1</sup> Calendar year 2019 estimate from LCA data

<sup>2</sup> FY16/17 estimate

<sup>3</sup> Scope limited to material sent to landfill

<sup>4</sup> Covers period July 1, 2019 – June 30, 2020

# **Transportation**

## **Reducing Our Scope 3 Emissions**

As other sectors decrease their reliance on oil and gas, the fossil fuel dependent transport sector is predicted to become the most carbon-intensive sector by 2040. Without intervention, global freight transport emissions will more than double by 2050 compared to 2015.\*

As one of the world's largest consumer products companies, P&G ships a significant amount of product. In 2010, P&G set a public goal to improve Truck Transportation kilometers per unit of production by 20% by 2020. We well exceeded this goal, delivering and maintaining more than 25% efficiency improvement already by 2016. This by improving vehicle fill rate, optimizing distribution routes and driving increased use of multi-modal transportation.

Clearly, this goal was a strong start but did not directly link to emissions. In 2016, the Global Logistics Emissions Council (GLEC) developed the first global emissions framework called the GLEC Framework (version 2 in 2019). This framework prescribes a globally recognized methodology for harmonized calculation and reporting of the logistics GHG footprint across the multi-modal supply chain, in alignment with the Greenhouse Gas Protocol, the UN-led Global Green Freight Action Plan and CDP reporting.

P&G is committed to continue our sustainability journey, by adopting the GLEC reporting framework for transportation emissions and setting a new 2030 emissions goal: P&G will improve its global upstream finished product freight emissions efficiency by 50% by 2030 versus 2020 baseline. P&G will do so by conversion to more efficient modalities (i.e., intermodal, low emissions, sustainable fuel, etc.), continued vehicle fill rate increase and further supply network optimization. Finally, we know P&G alone does not have all the answers. It will take innovative partnerships and collaboration with carriers, retailers and the broader transportation industry to find unique ways to deliver our products with fewer and friendlier miles.

GLEC FRAMEWORK 7



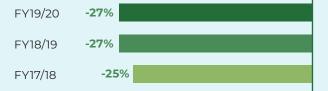


# Water

Water is essential for the daily operation of our facilities and production of many of our brands. Creating a culture of water efficiency at our sites continues to be a priority as our sites focus on achieving our Ambition 2030 goals. Thanks to the work of many employees across our global portfolio, we've been able to reduce our manufacturing water usage by 27% per unit of production since 2010. And we sourced 2.6 billion liters of water from circular sources.

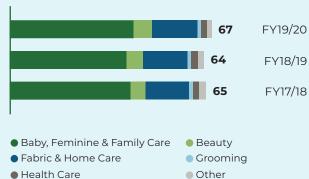
## Reduction in Water Consumption

Percent reduction versus FY09/10, per unit of production



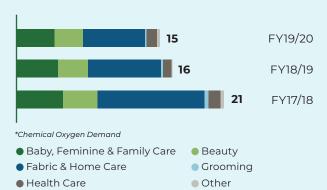
## Water Consumption by GBU

Millions of cubic meters



## Wastewater COD\* Disposed by GBU

Thousands of metric tons





## Water

# Completion of Site Water Stewardship Action Plans

P&G committed to focus efforts on areas exposed to high water risk. A three-tiered water risk assessment was developed with guidance from our partners at the World Resources Institute (WRI), World Wildlife Fund (WWF) and Environmental Resources Management (ERM). In just a few years, we moved through the assessment process and identified 24 sites located in areas exposed to high water risk. We are proud to report that we have completed the final step in our three-tiered process. All relevant high-water risk P&G sites now have site water stewardship action plans.

### **Water Risk Assessment Framework**

1

## **Water Risk Screening (Completed)**

Identify risk level of sites based on:

- · Baseline water stress score—World Resources Institute
- · Gross national income per capita—World Bank
- · Company site water use per year—P&G
- · Access to water-WHO/UNICEF



#### **ALL SITES SCREENED**

~70% of sites in lower-risk regions

2

## **Tailored Site Questionnaire (Completed)**

Prioritize sites based on outcome of responses.

 The Company questionnaire was built upon the facility questionnaire in WWF's Water Risk Filter



#### **PRIORITY SITES FROM 1**

~30% of sites have entered the Tier 2 process

3

## In-depth Water Analysis (Completed)

Prioritize risks for mitigation and develop site water stewardship plans.

 Alliance for Water Stewardship (AWS) International Water Stewardship Standard 2.0 steps 1–2.



#### **PRIORITY SITES FROM 2**

~15% of sites will complete the Tier 3 process

# Water

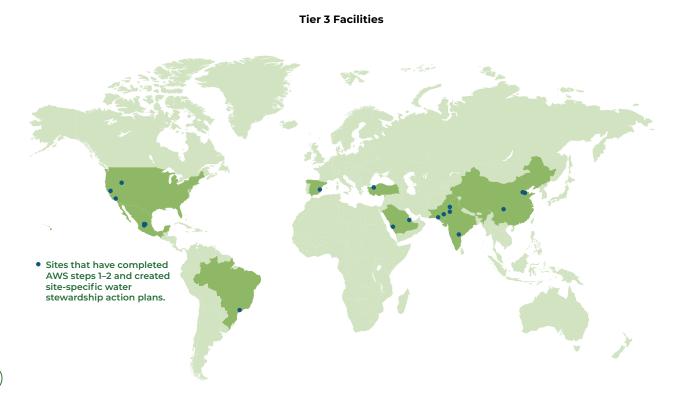
We are grateful to our partners for helping us get to this point. The Alliance for Water Stewardship (AWS) team, network and standard were essential to the final step of the process and have enabled a clear, actionable plan for all of our priority sites. As we celebrate this accomplishment, we know the work has just begun. In the coming years, we will focus on executing the action plans and will work to continue as good water stewards across our manufacturing sites.



ALLIANCE FOR WATER STEWARDSHIP 7

To learn more about our broader effort on Protecting Water for People and Nature, click the link below.

PROTECTING WATER IN PRIORITY BASINS



# Water

## Water Efficiency at Our Manufacturing Sites

Water scarcity is a challenge facing many parts of the world. Here are some of the stories of how our plants are developing on-site solutions.

## Auburn, Maine

Our Feminine Care plant in Maine reduced its production adjusted water use by 18% in one year. The site conserved more than 12 million liters of water by fixing leaks and improving cooling tower operating systems. This water savings is equivalent to the annual water use of 150 Maine households. The plant continues to work on other ideas to reduce and reuse water.

## Louveira, Brazil

P&G's Brazil Baby Care plant, located in an area which has been experiencing water stress, developed innovative solutions to reduce fresh water use. The facility installed equipment to treat and reuse manufacturing process water effluent. Last year, the plant recycled more than 34 million liters of water, the equivalent annual water use of 860 Brazilian households. The project also inspired plant employees to implement other water sustainability measures.

## Rakona, Czech Republic

Our Fabric and Home Care plant in the Czech Republic takes pride in their commitment to use every drop of water wisely. The manufacturing plant reduced its water use by more than four million liters by implementing multiple projects to increase water efficiency in utility and manufacturing processes. Water saved is equal to the annual water use of more than 130 Czech Republic citizens. Additional water savings projects will be implemented this year.

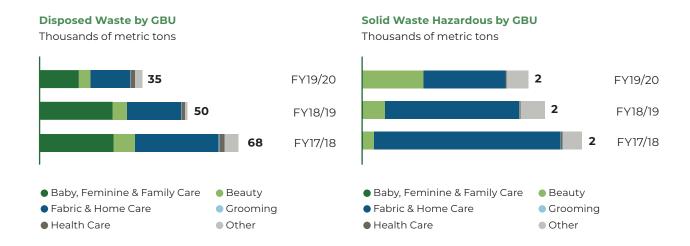




# Waste

Across our operations and our supply chains, we continuously look for new opportunities to reduce waste and find circular solutions. This effort requires creative thinking and a spirit of partnership with a range of stakeholders inside and outside P&G.





# Waste

# Achieving Zero Waste at All P&G Manufacturing Sites

Since 2007, P&G plants have been on a mission to get to zero manufacturing waste to landfill. What we once considered an impossible dream, has become a reality. Working closely with our Global Asset Recovery Purchases (GARP) team, we found a second life use for our manufacturing waste, helping P&G save more than \$2.2 billion while diverting more than 6.9 million tons from going to landfill.

# 100% of P&G plants

are now zero manufacturing waste to landfill.

In 2020, we are proud to celebrate with our teams around the world that ALL of our 100+ manufacturing sites across 38 countries have been qualified as zero manufacturing waste to landfill, meeting our '100% of sites' commitment set in 2016. In every location, our "Waste Champions" have helped transform our processes with changes to the way we operate, clever uses for repurposing materials, and sharing learnings to be reapplied. Not only have our plants become more efficient, we're positively impacting local communities while reducing our environmental footprint.



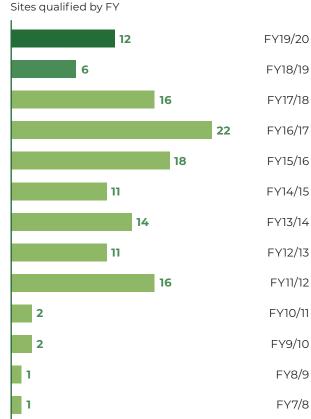
#### Countries that are ZMWTL

Argentina	India
Austria	Indonesia
Belgium	Ireland
Brazil	Italy
Canada	Japan
Chile	Malaysia
China	Mexico
Colombia	Morocco
Czech	Nigeria
Republic	Pakistan
Egypt	Peru
France	Philippines
Germany	Poland

Romania

Hungary





Zero Manufacturing Waste to Landfill

# Waste

# Zero Manufacturing Waste to Landfill (ZMWTL) Milestones

2007	Set the vision to see "waste as worth." Formed the Purchasing GARP team and the Product Supply Waste Team
2008	Budapest (Feminine Care) becomes our first ZMWTL site—setting a lighthouse for others to follow
2009	Reading becomes P&G's first technical site to achieve ZMWTL
2010	Coevorden (Pet Care), Athens (DC), and Aleksandrow (Beauty) show zero waste is possible across a wider range of processes and brands
2015	Nearly 50% of our sites reach zero waste
2016	P&G sets an even more ambitious goal, to achieve ZMWTL across 100% of our global production sites by 2020. Moving zero waste from a vision to a formal commitment.
2016	Feminine Care become our first business unit to reach 100% ZMWTL
2017– 2018	More than 20+ countries qualify as ZMWTL in one year
2019	Europe becomes our first Region to achieve

**ZMWTL** 

# P&G China Reduces Waste in Shipping Footprint

Since 2017, P&G has led the FMCG industry in China to create and expand our Ship In Own Container (SIOC) packaging as e-commerce continues to grow in importance, requiring protection for products during transportation. Traditionally, companies have protected their shipping products with multiple boxes, which requires significant material use and cost. However, the SIOC innovation uses tailored corrugated cardboard boxes and trays to cut down on material use while maintaining protection during shipping and enhancing the consumer experience. The resulting design helps reduce material complexity and waste, cuts end-toend cost by 20% to 40%, improves fulfillment center picking and packing productivity by 200%, reduces damage and leakage rates during shipping by 70% and eliminates 30% to 60% of paperboard in the packaging.

The ZMWTL program has delivered more than 2.2 billion in cumulative cost savings since 2007, while helping upcycle nearly

## 6.9 million

metric tons of would-be waste.



Reusable Shipper 2.0 reduced more than 6,000 tons of paperboard usage a year.

Starting in 2019, P&G China partner-shipped with our e-commerce customer and supplier to develop the package circular system. P&G is the first FMCG company to launch the reusable shipper to replace the traditional shipper of paperboard, shipping from P&G to our customer. In the past 10 months, we have shipped more than 120,000 cases of the reusable shipper in China. We continue to create new generation Reusable Shipper 2.0 and expand the circular network to all e-commerce customers and Walmart in FY2021. We are rolling out more than three million cases of reusable package in the next 12 months.

With this P&G go-to-market package innovation, we not only created value for consumers and customers, we also reduced more than 6000 tons of paperboard usage a year.

# Waste

## **Store Displays that Embrace Circularity**

Point of Sale Material (POSM) are advertising materials that are used to communicate product information to the consumers at the point of sale. These include freestanding display units, shelf signs, leaflet dispensers and more. While having a proven record for driving up sales, these materials often end up in a landfill or incinerator after stores use them.

Together with our vendors and retail customers, P&G Europe is committed to transforming our portfolio into sustainable POSM, i.e., reducing the footprint on climate and waste, while still growing the category. A nice example of this transformative partnership was the Hackathon on Sustainable POSM. This event, which was hosted by P&G and held in Brussels last

March, included vendors—both start-up and industry players—who pitched their solutions to several companies and retailers, which turned out to be a source of inspiration and a real accelerator of several pilot projects. In order to compare the footprint of multiple solutions, as well as track progress with our vendors, we introduced the Sustain Score from Popai, an industry-wide tool measuring sustainable design. This helped identify ways to make store materials more sustainable, including paper sourcing accreditation for responsible forestry, reduction of single-use plastic and the development of a winning business model for a circular display. We may not have all the answers yet, but our teams are taking the first steps forward while exploring new solutions.







## **Waste**

## P&G Europe Introduces Reusable Transport Smart-Box

Before products such as toothbrushes, razors and deodorants reach the retail shelves, they are repackaged several times in different transport containers on their way to the consumer. In production, the products come in their outer packaging in cartons, are stacked on pallets and transported by truck to the distribution centers. Depending on the order, the pallets may be divided into smaller units and repacked into other containers. In this way, the products pass through various containers and packaging until they are finally at the retailer and later on the shelf.

Today, transport boxes are already being used for redistribution in retail, but these are not currently standardized. This is very inefficient for trade and industry and drives up costs because the different packaging also generates a lot of packaging waste.

GS1, a non-profit that oversees global standards for business communications, has recognized this and so industry, trade and GS1 Germany have developed the reusable GS1 Smart-Box, an isomodular, exchangeable box that represents a sustainable solution for all parties involved. The GS1 Smart-Box offers many advantages: the exchange and cleaning of the boxes is done by a pool partner, industry and trade share the costs, the trucks are optimally loaded and utilized, trade saves time and work and unnecessary packaging material is reduced. A simple box with many sustainability advantages!

# **P&G Peru Office Finds Creative Ways** to Repurpose Waste

At P&G Peru, the efforts to achieve zero waste to landfill certification for our Lima office never stops. We took little steps like eliminating garbage cans in workstations and replacing them with recycling stations every 10 steps. We also eliminated most of the plastic used at the office, such as cups, cutlery and straws, by providing employees with reusable mugs, glass cups and metal cutlery and reinforcing their usage. This was complemented with two washing stations that were installed in the offices where employees can wash their utensils.

In 2018, we formed an alliance with Sinba—an NGO dedicated to transforming organic waste into quality food for pigs—to help us properly prepare our recyclable waste for recycling organizations. As they have deep knowledge of recycling and related topics, we've relied on Sinba to organize training and activities for our employees like recycling contests, workshops and the creation of our "Ecologic Stops" where employees are tested on their knowledge of separating recyclables. As our organic waste is transformed into food for pigs, we placed little toy pigs on top of the organic waste bins to raise awareness and make people think of the consequences of tossing non-organic waste in this trash can. P&G Peru employees have a strong commitment to environmental sustainability and continue taking actions to accomplish our goal.

# **Striving for Circular Solutions**

Across our global operations, we are making intentional choices to reduce the footprint of our suppliers, buyers and manufacturing sites, sourcing sustainable materials and exploring new business models to drive circular solutions. We are combining resources, reach and knowledge with strategic global partners to drive the scale and speed needed to make a difference.

Circularity has always been a part of our ongoing conservation and environmental footprint reduction efforts within water, waste and renewable energy. We are committed to develop a more circular endto-end supply chain by 2030. To achieve this, we will need to start thinking differently about the incoming materials, manufacturing work process, distribution

and transport of our products. Circularity is not only the right thing to do, it also helps make our operations more efficient and resilient.

## **Our Tabler Station Solution**

Our newest global manufacturing facility in Tabler Station, West Virginia, was designed with circularity in mind.

The Tabler Station plant produces Dawn dish soap, Head & Shoulders and Pantene shampoo, and Gillette and Olay body wash. Tabler Station is P&G's latest and largest investment in U.S. manufacturing and has implemented industry-leading innovative approaches including:

- · Silver LEED v4 certified
- · 100% renewable electricity
- · Zero manufacturing waste to landfill
- · Co-located bottle and material suppliers
- · On-site surfactant making
- Recycling of nearly 230 million liters per year of circular water today, with the capacity to recycle up to 330 million when fully operational (enough for every person in the U.S. to have a bottle of water)

Our newest global manufacturing facility in Tabler Station, West Virginia, was designed with circularity in mind.

# P&G China Ranks in the Top 50 in IPE's 2019 Green Supply Chain Annual Report

The Institute of Public & Environmental Affairs (IPE) is a nonprofit environmental organization based in Beijing, China. IPE has developed and operated the Blue Map database and app consolidating nationwide environmental quality data and real-time emissions data for the first time. IPE's Green Supply Chain Corporate Information Transparency Index (CITI) evaluation is a system for ranking brands' supply chain practices. IPE uses this index to dynamically assess brand performance in overseeing supply chain environmental responsibility, scoring on such matters as public engagement and responsiveness, requirements for supplier compliance and corrective action and data disclosure and transparency. P&G China proactively stepped up to adopt the Green Supply Chain Index (CITI) and the Blue Map APP to manage the environmental performance of suppliers and took the lead in piloting end-to-end green supply chains. In the 2019 CITI Annual Report, P&G China ranked in the TOP 50, our first entry as a best-practice company since the CITI report was introduced in 2014.



# **Partnering with Suppliers**

# Supplier Citizenship Summit on Sustainability

More than 400 people representing 300 external business partners and P&G teams attended our first-ever Supplier Citizenship Summit at our Cincinnati global headquarters in October 2019. We spent the day hearing from inspirational P&G leaders and program managers who are working on Water, Waste and Climate. The event heightened overall awareness and insights on these very important topics.

As follow-up to the Summit, we had many suppliers ask how they could learn more about GHG emission reduction. P&G partnered with WWF to host a webinar series to coach 30 suppliers about pursuing ambitious science-based targets to reduce their GHG emissions.

P&G's first-ever Supplier Citizenship Summit took place at our Cincinnati global headquarters in

October 2019.

# P&G and Cargill Collaborate to Bring Nature-Powered Innovation

An innovation developed in the corporate labs at P&G that converts lactic acid into bio-based acrylic acid could be a helpful step to shift everyday goods to be made from annually renewable crops. The collaboration leverages P&G's award-winning technology and Cargill's bioindustrial expertise to deliver greener alternatives in the personal care space.

P&G has granted Cargill an exclusive license that allows Cargill to further develop and commercialize this technology, so that it can ultimately be incorporated in a range of applications from superabsorbent polymers in absorbent hygiene products to thickeners in household paints and beyond. The use of bio-based acrylic acid is estimated to reduce GHG emissions for years to come—something that is important to a range of stakeholders, including consumers and business leaders.

P&G scientists Juan Velasquez, Jane Godlewski and Dimitris Collias (pictured below), who invented the proprietary technology, were named as recipients of the 2020 national Award for Affordable Green Chemistry by the American Chemical Society. While the conversion technology is considered a breakthrough, it will take several more years of development before impacting consumer products in the marketplace.





# **Forestry**

# Promoting Responsible Forestry Through Certification

Trees and the products they provide are an essential part of our daily lives and can play a role in helping address climate change. By producing all of our Family Care products with pulp sourced from 100% third-party certified forests, we are helping to promote forestry practices that leave a smaller environmental footprint, protect vulnerable species and make a positive impact on communities that depend on them.

# Forest Stewardship Council® (FSC®) Certification

FSC is one of the world's most trusted forest certifications. P&G is making progress on our commitment to nearly double our use of FSC-certified fiber in our tissue and paper towel products to 75% by 2025. Over the past five years, P&G has sourced, on average, 35% of our wood fiber from FSC Chain of Custody (COC). In the first year of this commitment, P&G increased FSC COC to more then 50% of our wood fiber. For tissue and towel products, we've achieved 49% FSC COC certification this year.



## **Increasing FSC-Certified Acres**

The availability of FSC-certified pulp is insufficient to meet the demands of our Industry. Because of this, we are working directly with our supply chain partners and industry stakeholders to grow the supply of FSC-certified materials and pulp. Achieving our goal means collaborating with NGOs, suppliers and governments to help increase the acreage of FSC-certified forests. One of the ways we do this is through multiple projects led by The Nature Conservancy and the American Forest Foundation, such as the Family Forest Carbon Program, the Working Woodlands project and Carolina's Working Forest Conservation Collaborative to educate family forest landowners and other smallholders on how to obtain forest certification.

FAMILY FOREST CARBON PROGRAM 7

WORKING WOODLANDS PROJECT 7

CAROLINA'S WORKING FOREST
CONSERVATION COLLABORATIVE 7

WOOD PULP PROCUREMENT POLICY 7

## Canadian Boreal: Importance of Caribou and First Nations

We work closely with our suppliers with the goal of ensuring that the pulp we source meets our values, commitments and



standards. Through our FSC sourcing commitments and by championing stricter FSC Canadian Forest Management standards, we are working to ensure forests stay forests, protect biodiversity, and respect the rights of Indigenous Peoples. FSC Canada's new forest management standard addresses challenges specific to Canadian forests and includes criteria pertaining to the management of woodland caribou and its habitat including additional indicators relevant to all species that may be at risk. The updates also include clarification around "free, prior and informed consent" as defined in the United Nations Declaration. of Indigenous Peoples. With the increased rigor in the FSC Canada National Forest Management Standard through our demand and increase in FSC-certified sourcing, we are working to protect these important values in Canada and elsewhere.

FSC'S COMMITMENT TO CARIBOU 7

# **Forestry**

## Fiber Innovation

P&G is investing in innovation in non-wood fibers and FSC-certified fast-growing wood fibers. Our goal is to discover a non-wood fiber that is:

- 1) consumer-preferred,
- 2) able to be produced at scale and
- 3) responsibly sourced using third-party certification.

Our efforts this year included:

 Completed a landscape assessment to understand the ability to produce non-wood fibers at the scale required by P&G. Some relevant results are here:

#### NON-WOOD FIBERS IN TISSUE 7

- Partnered with leading experts to assess the ability to source various non-wood fibers responsibly. It's critical to consider child labor, political stability, corruption and modern slavery issues, which are concerns in countries that grow non-wood fibers.
- Invested in studying a supply chain for non-wood fibers. We are now working to scale production and ensure the fiber can be sustainably sourced.
- Developed a higher performing and consumerpreferred paper towel made with 40% more FSC-certified plantation fiber.

# Restoring Forests through Relief and Regeneration Efforts

Climate change is fueling more and more intense wildfires across the globe. In 2018, an estimated 8,000 fires burned across California alone, consuming more than 1.8 million acres of forestland. California's 2020 season is already exceeding the devastation of 2018, and experts predict it will only worsen.

P&C's Bounty, Charmin and Puffs brands will be closely collaborating with the Arbor Day Foundation to plant 300,000 trees through the California Wildfire Restoration project, leading other corporate partners toward the goal of two million trees planted in total on private and public land.

The long-term benefits of the two million trees to be planted will be seen by generations to come through a restored ecosystem, carbon sequestration and improved air and water quality for local communities.

P&G recognizes that together we can make a difference, which is why we joined the Evergreen Alliance, a group of 17 corporate partners making a commitment to help the Arbor Day Foundation plant 100 million trees, inspiring five million tree planters by 2022. This announcement builds on P&G Family Care's existing support for the Arbor Day Foundation's wildfire restoration work in California.







# **Forestry**

# Investing in Nature in Brazil's Atlantic Forest

There's no question that protecting the world's forests is of crucial importance. Not only are they a vital ecological resource—home to more than three-quarters of the world's life on land, critical for mitigating climate change and necessary for filtering our air and water—they're also an essential economic resource for more than 1.5 billion people who rely directly on forests for their daily survival. Balancing the health of our forests while also meeting consumer demand for paper and wood products continues to pose great challenges that require innovative thinking and collaboration.

This reality has inspired P&G Family Care, pulp supplier Suzano and World Wildlife Fund to collaborate on the Atlantic Forest Landscape Restoration Project in Brazil. This effort will produce forest landscape restoration and rehabilitation plans and methodologies for several degraded forest and agricultural landscapes in the Brazilian state of Espírito Santo. This project is laying the groundwork for forest landscape restoration with meaningful impacts on biodiversity, water, food security and other co-benefits for local communities.

BRAZIL'S ATLANTIC FOREST COLLABORATION 7

Through a long-standing partnership with WWF, P&G is making progress toward ambitious, responsible fiber sourcing goals for both its products and packaging; supporting suppliers and family forest owners who are key partners in its sustainability journey; and actively working to strengthen forest certification standards around the globe.



# **Forestry**

## **Sourcing Data**

FY19/20 Corporate
Total Sourcing = 1.69MM ADMT

Country of Origin	% of Total
Argentina	< 1%
Brazil	30%
Canada	31%
United States	37%
Sweden	2%
Total	100%

Certification System	% of Total
FSC COC	51%
FSC CW	19%
PEFC	15%
SFI	15%

FSC COC—FSC Chain of Custody FSC CW—Controlled Wood

**Total** 

FY19/20 Family Care (Tissue/Towel) Total Sourcing = 1.15MM ADMT

Country of Origin	% of Total
Brazil	43%
Canada	45%
United States	9%
Sweden	3%
Total	100%

Certification System	% of Total
FSC COC	49%
FSC CW	26%
PEFC	21%
SFI	4%
Total	100%

FSC COC—FSC Chain of Custody
FSC CW—Controlled Wood

100%



Maintaining 100% third-party certification of virgin wood pulp

.....

Growing the quantity of forest management certified pulp

Staying on track versus Family Care's FSC-sourcing goal for 2025

# **Forestry**

## **Paper-Based Packaging**

We continually strive to optimize the design of our packaging, aiming to use the least amount of material, while ensuring adequate protection, delivery and safe use of our products. As part of our ongoing efforts, we continue to identify source reduction opportunities to decrease overall material usage and to use recycled paper when it offers the best option to meet performance and business requirements. Our paper-based packaging is derived from wood fiber, and we have a responsibility through our procurement practices to ensure that the wood fiber in our packaging has been responsibly sourced. We made a specific commitment that by 2020, 100% of our paper packaging will contain either recycled or third-party certified virgin content. Over the last year, we have expanded our efforts to collect data from an increased number of suppliers to assess progress against this goal. This year, we have received data from more than 120 suppliers that represent more than 98% of our global paper packaging spend. This data, which was self-reported by our suppliers, is summarized in the following table:

#### Total Volume in Metric Tons: ~840.000

% Recycled	80%
% Virgin	20%
% of virgin fiber that was third-party certified	94%
% of total recycled or third-party certified virgin	99.5%

As outlined, 99.5% of the volume reported by our suppliers was either recycled or third-party certified virgin content, and we have plans in place to address the remaining fraction. As we go forward, our objective is to maintain the use of recycled or third-party certified virgin fiber in our paper packaging, and we will continue to report data on our paper packaging on an annual basis.

WOOD PULP PROCUREMENT POLICY 7



# Palm Oil

Palm oil (PO) is an important, versatile and highly efficient natural and renewable vegetable oil. It is widely used for cooking, and in home-care and personal-care goods, food and biofuels. Palm production globally is approximately 80 million tons per year. Palm oil is the primary material while Palm kernel oil (PKO) is essentially a by-product material. P&G currently uses less than 1% of the global palm volume, mostly palm kernel oil.

In some regions of the world, rapidly expanding palm growth is seen as a threat to existing tropical forests and peat lands. In some cases, concerns have also been expressed in relation to respect for workers' rights and safety, as well as recognition for the land rights of smallholder farmers and indigenous peoples.

At P&G, we are committed to the responsible sourcing of palm, meaning it does not contribute to deforestation, while respecting human and labor rights. We are actively engaged as members of Roundtable on Sustainable Palm Oil (RSPO) and support their standards to drive responsible practices across the industry. In addition, we have established a robust approach to responsible sourcing of palmderived materials through our goal to source 100% RSPO-certified palm for all P&G brands by 2022, our strong compliance to our Responsible Sourcing

policy and our commitment to be a force for good in the industry through smallholder inclusion and conservation and protection. We recognize that there will always be more that needs to be done.

## Palm Oil Responsible Sourcing Policy

P&G is committed to ensuring our suppliers meet the 2018 RSPO Principles and Criteria (P&C) and to have the necessary policies and procedures in place to ensure:

- No development of high-conservation-value (HCV) areas and high-carbon-stock\* (HCS) forests
- No new development of peat lands regardless of depth
- No burning to clear land for new development or replanting
- Compliance with P&G's existing Sustainability Guidelines for external business partners
- · Respect for human and labor rights
- Respect for land tenure rights, including rights of indigenous and local communities to give or withhold their free, prior and informed consent for development of land they own legally, communally or by custom

OUR RESPONSIBLE SOURCING POLICY 7



All our suppliers have submitted their relevant policies and procedures to demonstrate how they will meet our responsible sourcing requirements. Our expectation is that our suppliers apply these policies to all their operations, not just those supplying P&G. If we find a supplier is violating any of the above requirements, and if that supplier does not acknowledge and take action to resolve the concern, P&G will suspend or eliminate palm oil purchases from that supplier. A supplier would need to have a documented action plan and demonstrate meaningful progress to be considered for reinstating supply agreements.

<sup>\*</sup>The High Carbon Stock Approach (HCSA) Toolkit should be applied to identify and conserve HCS forests.

# Palm Oil

## **Progress**

In FY19/20, we have made progress against several key milestones:

# Increasing the overall % RSPO-certified palm used in P&G brands to 61%.

- We maintained 100% RSPO Segregated (SG) palm oil, and 100% Segregated (SG)/ Mass Balance (MB) on palm oil derivatives.
- We have increased our percentage of RSP0-certified palm kernel oil/palm kernel oil derivatives, and we are on track to deliver approximately 90% physically certified RSPO PO/PKO by the summer 2021 and 100% by the end of 2021.



# Renewing our P&G Palm Sustainability Strategy with focus in three key areas:

- Establishing a strong foundation based on 100% RSPO-certified palm for all P&G brands
- Driving robust compliance monitoring—environmental and social
- Identifying programs to play a role as a force for good—including through improving livelihoods for smallholders and with conservation and protection programs

Implementing improved compliance and grievance monitoring enabled by our third-party collaboration with Earthqualizer—allowing us to track potential deforestation, development on peat or fires by our suppliers or across their enterprise wide supply chain. We believe this is key to helping us identify any issues across P&G's palm supply chains and take action where needed. Our first public grievance dashboard is planned to be published in January 2021.

Stepping up to invest and support efforts to accelerate human and labor rights remediation efforts at supplier Felda Global Venture (FGV). We believe that this is the right and responsible thing to do, not only for FGV, but most importantly for its workers and potentially for the whole palm industry. A key element of this process has been enrolling the support of the Fair Labor Association (FLA), an

independent and respected expert in the field of labor rights to guide and work with FGV to accelerate action and implement change.

Supporting 160 independent smallholders in Johor Malaysia in their work towards applying for the new RSPO Independent Smallholder Standard (RISS). Unfortunately, COVID-19 and the Malaysian Movement Control Order (MCO), which restricted movement in the interest of health and safety during the pandemic, led to a postponement of all audits until the first quarter of 2021. However, we expect these smallholders to be among the first to be certified using the new RISS standard.

Progressing our assessment of potential environmental conservation and protection programs with NGOs and partners—including biodiversity, wildlife, forest and livelihood protection. Specific programs have been identified with partners, and these are currently undergoing evaluation and due diligence assessments.

Actively participating in the RSPO Jurisdictional
Working Group to develop the framework and
certification structure to ensure broader compliance to
RSPO standards and our Responsible Sourcing Policy.

# Palm Oil

## Three Pillar Framework

Pillar I Set the Foundation

100% RSPO-certification for all P&G brands by end of 2021

Pillar II Robust Monitoring

Environment and Social

Pillar III Becoming a Force for Good

Smallholders and conservation and protection programs

## Pillar I: Set The Foundation

P&G uses palm-derived ingredients in our products, as well as for use at P&G Chemicals (PGC), our oleochemical operation. PGC sells PKO and PO derivatives to business-to-business and merchant industrial customers.

In 2019, we announced our commitment to use 100% RSPO-certified palm-derived materials in our P&G brands by the end of 2022. We are now accelerating our timeline by one year and plan to achieve 100% RSPO certification for palm-derived materials in P&G brands by the end of 2021. We have made strong progress, reaching 61% certification for all P&G brands in FY19/20. an increase of 49% from the previous fiscal year. Our palm oil and palm oil derivatives used in our brands have been 100% RSPO-certified for approximately three years. Currently, 44% of PKO/PKOD used in our brands is RSPO-certified, with plans identified to enable yearon-year increases to 100% by the end of 2021.

Today, PGC supplies palm products within the merchant market. We are in a position to supply certified materials to PGC direct customers on a demand-driven basis. We continue to play an active role in advocating for the use of RSPO certified materials in our efforts to increase demand for sustainable palm both with our direct customers and more broadly with other purchasers of palm-derived materials.

#### Palm Oil

P&G uses ingredients derived from palm oil and palm oil derivatives in Skin & Personal Care and Fabric Care products and supplies via PGC to the merchant market. Our major suppliers of PO and POD are Wilmar, ICOF, COECO and Nimir.

In 2018, we moved to 100% RSPO Segregated (SG) Palm Oil. Our PODs are currently a combination of SG and Mass Balanced (MB) with the aim to transition to 100% SG by end of 2020 or early 2021. We have identified some challenges (influenced by broader market dynamics and supply availability) that need to be overcome, but we continue to work closely with our suppliers against this aim.

We believe that driving broader demand and use of RSPO-certified palm oil (PO/POD) will play a critical role in creating more sustainable palm agricultural practices. Palm oil production is the primary commodity for growers, as such it drives business choices, including land use change and ultimately

towards more sustainable practices. P&G is seeking to play a role both through our own PO/POD RSPO purchase choices and by engaging with others to advocate for the use of RSPO-certified palm and working with groups driving awareness of its benefits. Learn more about why we are moving to RSPO segregated palm at the link below.

RSPO SG PO 7

RSPO segregated palm oil is physically segregated from non-certified oils throughout the supply chain. This provides greater verification on the origins of the oil purchased—ensuring that it originates from RSPOcertified sources with greater traceability at each stage. By definition, this allows us to trace the oil, not only to the palm oil mill but to the source plantation and to implement additional verification or audit steps when needed. We are working toward our goal of being both 100% RSPO PO SG (complete) and PO fractions and POD (in progress) by early 2021.

# Palm Oil

#### Palm Kernel Oil

P&G uses ingredients derived from PKO and Palm Kernel Oil Derivatives (PKOD) in Fabric Care, Home Care, Hair Care and Skin & Personal Care products. In FY19/20, our major PKO and PKOD suppliers are FGV, Wilmar, KLK, ICOF, AAA, GAR, Sime Darby.

We have made significant progress in our PKO certified usage in P&G brands. In FY19/20, it is now at 44%. We have identified potential supply chain solutions to enable us to increase this to 100% by the end of 2021.

	Palm Oil/Palm Oil Fractions <sup>1</sup>	Palm Oil Derivatives <sup>1</sup>
Metric Tons <sup>1</sup>	44,936	62,996
RSPO Certified (%)	100%	100%
%MB	54%	100%
%SG	46%	0%

<sup>&</sup>lt;sup>1</sup> This is the volume consumed in P&G brands in FY19/20. The PO/PKO volumes used in P&G Chemicals and sold in the Merchant Market is reported in the RSPO ACOP in the Processor & Trader Section (https://rspo.org/members/acop)

	Palm Kernel Oil <sup>1</sup>	Palm Kernel Oil Derivatives <sup>1</sup>
Metric Tons <sup>1</sup>	169,626	78,045
RSPO Certified (%)	44%	<b>37</b> %
RSPO MB Certified (%)	44%	<b>37</b> %

<sup>&</sup>lt;sup>1</sup> This is the volume consumed in P&G brands in FY19/20. The PO/PKO volumes used in P&G Chemicals and sold in the Merchant Market is reported in the RSPO ACOP in the Processor & Trader Section (https://rspo.org/members/acop)

## Suppliers' Traceability—Palm Oil Traceability to Mills

Traceability plays an important role in helping us monitor and manage a sustainable palm supply chain. We have currently been at 98% traceability of palm purchases back to the palm oil mills. Our key direct suppliers are Wilmar, ICOF, AAA, GAR and Kalmart. See the map for locations of mills and click on the link for a detailed list of these mills:



P&G TRACEABILITY TO MILLS 7

# Palm Oil

## **PILLAR II: Robust Monitoring**

# Human and Labor Rights—P&G Stepping Forward to Support Change at FGV

In 2018, an RSPO complaint was filed against FGV regarding alleged conditions related to forced labor among its foreign worker population. This catalyzed FGV to take a more holistic approach toward preventing and addressing human and labor rights issues within its supply chain.

At P&G, respecting human rights is fundamental to how we manage our business. We follow the U.N. Guiding Principles on Business and Human Rights and expect our business partners to operate in the same manner. It is our responsibility to engage with our suppliers if human rights issues are identified, assess the problem and then use our resources and expertise to take action and implement solutions. In 2019, P&G decided to step in and support FGV in accelerating the pace of change—an important step identified both by civil society, NGOs and P&G. The first step was to engage the Fair Labor Association (FLA), an independent and respected expert in the field of labor rights, for their help to guide and work with us to accelerate action and change.

In November 2019, the FLA announced that FGV and P&G Chemicals (PGC) would become affiliated members of <u>FLA-FGV Affiliation</u>. FGV committed to uphold FLA standards, address labor issues and drive long-term improvements to manage working conditions in its operations and those in its upstream supply chain. The first step was for FGV to develop an

action plan based on findings from the FLA's internal management systems gap analysis, feedback from field visits and recommendations from civil society organizations working on human and labor rights and migration issues. This was published in March 2020 and can be found in the FGV Action Plan 2020.

An essential part of the FLA's process is ongoing open and transparent publication of progress reports. FGV's first progress report was published by the FLA in September 2020. This report demonstrates progress during the COVID-19 pandemic and movement in the right direction, but more work is needed. The report is rigorous and thorough, and work is underway to develop an executive summary of progress and next steps in a targeted way to stakeholders. FGV will continue to take positive actions and to work with the FLA for regular progress reviews, which will be published on an ongoing basis.

# Enterprise-Wide Monitoring of Supplier Operations—Activating Earthqualizer Monitoring

We believe an industry-wide monitoring system based on use of aerial/satellite imagery, concession maps and knowledge of high-conservation-value (HCV)/ high-carbon-stock (HCS) areas is a powerful tool to help ensure consistent enforcement of our Palm Responsible Sourcing Policy. We are working with Earthqualizer (formerly known as Aid Environment) to deploy technology which tracks deforestation, and development on peat and fires in our supplier enterprise-wide supply chains, offering new visibility and ability to act on issues and exposure for our palm supply chains.

Over the past 10 years, Earthqualizer has developed a comprehensive oil palm database, based on a supplier group level and working with stakeholders to end non-sustainable commodity sourcing practices. A key feature of this data is its accuracy, level of precision and timeliness of the tracking system at a supplier group level which enables users, such as P&G to engage when there is a potential grievance case that can immediately halt destructive land-use practices and push for the resolution of social conflicts. This combination of analytical capacity and big data has made the Earthqualizer system a useful tool to help monitor the No Deforestation and Peat (NDP) elements of our Responsible Sourcing Policy.



# Palm Oil

# Monitoring and Grievance Reporting across P&G Palm Supply Chain

Earthqualizer's technology is helping us implement more robust and effective monitoring across our third-party supplier network. It allows us to proactively identify issues and address them quickly and respond efficiently and effectively to any concerns raised in relation to deforestation or peatland development. This technology will enable us to monitor palm oil concessions owned by companies inside our supply chain with primary focus on Indonesia, Malaysia and Papua New Guinea.

This data will be part of our ongoing grievance monitoring process. We plan to publish reports every four months on <a href="www.pg.com">www.pg.com</a>, with the first report planned for January 2021.



## **PILLAR III: Force for Good**

P&G seeks to be a force for good wherever we operate. We know there are actions we can take for change within our supply chain and through use of certified-RSPO use in our brands. However, we also need to go further with long-term programs focused on making a difference for smallholders and communities and the ecosystems that sustain palm agriculture. It is also vital for us to both lead and partner on these programs, so we bring the voices and expertise of many parties to these programs. In FY19/20, we maintained our ongoing commitment to improving smallholder livelihoods, and we are beginning to identify and establish specific conservation and protection programs.

In FY19/20, we focused on:

## 1. Enabling Independent Smallholder Transformation

—approximately 40% of global oil palm is grown by smallholders and enabling and ensuring sustainable farming practices has the potential to both improve lives and deliver greater sustainable palm production and supply. We have supported RSPO engagement and training for smallholders since 2015. We have also worked directly with independent smallholders in Johor State, Malaysia, since 2017 and via our Centre for Sustainable Smallholders (CSS), which seeks to help farmers boost livelihoods via more efficient and sustainable farming practices. Additional detail on our smallholder efforts is available here:

## 2. Traceability and Verification Task Force (TVTF)

P&G is supporting work by a key supplier to conduct full traceability of palm fresh fruit bunch production sources and No Deforestation, Peat and Exploitation (NDPE) verification of high-risk areas (as per GFW Pro Assessment) in 23 of their RSPO-certified mills in Peninsular Malaysia. So far, we have:

- Achieved supply-shed traceability of fresh fruit bunches to 23 mills within a 50 kM radius.
- Completed traceability exercise of 108K mT FFB
   (2.4K mT PKO) to 17 FFB collection centers and 6,170 smallholders in Johor under the Bingan Jaya's (an FFB Dealer in Malaysia) supply base in Johor.

#### 3. Conservation and Protection Program Development

This year, we began a process to identify potential force for good programs based on conservation and protection of ecosystems, wildlife and supporting communities. These will be developed in partnership with expert NGOs and in consultation with local civil society and communities. We are currently reviewing proposals and expect to announce further progress in FY20/21.

SMALLHOLDER SPOTLIGHT

# Palm Oil

## 4. Engaging, Advocating and Partnering for Change

Making change happen across the palm industry supply chain starts with commitment, but is enabled by partnerships. P&G is committed to working with others in the industry, as well as stakeholder groups to develop best practices and implement programs for change. We partner with many groups including:

- RSPO via many working groups, standing committees and participation in programs that help drive the development and implementation of sustainable palm practices. These include:
  - Development of the new Jurisdictional Approach Certification system to support group certification at scale under the RSPO Principle & Criteria (P&C), Independent Smallholder Standard (RISS) and Supply Chain Certification Standard (SCCS)
  - · Smallholder programs which include:
    - Development of RSPO on Smallholder Strategy and Supply Chain Certification Standards (SCCS) group to implement the RSPO Independent Smallholder Standards certification
    - Providing smallholder support and engagement at RSPO annual Round Table
    - Support for the RSPO Smallholder Training Academy through availability of master trainers for training
  - Partnering on the development of Principles and Criteria on High Forest Cover and High Carbon Stock Approach

Consumer Goods Forum (CGF) — We are
participating in CGF's Forest Positive Coalition of
Action comprised of member companies committed
to moving efficiently toward a forest positive
future and to work to accelerate systematic efforts
to remove deforestation, forest degradation and
conversion from key commodity supply chains.

## **Moving Forward**

We are proud of the progress we have made so far, but we are not complacent. We need to advance our work in collaboration with our suppliers and across the industry and with NGOs and civil society to continue the journey to more sustainable palm.

In FY20/21, we will be focusing on:

- Completing our supply chain efforts to achieve 100% RSPO SG for POD by the end of 2020 or early 2021.
- Implementing our glidepath to 100% PKO and PKOD RSPO certification by the end of 2021.
- Having public grievance reporting for social and environmental in place by January 2021.
- Continuing the social remediation work through Fair Labor Association (FLA) in FGV supply chain.

- Completing RISS Certification of a minimum of 124 smallholders in Johor.
- Executing the conserve and protect program of ecologically sensitive areas.
- Enabling finalization of the Jurisdictional Certification System Document for approval early 2021.





# Palm Oil: Smallholder Spotlight

# RSPO Independent Smallholder Standard (RISS) — Inclusive and Sustainable

Smallholders play an important role in the palm supply chain. Implementing the RSPO Smallholder Strategy is a critical way to enable sustainable palm production, while enabling inclusion of smallholders to help them boost their yields and livelihoods and enable their participation and voice within the RSPO System.

The new RSPO Independent Smallholder Standard (RISS) is the means to realize the strategy. As a member of the Smallholder Interim Group, we have been contributing to the development of the RISS. This aims to create a simplified, more inclusive process, with a stepwise approach that supports continuous improvement of farming practice and productivity. It seeks to bring this key supply chain sector into the RSPO-certified palm system with key eligibility requirements to enable market support to the smallholders to advance by milestones towards 100% RSPO compliance.

## Key progress updates include:

- Supporting our smallholders to successfully complete registration of their new smallholder association—PERTANIAGA (Association for Sustainable Commercial Smallholders). This was completed on May 26, 2020 with Malaysia Registrar of Societies (as governed by Societies Act 1966 and Societies Regulation 1984). This is a key step toward their association becoming an regular RSPO member, which is essential for moving toward RISS Certification Audits.
- Making progress toward RISS certification for independent smallholders—257 of the P&G partner smallholders have signed a participatory agreement to achieve certification in FY20/21 of which 124 smallholders are on track to achieve RISS certification milestone by the end of 2020.
- Expanding expertise by training four of our sustainable field officers at the Centre for Sustainable Smallholders (CSS) to be qualified as RSPO Smallholder Trainer Academy Master Trainer.

We are committed to continuing the support to the smallholders and have been nominated to sit in the RSPO Smallholder Standing Committee which will oversee the successful implementation of the RSPO Smallholder Strategy and Standard.

# Palm Oil: Smallholder Spotlight

## Improving Livelihoods of Palm Smallholders

P&G's Smallholder Program in Johor state, Malaysia, seeks to put smallholders in control, so they can improve their livelihoods and make sustainable farming choices. P&G has a unique role to play, not only through investment but by creating and activating partnerships with independent experts in sustainable agriculture, ecology and supply chain that lead to better, more responsible solutions.

In collaboration with the Malaysia Institute for Supply Chain Innovation (MISI), we established the Centre for Sustainable Smallholders (CSS). CSS is based at the University Tun Hussein Onn Malaysia, in Parit Raja, Johor. It works as a "one-stop-shop" resource center



with researchers, agronomists and field workers to work with supply chain teams to drive "on-the-ground" (and in-the-field) capability. We also quickly established a collaboration with Yara, a leading global fertilizer manufacturer, to create a supply chain at affordable prices. In order to support the future generation of program leaders, we have created internship opportunities for local students to learn and experience life in the palm sector working in CSS.

## **Key progress on our efforts include:**

- 10 smallholders have successfully completed their first of three years of participation in Core Learning Farm Program.
- Positive progress in palm fresh fruit bunch (FFB) yields achieved in the 10 Core Learning Farms with annual yield of 18.83 mT/Ha.
- CSS has successfully completed six field pocket guides on Best Management Practices (BMP) to provide expertise for smallholders.

We are also committed to championing smallholders' progress in partnership with RSPO. Since 2015, we have sponsored their "Linking Learning" session annually. Through CSS, we are supporting the RSPO Smallholder Academy, which looks to develop technical experts who are then able to train farmers in best practices.





# Create transformative partnerships that enable people, the planet and our business to thrive

- We will find solutions so no P&G packaging will find its way to the ocean.
- We will protect water for people and nature in priority basins.
- We will collaborate on and invest in natural climate solutions that improve and restore critical ecosystems and support local communities.





# **Society**

Accelerating transformative change to protect the planet is firmly on the corporate agenda. With serious challenges facing us—climate change, plastic waste, loss of biodiversity and more—P&G and other private sector companies are stepping up and joining forces with NGOs, academics, governments and more to collectively develop solutions at scale.

# 50L Home Coalition will Reinvent Water Use in the Home

At P&G, we believe there are opportunities to develop and scale viable innovations to reinvent how water is used in cities around the world. Today, we know that the average home in the developed world is highly inefficient, using up to 500 liters of water per person each day. Showering, laundry, cooking and washing dishes in the home result in using 10% of the earth's water supply. P&G is spearheading the 50L Home Coalition to bring partners together across the entire domestic water value chain, aiming to transform urban water management. The goal of the 50L Home project will be to leverage technologies and innovations that enable a person to live on 50 liters of water usage per day that feels like 500 liters. This effort will not only aim to save water but also energy used in the home.

## **Protecting Forests with WWF in Russia**

P&G partnered with three key retailers in Russia including Tander, X5 and Lenta to contribute more than 8,3 million RUB to WWF Forest program. The in-store campaigns focused consumers' attention on climate problems, offering easy and transparent ways to participate by supporting several forest conservation projects of WWF-Russia. This addressed the challenge of Siberian fires and intact forests which are important not only for the conservation of the planet's biological diversity, but also for regulating the climatic and water regime, protecting the soil from degradation and maintaining the high flow of rivers.

- Naturella in X5: one ruble from each purchase of Naturella was allocated to the WWF-Russia's project "Forest Guards". Each shopper received a personal certificate indicating the area of intact forest conserved on their behalf.
- Multi-brand in Lenta: one ruble from each P&G product sold in Lenta's stores funded WWF-Russia's initiative "Preserving Altai's Valuable Forests from Fires."
- Laundry products in Tander: during Earth Hour in 2020 one ruble from each purchase of Ariel, Fairy and Lenor was donated to the WWF-Russia fund for preserving Russian intact forests that contributes to climate change mitigation.

50L HOME COALITION ↗

# **Keeping Plastic Waste Out of the Environment**

## Alliance to End Plastic Waste Enters Year Two with Strong Momentum



P&G is a founding member of the

Alliance to End Plastic Waste, launched in January of 2019 with the clear and ambitious vision to help end plastic waste in the environment. Now almost 50 members strong, with P&G CEO David Taylor serving as Board Chair from day one, the Alliance is continuing to develop, support and invest in a range of solutions that are helping prevent the leakage of plastic waste into our rivers, seas and oceans.

## **Thinking Globally, Acting Locally**

Ending plastic waste is a global issue with local municipal action and responsibility. Communities bordering water bodies in Asia and Africa are the most vulnerable, but Alliance efforts will cover all corners of the world, in both emerging and developed economies.

#### Collaboration Is Key

Orchestrating coordinated actions from a diversity of partners is critical to success across the world and on the ground.

#### **Changing Behavior**

Inspiring people to care about the management of the waste they generate by observing and understanding society.

#### From Waste to Worth

Recovering and extracting value from waste plastic is a critical outcome for a circular supply chain and to closing the loop.

### **Moving Up the Waste Hierarchy**

Progressing from short-term actions to long-lasting waste management solutions that help communities and society achieve circular economies.

The Alliance is engaging with cities to deliver a portfolio of big-impact solutions that will rapidly catalyze a waste-free future, providing support for 14 projects in cities like Jembrana, Indonesia; Accra, Ghana; Tan An, Vietnam; Puducherry, India; Surabaya, Indonesia, and Manila, Philippines, to name a few. Bringing companies together with nonprofit organizations, development agencies, governments and other stakeholders drives more investment in much-needed infrastructure to properly manage plastic waste.

With a target of \$1.5 billion over five years, Alliance efforts make a real difference by providing expertise and funding. Finding solutions to tackle plastic waste also helps to address the economic, social and environmental challenges defined by the U.N. Sustainable Development Goals (SDGs).

ALLIANCE TO END PLASTIC WASTE 7

# #Transparent2020: WWF's ReSource: Plastic Drives Transparency on Plastic Waste

World Wildlife Fund (WWF) launched ReSource: Plastic to bring companies together in a first-of-its-kind effort to bring transparency and collaboration to corporate action and reporting on plastic. In June 2020, ReSource published its inaugural public report, Transparent 2020, as the first benchmark of the activation hub's goal of preventing 50 million metric tons of plastic waste by 2030.

With a comprehensive measurement and analysis of the plastic footprints of P&G and four other ReSource member companies, Transparent 2020 provided data-driven insights to inform how companies can maximize and multiply the impact of their plastic mitigation activities. The report also identified four critical areas where companies can overcome shared challenges through collective action.

The report findings were calculated using the ReSource Footprint Tracker, an innovative methodology designed to fill a critical measurement gap companies have needed to effectively advance plastic sustainability.

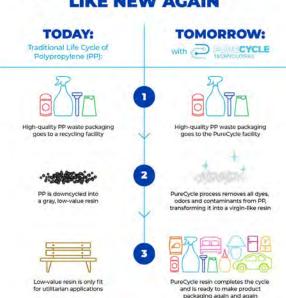
READ TRANSPARENT 2020 7

# **Keeping Plastic Waste Out of the Environment**

# PureCycle Gives Polypropylene a Second Life

PureCycle Technologies' process purifies polypropylene plastic waste and converts it into high-quality, ultra-pure recycled polypropylene. The patented process developed by P&G scientist Dr. John Layman uses a non-toxic solvent to remove color, odor and contaminants from polypropylene, widely used in packaging, textiles and plastic parts for the automotive and other industries.

## MAKING POLYPROPYLENE LIKE NEW AGAIN



# Recycled Material to Build a Home in Argentina

P&G Argentina's Magistral brand connected with TECHO Argentina, an NGO that provides emergency houses to vulnerable communities around the country so they can have a place to move on in life. Together. we came up with a campaign that would benefit these communities as part of the launch of a new SKU with a recyclable package. Recycling bins were placed in stores in Gran Buenos Aires that encouraged consumers to recycle the Magistral product bottle. With every new Magistral product purchased by consumers, the brand contributed toward the delivery of recycled material for TECHO. These contributions were used to craft 36 emergency houses, each made with recycled material. P&G employees volunteered their time to build two of the 36 emergency houses in one of the most vulnerable neighborhoods in the city

of La Plata. The construction took two full days of hard work and was led by TECHO and P&G employees, who left aside their own plans for the weekend to take part in this activation, changing the reality of those families that needed anew home.



# Project HolyGrail Pioneers Intelligent Packaging

Intelligent
Packaging
P&C packaging expert
Gian De Belder led a
coalition of companies under

coalition of companies under Ellen MacArthur Foundation's New Plastics Economy Pioneer Projects to solve one of the largest obstacles facing recycling: ineffective sorting at material recovery facilities. HolyGrail tested the use of digital watermark technology to turn packages into "intelligent objects" and accomplish sorting benefits deemed impossible for the recycling industry to achieve. Faster, more accurate sorting means more plastics go back into the circular economy at a much higher reuse quality. Widespread adoption of harmonized digital technology also enables end-to-end 'smart package' advantages including quality inspection and inventory management systems at production plants, faster check-out at retail, scannable content for consumers and tracking materials recovery at recyclers.

HolyGrail 2.0—facilitated by AIM, the European Brands Association—is the next step in the journey. Officially launched in September 2020, the HolyGrail 2.0 consortium currently has more than 85 value chain members, including some of world's biggest brand owners and retailers. De Belder is chairing the leadership team of HolyGrail 2.0, with the goal to enter a European test market by early 2022.

UNLOCKING THE CIRCULAR ECONOMY
OF POLYPROPYLENE



## **Keeping Plastic Waste Out of the Environment**

#### P&G Teams Step Up to Help Clean Up

Waste that ends up in rivers and oceans is a pressing global issue. Here are a few examples of how our teams around the world are tackling waste head on:

#### Less Waste in Mumbai

More than 150 P&G employees, partner employees, family and friends collected nearly 2300 kilograms of waste from the Mahim beach in Mumbai. The collected waste was sorted and recycled by our waste management partner. Through these interventions, we strive to enhance the overall state of cleanliness and waste management by making sustainability a part of everything we do. This also brings us closer to achieving our Ambition 2030 goals.

#### **Cleaner Beaches in Greece**

In collaboration with the environmental NGO iSea, as well as retailer AB Vasilopoulos (Delhaize), P&G and our brands have joined forces for the last three years to clean waste from Greek beaches. The campaign is called Offer and reinforces to consumers, "I offer the best products to my family, while in parallel I offer the best care to the environment protecting our beaches from waste." So far, the NGO has done more than 75 beach cleanups and the target for summer 2021 is 100. P&G employees help in at least one cleanup every year.

### P&G France Foundation for the Seashore Protection

Our P&G France Foundation for the Seashore Protection is one of the first company foundations in France. It was created in 1992. One hundred percent of the foundation's funds are dedicated to projects led by and with the Conservatoire du littoral, a public body under the supervision of the



Ministry of Ecology. One of the Foundation's missions is to educate the youngest about the environment, and particularly, about the protection of the coast. During the last 10 years, educational tools were developed with this objective in mind for young people from kindergarten to high school.

## **Keeping Plastic Waste Out of the Environment**

#### Fairy Clean Waters in Romania

In 2019, Fairy started the campaign Clean Waters in Romania in partnership with Act For Tomorrow and cleaned some of the most problematic areas on Lake Bicaz where waste thrown into mountain rivers has contributed to a highly polluted environment. Four tons of waste was collected in 1,060 trash bags by 220 volunteers over the course of three days. We have also implemented cleaning events with P&G employees resulting in 150 bags of trash collected from the Danube shore in Giurgiu.

#### P&G Poland Continues Its Sustainability Journey

P&G Poland remains committed to the "Clean Earth" program, a partnership with the Our Earth Foundation. The program, consisting of various community activities and campaigns, is focused on eliminating plastic waste from the environment. We have cleaned plastic waste from the scenic Baltic Sea coast and the community neighboring our Pampers plant in Targówek. P&G joined forces with Lidl, a key customer, to encourage shoppers to get involved. Further, a number of nationwide education programs support students in developing responsible consumption habits and responsibly managing natural resources.

### Spain Promotes Caring for Environment through Mi Playa Sin Plástico Campaign

Created to raise awareness and promote care for the environment, Spain's Mi Playa Sin Plástico campaign enrolled volunteers to clean Las marismas de Santoña natural park. Volunteers from P&G, Carrefour and the Paisaje Limpio association removed and classified waste. The protected area is an important wetland in the Iberian Peninsula that is a vital migration route for many bird and mammal species.

### Vision: Growing China's Future Leaders in Environmental Protection

P&G China's Pioneer Program has been co-launched by P&G and China's Environmental Protection Foundation. This project provides funding, training and networking to student environmental protection societies in universities in China and is designed to grow future leaders in environmental protection. Since 2015, the program has provided financial and capability-building support to 144 university student clubs in 11 provinces. benefiting more than 8,000 university students. More than 100,000 students joined the program network. P&G China Pioneer Program has not only enhanced the capability for student clubs to get involved in environmental protection, but also integrated resources from universities, enterprises, local governments and broader society, hence broadening and deepening the scope of environmental protection practices for university students.



## Protecting Water for People and Nature

Despite the challenges of this past year, P&G has remained committed to advancing our Citizenship goals, including our goal to protect water for people and nature in priority basins. Last year, we announced the 18 priority basins that will guide our efforts in this area. These basins are across seven countries, including China, India, Mexico, Saudi Arabia, Spain, Turkey and the United States. We continue to work with partners to determine the key shared water challenges and viable solutions in each priority basin. New efforts were started in Spain and Turkey to guide potential engagement, and we were excited to support a large-scale water resilience project in the U.S.

#### **Spain and Turkey**

In order to increase our understanding of the priority basins in Spain and Turkey, we kicked off a new partnership with the Water Systems Analysis Research Group at the University of Cincinnati (U.C.). The U.C. team will help us better understand the sustainability of the water resources in these two regions of the world. They'll work with the P&G Sustainability team to identify solutions that are best suited to address key water challenges facing the people and natural environment that call these basins home.

#### **United States**

The southwestern U.S. faces increasing stress on their water resources and organizations are working on creative, collaborative ways to ensure key water sources are prepared for the future. P&G is excited to be one of eight major corporations to support a landmark collective funding agreement that complements existing funding from the state of Arizona to compensate the Colorado River Indian Tribe (CRIT) for conserving billions of liters of water—directly shoring up declining water levels in Lake Mead, an essential water source for millions of people.

P&G SUPPORTS SYSTEM CONSERVATION 7



Country	# Priority Basins	Priority Basin
China	3	Xuanhui He Hai He Delta Tuo Jiang
Mexico	3	Moctezuma Laja Lerma/Salamanca
USA	5	Lower Bear/Malad, Great Salt Lake, Lower American, Lower Sacramento/ Putah, Calleguas
India	3	Sutlej Yamuna 1 Musi/Aler
Saudi Arabia	2	Saudi Arabia West Coast 5 Persian Gulf Western Coast 2
Spain	1	Segura
Turkey	1	Kocaeli

### **Climate**

#### **Carbon Neutral for the Decade**

For many years, the prevailing belief was that the only way to combat climate change was to reduce greenhouse gas (GHG) emissions by moving away from fossil fuels and investing in renewable energy. Reducing emissions is still our first priority, but we need to find ways to close the gap until innovation can catch up. Scientific data tells us that protecting and restoring nature can provide up to 30% of the GHG reduction required to limit the average temperature increase to 1.5 degrees Celsius. If we're going to flatten the climate curve and build a more sustainable future, we must make nature part of the solution.

In July 2020, P&G announced a new commitment to have its global operations be carbon neutral for the decade through a series of interventions that protect, improve and restore nature. Recognizing the next decade represents a critical window for the world to accelerate progress on climate change, P&G will go beyond its existing science-based target of reducing absolute GHG emissions 50% by 2030, to also advancing a portfolio of natural climate solutions. These efforts will deliver a carbon benefit that balances any remaining emissions over the next 10 years, allowing P&G operations to be carbon neutral for the decade.

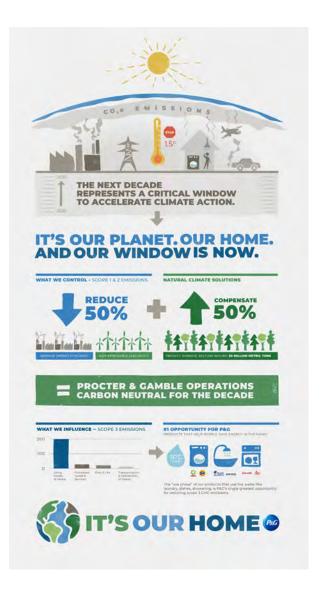
P&G will partner with Conservation International, World Wildlife Fund (WWF) and other partners to identify and fund a range of projects designed to protect, improve and restore critical ecosystems like forests, wetlands, grasslands and peatlands. In addition to sequestering more carbon, an important aspect of natural climate solutions is the potential to deliver meaningful environmental and socioeconomic cobenefits that serve to protect and enhance nature and improve the livelihoods of local communities. As P&G moves forward, the Company will seek to identify, measure and communicate relevant co-benefits from its investment in nature.

P&G is developing a detailed project portfolio and investing in projects across the globe. Projects already identified include:

- Philippines Palawan Protection Project with Conservation International
- Brazil's Atlantic Forest Restoration Planning with WWF
- · Evergreen Alliance with Arbor Day Foundation

This is our home, the time is now. Click here to learn more about P&G's commitment to be carbon neutral for the decade.

P&G'S CARBON NEUTRAL COMMITMENT 7





## Inspire and enable every P&G employee to build sustainability into their work and their communities

- We will integrate social and environmental sustainability as a key strategy in our business plans.
- · We will educate employees across all levels.
- We will reward progress and integrate recognition in the individual's performance assessment.

#### **EMPLOYEES**

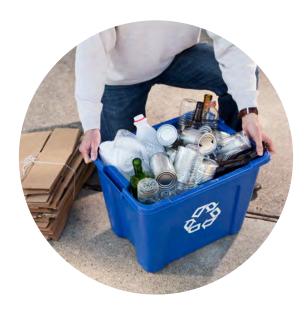
## **Employees**



## **Employees Encourage Sustainable Habits During Lockdown**

When a group of sustainability-minded P&G employees found themselves spending more time at home during the Spring of 2020, they decided to film themselves sharing advice for adopting eco-conscious habits. The Sustainability@Home series of videos featured P&G experts talking about tips for saving water, recycling, saving energy and more, posted on the Company's social media platforms throughout the lockdown days of April, May and June. The videos were well-received and turned these P&G employees into screen stars (for a few weeks) with lots of likes, shares and retweets.

#### SUSTAINABILITY AT HOME 7



## Annual Awards recognize P&G's Outstanding Sustainability Leaders

Even though the Ambition 2030 awards on October 1, 2020, was a virtual celebration, the enthusiasm and energy shone through. Hundreds of employees tuned into the broadcast to celebrate the best and brightest P&G teams and individuals who made extraordinary contributions to advance the Company's sustainability progress in a year of unusual challenges. P&G employees awarded in 2020 include:

- · Jeffrey Chen—Senior Vice President—Greater China
- Freddy Bharucha Senior Vice President Personal Care, North America
- · Brussels Innovation Center Sustainability Team
- · Store Excellence Europe Sustainable Point of Sale
- · P&G Walmart Team
- Angela Belcher—R&D Beauty Innovation Design Sustainability Leader
- Jennifer Chan Product Supply Sustainability Leader, Global Fabric & Home Care
- Nicolas d'Avout Finance & Sustainability Leader, Global Carrefour team
- Girish Deshpande—Palm Sustainability Leader
- Neil Lant—R&D Research Fellow— Fabric & Home Care
- Victoria Monge—Electronic Invoicing Specialist—North America
- Cristina Morillo Gomez—Oral Care Sustainability Leader

**EMPLOYEES** 

## **Employees**

#### Employee Survey Results Demonstrate Sustainability is a High Priority Across P&G

In March 2020, more than 83% of employees declared they are contributing to the Company's sustainability efforts in our annual employee survey. Many employees provided perspective that they value the Company's work in the space and welcome the chance to put more effort into where we make the greatest difference: our brand innovations and corporate partnerships.

#### P&Ger Wins WWF-Canada Employee Engagement Award

P&G employee Ashley Fill received the 2019 Workplace Champion of the Year Award from WWF-Canada. As the leader of the volunteer employee Sustainability Network for P&G Canada, Fill is passionate about bringing P&G's Ambition 2030 to life. She led and executed the "Green for 2019" campaign with the goal of educating employees to reduce their personal environmental impact.

### Sparking Sustainable Thinking at Our Newcastle Innovation Centre

In December 2019, our Newcastle Innovation Centre (NIC) in the UK hosted its annual "Spark Innovation and Connections Event," which is an internal celebration of the sustainability work being led by P&G employees, and provides an opportunity to learn what is happening externally to spark new ideas and connections. As part of the event, the site hosted internal and external inspirational speakers and showcased a range of NIC-led development projects. Chief Sustainability Officer Virginie Helias joined the event and thanked the local teams for their creative thinking and positive impact on site operations.





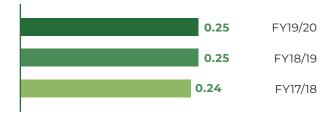
#### **Health and Safety**

The health and safety of our employees and our contractor partners is foundational to the Company and directly linked to our core values. Nothing we do is worth getting hurt. Safety can be managed. Every injury can and should be prevented. Safety is everyone's responsibility.

The Company tracks our total injury rate (TIR) and lost work day case rate (LWDC). TIR includes any injury that requires medical treatment beyond first aid, including work restrictions. LWDC is a subset of all injuries that were serious enough to result in the individual missing the next assigned work shift. Our TIR target for both employees and contractors is 0.35 injuries per 200,000 hours. No targets are set for LWDC rates. To achieve these results, we have implemented an integrated Health, Safety and Environmental (HSE) program. This program sets expectations that enable evaluation of each site's leadership involvement, behavior and culture, equipment design and maintenance standards and training and procedures. We specifically focus on life-safety critical systems such as electrical safety, confined space entry, fall prevention/protection, material handling and isolation of hazardous energy. The TIR and LWDC rate results are summarized in the charts to the right.

#### **Total Incident Rate**

(Injury and illness per 100 employees)



#### **Total Lost Work Day Case Rate**

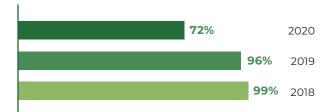
(Lost and restricted work day cases per 100 employees)



#### **Audit Programs**

Our internal HSE audit program is designed to ensure sites are complying with both local regulatory requirements, as well as corporate polices, standards and procedures. These audits are completed at all plants, innovation centers and distribution centers worldwide. The audit program is designed to identify specific findings and classify those findings as critical, major or minor. Two separate audits are completed—an HSE audit and a fire protection audit. All findings are tracked to closure by the corporate HSE. The fundamental philosophy is to use the standards worldwide, implemented by trained HSE leaders and audited each year using a consistent, comprehensive approach. Audits measure performance against mandatory standards and operating procedures. The target is to have no critical findings and continually reduce the number of major or minor findings. This year, 98% of HSE audits were completed, and 24% of the fire protection audits were completed. Fire protection audits by an outside vendor were stopped in February 2020 due to COVID-19. On average, 72% of the sites were assessed.

#### **Sites Conducting Annual Audits**







#### **Compliance with Laws and Regulations**

There are numerous health, safety and environmental requirements worldwide. Plants are subject to safety rules and emission limits with operating requirements that may be embodied in sources, such as statutes, regulations, laws and permits. It is our intent to comply with both the letter and the spirit of statutes, regulations, laws and permit requirements. Identified compliance issues are treated seriously, and all noncompliance matters are resolved as expeditiously as possible.

#### **Notices of Violation**

We continually strive for zero notices or penalties. The charts below summarize data from the last three years and provide perspective on notices of violation (NOVs) received during FY19/20. Note, several fines are still under review but are included in the total numbers.

Here's a breakdown of NOVs:

Year	Number	Fines
2020	21	\$13,595
2019	40	\$62,060
2018	17	\$249,430

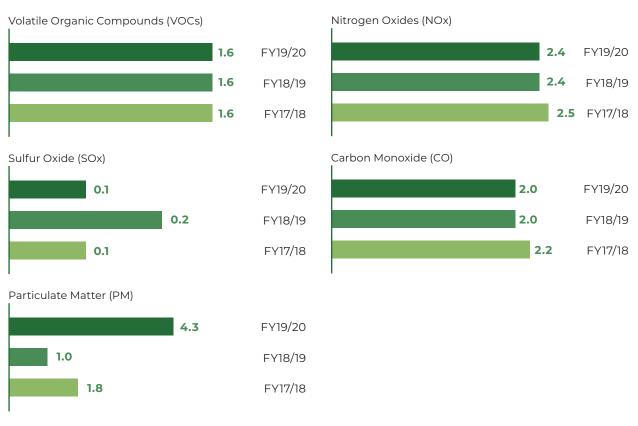
Violation	Number of NOVs	Fines
Water-Based	3	\$665
Air-Based	3	\$5,250
Solid-Waste-Based	2	\$0
Paperwork	3	\$74
Transportation-Based	3	\$3,200
Other	0	\$0
Worker Safety	7	\$4,406
Total	21	\$13,595

#### **Air Emissions**

Each site assesses total suspended particulates, volatile organic compounds (VOCs), carbon monoxide (CO), nitrogen oxides (NOX) and sulfur oxides (SOX). The chart to the right summarizes data from the last three years.



Thousands of metric tons



Gold Silver

## Facilities/LEED

#### **LEED®**

We are committed to designing sustainability into our facilities, including pursuing LEED certification for all new facilities. We now have 46 project sites with LEED Silver or Gold certification.





LEED certification of P&G facilities is an ongoing example of how we are focused on improving the environmental performance of our operations.

P&G is a member of the U.S. Green Building Council (USGBC). To ensure ongoing excellence in the sustainable design of our operations, P&G has committed to LEED certification for all new construction of manufacturing plants, distribution centers and office buildings around the world.

#### LEED CERTIFICATION 7



Location	Gold	Silver
Albany, GA, U.S.		1*
Amiens, France		1
Ben Cat, Vietnam		2
Box Elder, UT, U.S.		3*
Budapest, Hungary		1
Cabuyao, Philippines	1	
Cape Girardeau, MO, U.S.		1*
Cincinnati, OH, U.S.		4
Cruzeiro do Sul. Brazil		1
Greensboro, NC, U.S.		1
Guangzhou, China	1	1
Gyongyos		2
Geneva, Switzerland	1	
Hyderabad, India	1	3
Jakarta, Indonesia		4
Lagos, Nigeria		2
Mexico	1	••••••
Novomoskovsk		1*
Shiga, Japan		1*
Singapore		1
Tabler Station, WV, U.S.		7
Taicang, China	1	3
Total	6	40

Location

<sup>\*</sup>Represents a LEED v4 Certification at this location.

## **Environmental Resource and Waste Summary**

The table below reports environmental statistics for Manufacturing Operations in our Global Business Units, Technical Centers and Distribution Centers.

	Totals (absolute units x 1,000)			202	2020 Global Business Unit Detail¹ (absolute units x 1,000)				
	2020	2019	2018	Baby, Feminine and Family Care	Beauty	Fabric and Home Care	Grooming	Health Care	Other
Production (metric tons)									
Finished Products Manufactured <sup>2</sup>	15,357	15,204	15,101	2,851	1,989	9,843	166	509	N/A
Raw Materials from Recycled Sources <sup>3</sup>	708	674	632	•••••	•	•••••••••••••••••••••••••••••••••••••••	•••••	•	
Manufacturing Waste (metric tons)									
Solid Waste Generated	874	648	621	267	102	248	35	39	183
% Recycled/Reused Waste	99.0%	96.0%	94.1%	99.8%	99.1%	98.0%	100.0%	99.9%	98.8%
% Disposed — Hazardous	0.2%	0.3%	0.4%	0.0%	0.6%	0.3%	0.0%	0.0%	0.1%
% Disposed — Non-Hazardous	0.8%	3.7%	5.6%	0.2%	0.3%	<b>1.7</b> %	0.0%	0.1%	1.1%
Other Waste (metric tons)									
Effluents (excluding water) <sup>4</sup>	15	16	21	3.92	2.86	6.34	0.18	1.08	0.28
Air Emissions <sup>5</sup>	10	7	8	8.26	0.16	1.77	0.05	0.11	0.14
Construction & Demolition Waste	4	5	15	3.21	0.00	0.44	0.09	0.10	0.13
Energy and Greenhouse Gas (GHG)									
Energy Consumption (gigajoules)	62,823	61,375	61,135	40,741	3,687	11,161	2,475	2,112	2,647
Total GHG Emissions (metric tons) <sup>6</sup>	2,619	4,060	4,081	1,738	166	489	78	55	93
Scope 1—Direct GHG Emissions (metric tons)	2,218	2,217	2,162	1,632	88	318	64	51	64
Scope 2—Indirect GHG Emissions (metric tons) <sup>7</sup>	402	1,843	1,919	106	77	171	14	4	29
Biogenic GHG Emissions (metric tons)	50	57	68	•••••	•	•••••••••••••••••••••••••••••••••••••••	•••••••••••••••••••••••••••••••••••••••		
Water (cubic meters)									
Water Consumption	67,049	64,296	65,028	41,164	5,930	15,091	1,102	2,200	1,562

<sup>1</sup> Baby, Feminine and Family Care includes Baby Care, Feminine Care and Family Care. Beauty Care includes Hair Care and Skin & Personal Care. Fabric and Home Care includes Fabric Care, Home Care and Chemicals. Grooming includes Blades and Razors and Devices. Health Care includes Personal Health Care and Oral Care. Other includes major stand-alone offices/technical centers that support the business units and our largest distribution facilities. Numbers do not include production from contract manufacturing operations.

<sup>2</sup> Estimated from FY19/20 finished product production volumes. Updated to exclude intermediate products that are used as raw materials in other P&G categories.

<sup>3</sup> Data is tracked at a corporate level.

<sup>4</sup> Wastewater chemical oxygen demand (COD).

<sup>5</sup> Air emissions include particulates, SO2, NOX, CO and VOC.

 $<sup>6\,</sup> Total\, GHG\, emissions = Scope\, 1 + Scope\, 2.\, Scope\, 2\, emissions\, calculated\, using\, a\, market-based\, method.$ 

 $<sup>7\,</sup>Market\text{-}based\,Scope\,2\,GHG\,emissions.\,Note: Location\text{-}based\,Scope\,2\,emissions\,2020\,were\,2,\!566,\!617\,metric\,tons.$ 

## Global Measurement and Additional Operational Data

#### **2020 Goal Measurement Systems**

We go to great lengths to ensure rigor, accuracy and transparency in our reporting. Below, we share additional information on some of our 2020 Goal Measurement Systems to help ensure clarity and transparency on the data we are reporting.

#### **Greenhouse Gas Emissions (GHG)**

For the purposes of monitoring progress against our goal and listing emissions levels in charts and graphs, we utilize market-based Scope 2 GHG emissions.

The WRI/WBCSD GHG accounting protocol provides additional perspective on market-based versus location-based GHG emissions.

GHG PROTOCOLS 7

Our GHG emissions data has been verified by an external third party, Lloyd's Register Quality Assurance (LRQA).

LLOYD'S REGISTER QUALITY ASSURANCE 7

#### **Low-Energy Cycle Machine Washing Loads**

In 2019, we reported that 70% of machine loads were being done in low-energy cycles, meeting our goal. This was determined by carefully reviewing habits and practices data to help us assess progress against our low-energy washing goal. Cycles included in our tracking were cold cycles in traditional top-load machines and cold and warm cycles in all highefficiency HE machines (top and front loading).

#### **Packaging Reduction**

The average packaging reduction is calculated using products that represent the top 70% (by volume) of the categories that have the largest impact on packaging use (Fabric Care, Home Care, Baby Care, Feminine Care, Family Care, Oral Care, Personal Cleansing, Shave Prep, Hair Color and Hair Care). While a subset of overall data, we believe it is representative of overall corporate data and focuses resources on the biggest SKUs and categories with the biggest impact on packaging.



## Global Measurement and Additional Operational Data

#### **2020 Goal Measurement Systems**

#### **Recyclability of Packaging**

For purposes of tracking progress against our goal, a package is considered recyclable when there is an in-market, at-scale recycling system in place for that material type (e.g., collection, sortation, processing for end use and established end-market for collected material). While we require large-scale systems to be in place in at least one geography, we do not require a minimum percent access or recovery rate per package in every country or market for the package to be considered recyclable for purposes of tracking progress versus our goal.

#### **Paper Packaging**

Data for calculating progress versus our paper packaging goal was self-reported by our suppliers. The data collected this year covered materials procured directly by the Company as well as contractor manufacturers and covered more than 98% of our global spend.

#### **Renewable Energy**

When calculating the renewable energy powering our plants, we include the renewable energy level of the local electrical grid that provides power to the plant.

#### **Water Conservation**

Our goal to reduce water use in manufacturing facilities by 20% per unit of production applies to freshwater consumption, which means freshwater intake from the following sources:

- Tap water: water supplied by municipalities or thirdparty companies via piping systems or trucks, at any quality they deliver
- · Ground water from site wells
- Surface water: non-brackish as rivers, lakes, creeks, etc., at any quality they deliver
- Purchased steam: water supplied in the form of steam purchased from third-party companies.

#### Venezuela

Due to current conditions in Venezuela and consistent with how we have approached other corporate reporting, we have excluded our three facilities in Venezuela from the manufacturing data included in this report. For transparency, the estimated combined data from these three sites within our 2010 baseline was energy (353,752 gigajoules), water (233,188 cubic meters), and GHG emissions (20,589 metric tons), which represents less than 0.5% of the respective global footprints. These changes have already been incorporated into the baseline restatement.

#### **Baseline Restatement**

This year, we adjusted our GHG emissions baseline in accordance with the principles in the WRI and WBCSD Corporate Standard for greenhouse gas Accounting. Changes included adjustments for acquisitions and divestitures, as well as other minor modifications and corrections to historic data. Our original baseline was 5,466,601 metric tons. Our revised baseline, which we will use for calculating progress versus GHG emissions reduction goals, is now 5,421,120 metric tons. As part of this work, we also updated our baselines for energy, water and waste. Original energy baseline was 67,904,220 gigajoules. It is now 63,886,813 gigajoules. Original water baseline was 77,049,114 cubic meters. It is now 76,208,753 cubic meters. Original waste disposed was 354,563 metric tons. It is now 335,552 metric tons. The baseline year remains the same: the Company's FY09/10.





## **Ethics & Corporate Responsibility**

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

Message from Debbie Majoras	>
Our Purpose, Values and Principles	>
Good Governance	>
Respecting Human Rights	>
Doing the Right Thing with Our Employees	>

Doing the Right Thing	
with Our Consumers	>
Doing the Right Thing	
with Our Supply Chain	>
Speaking Up	>
Stakeholder Engagement	>
·····	





## 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.

**PURPOSE, VALUES AND PRINCIPLES** 7



### **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

#### CORPORATE GOVERNANCE GUIDELINES 7

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.

#### 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.

#### 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.

#### **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.

Our short videos illustrate how to spot problems in the office and manufacturing facilities.



### **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 endto-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.

WHAT DO YOU SEE AT THE OFFICE? 7

WHAT DO YOU SEE AT THE PLANT? 7

WHAT HAPPENS WHEN YOU SPEAK UP? 7

## **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.

PRIORITY INDUSTRY PRINCIPLES 7

#### **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.

U.N. GLOBAL LGBTI STANDARDS 7

## 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.

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.



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.

WBCM 7

**EMPLOYEE RIGHTS POLICY ↗** 

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.

#### **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.

Since its inception in 2016,

#### hundreds

of employees have been recognized as PVP Champions.



#### **Compensation and Benefits**

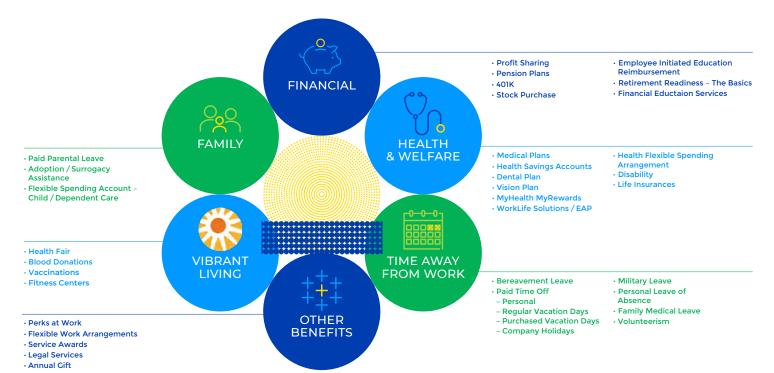
P&G supports paying employees competitive total compensation, as benchmarked against other leading companies. The Company is a recognized leader in employee benefits, which have been developed to help protect the financial security of employees. While offerings vary depending on each country's market 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.

**EMPLOYEE WELLBEING** 



#### **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.

#### **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.



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. 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.







We delivered on our expanded transparency commitment in North America to share the ingredients in our fragrances down to 0.01%.

## **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.

2019 SAFER CHOICE PARTNER OF THE YEAR 7

#### **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 <u>pg.com</u> 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.

P&G FRAGRANCE INGREDIENTS 7

## Doing the Right Thing with Our Consumers

### 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.\*

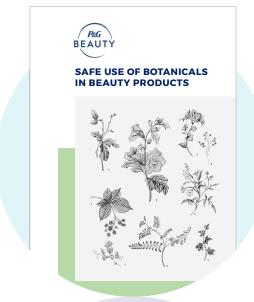
Additionally, our brand websites are offering more information about the safety process we follow to ensure our products are safe to use as directed. Consumers can see this come to life through a few examples here:



ARIEL UK 7

HERBAL ESSENCES GERMANY 7

ALWAYS FRANCE 7





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.

SAFE USE OF BOTANICALS WHITE PAPER 7

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.

<sup>\*</sup>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 StrongProtecting 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.

GLOBAL CONSUMER PRIVACY POLICY 7



#### We are proud to be a leader in supply chain responsibility.

## 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.

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.

This new approach has allowed us to focus on



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, LGBTO+, 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)

MORE EQUALITY & INCLUSION INITIATIVES 7

#### **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.

AMBITION 2030 <sup>对</sup>





### **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 
→





#### **QUOTES FROM THE EMPLOYEE SURVEY**

"P&G has a very strong set of PVPs that align to my personal values. We truly care for our employees and create a safe working environment."

"PVP—Never change them. This Company is about doing what's right and that is what makes us proud employees."

"We use our PVPs to guide our Company's direction, decisions, and interactions with employees."

### 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 oneon-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.

CONTACT US 7

#### 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.

OUR POLITICAL INVOLVEMENT 7

TAX PRINCIPLES **↗** 

#### **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.

We actively seek business relationships with partners who share these values and that promote high standards within their own supply chains.

### 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.

### **ESG Disclosure Frameworks**

Our annual Citizenship Report provides a comprehensive overview of our Citizenship efforts, including significant data related to our Environmental, Social and Governance (ESG) systems. We recognize that some stakeholders prefer to use third-party ESG disclosure frameworks to review corporate ESG performance. To help facilitate that process, this section of our report provides additional perspective on the following ESG disclosure frameworks:

#### **Task Force on Climate Related Financial Disclosures**

**(TCFD):** Please click the link below to go to a November 2020 report that was informed by the TCFD guidelines.

TCFD GUIDELINES **↗** 

#### **Sustainable Accounting Standards Board (SASB):**

Please click the link below to go our 2020 SASB Matrix which addresses SASB's key disclosure topics for our industry sector.

2020 SASB MATRIX 7

**Global Reporting Initiative (GRI):** This report references GRI 102: General Disclosures 2016. A GRI Content Index for this report can be found at the link below.

GRI CONTENT INDEX ↗



## **Recognitions and Awards**

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



Community Impact



U.S. CHAMBER OF COMMERCE FOUNDATION

Social Responsibility in Action



Among Fast Company's 2020 World Changing Ideas in Creativity



Equality & Inclusion









**Environmental Sustainability** 



5 years in a row



Since 2001



2020





Ranked in Top 20





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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 <a href="mailto:mediateam.im@pg.com">mediateam.im@pg.com</a>. 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.