



# 2015 Sustainability Report





Environmental and social responsibility are part of everyone's job at P&G. They are integrated into our daily work and business operations.

DAVID S. TAYLOR

*President and Chief Executive Officer*



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#### ABOUT OUR 17TH ANNUAL SUSTAINABILITY REPORT

This is the 17th Sustainability Report for Procter & Gamble's worldwide operations. Data in this report cover the period from July 1, 2014, through June 30, 2015. Financial information is given in U.S. dollars. This report was prepared using the Global Reporting Initiative's (GRI's) G3 Reporting Guidelines. The mission of the GRI is to promote international harmonization in the reporting of relevant and credible corporate economic, environmental and social performance information to enhance responsible decision making. The GRI has not verified the contents of this report, nor does it take a position on the reliability of information reported herein.

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For the latest P&G news, in-depth information on P&G's brands, and shareholder and career information, please visit: [www.pg.com](http://www.pg.com)



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## Leadership Statement



At P&G, sustainability is integrated into the way we do business, but we know there is much more we can do.

In this report, we highlight how we are working against our specific near-term goals on our way to our ambitious long-term vision to power all our plants with 100% renewable energy, to use 100% renewable or recycled material for all products and packaging, and to have zero consumer and manufacturing waste go to landfills. Put simply, our objective is to design products that delight consumers while maximizing the preservation of resources. We want our brands to help consumers make more sustainable choices.

We have been dedicated to driving change within our own Company by partnering with others to drive industry standards and practices that make a difference. We have a long track record of doing the right thing, from pioneering industry breakthroughs such as compaction, integrating recycled content into packaging and supply chain innovation.

This report captures our efforts over the past year and highlights some of our biggest achievements. Our focus areas remain the same:

- **Preservation of resources** — We are focused on our energy usage, including our need to help drive consumer behavior change with initiatives such as our Cold Water washing campaign, reduced packaging, reduced water usage and increased recycled content in our packaging.
- **Renewable resources** — Our focus is to bring more renewable energy into our plants, to find substitutes for petroleum-derived raw materials, and to ensure responsible and sustainable sourcing for renewable materials, including palm oil (PO), wood pulp and paper packaging.
- **Worth from Waste** — We continue our efforts toward eliminating manufacturing waste to landfill and exploring partnerships

with multiple stakeholders to help us better understand how we can recover greater value from post-consumer waste and ultimately help eliminate solid waste to landfill.

- **Social programs** — As a good corporate citizen, we have a long history of giving back to those in need. We do this through the P&G Children’s Safe Drinking Water (CSDW) Program, our disaster relief efforts and our brand programs such as Pampers’ partnership with UNICEF.

We are focused in these areas, and we know that protecting the earth and giving back to those in need is a responsibility and a business opportunity. We plan to accelerate our delivery of these objectives by ensuring the full integration of sustainability initiatives within the strategies and plans of our 10 core businesses. Progress versus our goals is owned by our business leaders. We will also support each of our key brands in making their

sustainability vision and actions accessible to consumers and other stakeholders. We look forward to sharing further updates on the positive impact of these important efforts. I want to thank our employees and external partners who have been involved in this work for making the stories in this report possible. Your efforts represent important progress that inspires us all to do more.

**MARTIN RIANT**  
*Group President,  
 Executive Sponsor for Sustainability*

## Our Goals



# We've made important progress in our efforts to address climate change.

The environmental focus of this year's report is on impacting climate change. We've made meaningful progress, but there is still much more to do. P&G recognizes the scientific consensus linking greenhouse gas (GHG) emissions and climate change. As a global citizen, we are concerned about the negative consequences of climate change, and we believe prudent and cost-effective action by governments, industry and consumers to reduce emissions to the atmosphere is necessary.

We announced in September that we will reduce the absolute GHG emissions of our operations by 30% by 2020. We plan to achieve this by driving energy efficiencies in our own facilities and moving to renewable fuel sources. In addition, we will help consumers reduce their own GHG emissions when they use our products through product and packaging innovations that enable more efficient product use and energy consumption, as well as continued consumer education.

In order to be successful, we will also need to partner with external stakeholders to reduce GHG emissions in our supply chain by ensuring our sourcing of renewable commodities does not contribute to deforestation and by developing renewable material replacements for petroleum-derived raw materials.

Ensuring that palm is grown and harvested without the further clearing and burning of natural forests, which can impact GHG emissions, climate change and biodiversity, is a priority for the industry. While we are not a big user of PO, we do use ingredients derived from palm kernel oil (PKO) in some of our products, and we are committed to sourcing it sustainably. We have made progress in this area through:

- **Traceability**— At the end of FY 14/15, 89% of our PO and PKO was tracked to the PO mill and PKO mill level. We are on track to reach our 100% PO and PKO traceability goal by the end of 2015.

- **No-deforestation plan**— We have reviewed the initial no-deforestation plans from our palm suppliers and are working together to ensure robust, time-bound policies and systems are in place to meet our requirements. We are also partnering with industry experts to develop new approaches to help the many thousands of smallholders in our supply chain comply with our no-deforestation objectives.
- **Certification**— Currently 100% of our PO and PO derivatives are either Roundtable on Sustainable Palm Oil (RSPO) mass-balance certified or covered by Green Palm certificates. We have reviewed the initial no-deforestation plans from our palm suppliers and are working together to ensure that robust, time-bound policies and systems are in place to meet our requirements.

Furthermore, we achieved our goal of having 100% of the virgin wood fiber used in our tissue/towel and absorbent hygiene products third-party certified. We also maintained our focus on Forest Stewardship Council® (FSC) certification and achieved 51% FSC®-certified material in our tissue/towel products.

I have every confidence we will meet our long- and short-term goals outlined in this report, and as I reminisce on how far we've come, I am inspired by the many people who have been part of the program and those continuing the efforts. It has been an unbelievably fulfilling experience.

**LEN SAUERS**  
Vice President, Global Sustainability

We became a member of Climate Savers, a program to help leadership companies accelerate their efforts toward addressing climate change.

We joined RE100 to engage, support and showcase influential companies who've committed to using 100% renewable power.

At P&G, we're committed to reducing greenhouse gas emissions impacting climate change. We've taken several steps to increase our commitment to renewable energy.

We joined the Corporate Renewable Energy Buyers' Principles in collaboration with peers to deliver more affordable, clean energy today and in the future.

We signed the American Business Act on Climate Change to reinforce our commitments and encourage others to take action on climate.

## Environmental Sustainability

We want people who choose P&G brands to know that our products are created with a commitment to sustainability. From formulation to manufacturing to package design and shipment, our products are made responsibly and without trade-offs in performance or value.



### RENEWABLE ENERGY

#### Biomass Plant

To advance progress against our 100% renewable energy vision, we announced in February that we are partnering with Constellation to build a 50-megawatt biomass plant at our Albany, Ga., plant, one of P&G's largest U.S. facilities where we make Charmin and Bounty products. This facility will produce 100% of the steam and up to 70% of the total energy for the site from renewable sources and, along with the Tylers Bluff wind farm in Texas (see story that follows), will nearly double our global use of renewable energy. Constellation will build, own and operate the \$200 million cogeneration plant that is expected to begin commercial operations in June 2017. P&G and Constellation also proactively developed fuel-procurement standards to ensure the incoming scrap wood used at the plant is responsibly and sustainably sourced.

The Albany biomass plant and the Tylers Bluff wind farm will nearly double our global use of renewable energy.

### RENEWABLE ENERGY

#### Wind Farm

We announced we are going to partner with EDF RE to build a wind farm that will produce enough wind power electricity to manufacture 100% our Fabric and Home Care products such as Tide, Downy, Febreze and Cascade in the U.S. and Canada by the end of 2016. To accomplish this, the wind farm in Texas will bring 100 megawatts of renewable power online. This is the equivalent of eliminating 200,000 metric tons of GHG emissions per year, demonstrating P&G's commitment to support new sources of renewable energy and reduce GHG emissions.

### WASTE

#### Zero Waste to Landfill

Currently, 68 sites have achieved zero manufacturing waste to landfill (ZMWTL), which is nearly half of our global sites. In addition, we now have four countries where 100% of the manufacturing sites within the country have achieved ZMWTL—Germany, Japan, Poland and Vietnam. As a result of these actions, we have generated more than \$1.6 billion in value for the Company through savings and revenue creation.

This important progress is a direct result of the internal and external partnerships being led by our Global Asset Recovery & Purchases (GARP) team, our manufacturing plants, our distribution centers and our recycling vendors.

68 sites

have achieved zero manufacturing waste to landfill

\$1.6 billion

generated in value

### PACKAGING

#### Packaging Improvement

In most parts of Western Europe, Pampers eliminated boxes for some of our large packs and started using bags only. This change resulted in more than an 80% reduction in packaging material in weight per diaper. This saved more than 6,000 tons of packaging (the equivalent of 4,000 mid-sized cars). We also used nearly 10% less plastic, which saved 900 tons of plastic. Because of this packaging improvement, we were able to ship more diapers on each pallet using about 14,000 fewer pallets, resulting in more than 400 fewer trucks on the road. This also saved more than 160 tons of CO<sub>2</sub> emissions. Consumers also told us they like the new bags because they are easier to transport and store.



## Environmental Sustainability (cont.)



P&G is committed to  
**ZERO**  
deforestation in our  
palm supply chain.



### RESPONSIBLE SOURCING

#### Palm Oil

At P&G, we are unequivocally committed to achieving zero deforestation in our palm supply chain and using our innovation strength to drive positive change in the industry. We have been driving progress via a three-pillar approach. First, we are working with suppliers to ensure they meet our traceability and no-deforestation requirements. Second, our small-farmers program is working to improve practices and livelihoods for smallholders in the PKO supply chain. Finally, we are working with the industry and nongovernmental organizations (NGOs) to set standards and methodologies. We continue to connect and collaborate with multiple stakeholders to drive harmonized industry standards and approaches to advance P&G and industry-wide PO efforts.

### PRODUCT FORMULATION

#### No Prewash Needed

In the U.S., Cascade Platinum Action Pacs clean stuck-on food in just one wash, with no prewash needed. This enables P&G to help consumers reduce their water use with every pot, plate or pan they put in the dishwasher. In fact, for each person who skips the prewash, up to 2,600 gallons of water can be saved in a household per year (based on an average of 12.5 gallons of prewashing water used and an average of four loads per week). This innovative technology is getting us closer to our goal of providing 1 billion people around the world with access to water-efficient products by 2020.

**2,600** gallons

of water can be saved when  
prewash is skipped

### TRANSPORTATION

#### Optimizing Distribution

In 2013, P&G made a stretching commitment to move 20% of our North America truck transportation to cleaner-burning natural gas within two years. The intent was to spur innovation and additional infrastructure that would benefit both P&G and other natural-gas users. We have more than tripled our amount of active compressed natural-gas (CNG) lanes since last year and have realized several million dollars in fuel savings. This year, we have logged more than 14 million miles and have contracts in place that will enable us to move 25% of our North America truck transportation to natural gas by next year.

### PACKAGING

#### Driving Progress on Recycling

Last year, we announced that P&G joined forces with several large, multi-national companies to form the Closed Loop Fund (CLF), a social impact investment fund providing cities with access to the capital required to build comprehensive recycling programs. This year, CLF announced its first three investments totaling \$7.8 million in capital, which in turn unlocked an additional \$17 million from other public and private co-investors. P&G has also joined The Recycling Partnership (TRP), a national recycling non-profit organization with a focus on supporting public-private partnerships that serve to improve residential recycling in the U.S. Innovative partnerships such as these will play a key part in increasing the availability of recycled materials and ultimately help move us closer to our vision of zero waste to landfill.



## Social Sustainability

For more than 175 years, doing the right thing has been at the core of P&G's purpose, values and principles. This includes investing in the communities where we live, work and serve.



### P&G Children's Safe Drinking Water

This year, the P&G CSDW Program celebrated its 10th anniversary of sharing the power of clean water with families who need it most. With more than 175 years of experience developing cleaning technologies, P&G scientists invented P&G Purifier of Water, which was based on research behind our laundry detergents. This packet puts the power of clean water into a small sachet the size of a tea bag. Working with more than 150 partners, the CSDW Program has shared 8.9 billion liters of clean water in more than 75 countries, helping to save lives and prevent illness to keep people healthy, enable access to education and create economic opportunities that help families to thrive.

This year P&G distributed more than 130 million P&G packets to emergency relief and development programs around the world, and CSDW expanded operations in 20 countries, including Argentina, Indonesia and Kenya, where the recipient of the 8 billionth liter was

Boniface O. and his family, who live near Kisumu in western Kenya. Through a community program with P&G partner CARE International, Boniface learned how to purify water with P&G packets at his school. In the past, he used to get sick and miss school from drinking dirty water, but now he is healthy, strong and able to attend class. He and his classmates share the packets and healthy hygiene habits with their families, which has helped transform the health of the local community.

P&G is committed to playing its part to help end the global water crisis. With the support of our leading brands and our partners, we have committed to delivering 15 billion liters of clean drinking water through the CSDW Program by 2020. We will continue to use our global marketing reach to raise awareness of the global water crisis, engaging consumers to get involved and help save lives through the power of clean water.

### Disaster Relief

The P&G Disaster Relief program is committed to helping rebuild lives after widespread disasters by providing the comforts of home that people need. In FY 14/15, P&G responded by providing in-kind product and monetary donations to more than 25 disasters globally. These included support for the Ebola outbreak in West Africa, families displaced by conflict in Ukraine, earthquake relief in China, Panama floods and the tropical cyclone in Vanuatu. The biggest response this year was to help those affected by a devastating 7.8 magnitude earthquake that struck Nepal in April 2015. In the days and weeks that followed, a massive humanitarian aid effort was organized to help respond to the critical need for food, water, shelter and other necessities. In the immediate aftermath, P&G provided product donations from brands such as Whisper and Vicks and monetary donations to some of its long-standing emergency relief partner organizations, including AmeriCares, CARE,

International Medical Corps, Save the Children and World Vision. Through the P&G CSDW Program, we helped to distribute enough packets to provide 20 million liters of clean drinking water in collaboration with our partners CARE, DayOne Response, HOPE, IMC, PSI, Thai Red Cross, Vishal Group, World Vision and World Wildlife Fund. Employees also generously donated to a global P&G matching disaster relief fund for Nepal.

20 million

liters of clean drinking water in the aftermath of the Nepal earthquake

## Social Sustainability (cont.)



### Always

For the last 30 years, Always, the leader in global feminine care, has accompanied and empowered young girls through better understanding of their bodies and the complex, transformative time of puberty. Always' puberty education program reaches up to 20 million girls a year in 65 countries. In 2014, new Always research revealed that girls experience a drop in confidence at the start of puberty with their first period. Stopping the drop in confidence became Always' mission. In June 2014, Always launched the #LikeAGirl campaign with a film that shows how harmful words can contribute to lower self-confidence. The film has been viewed more than 90 million times across the globe, demonstrating the profound effect the phrase "like a girl" can have on girls' self-confidence. Millions of girls around the world have rallied to change #LikeAGirl to mean amazing things. This massive engagement has started to change public perception: while only 19% of girls had a positive association with the phrase "like a girl" before the campaign, 76% agree they no longer view the phrase as an insult after watching the Always #LikeAGirl film\*

\*Always Puberty & Confidence Wave II Study, 2015

### Safeguard

Safeguard knows that clean hands save lives and make families healthy and happy. It is clinically proven that washing hands with soap and water can prevent almost 4 million children per year from dying before their 5th birthday. In FY 14/15, Safeguard reached over 6.8 million children through school education. Safeguard is committed to teaching school children good hygiene habits that will keep them healthy and free from preventable illnesses such as diarrhea, coughs and colds through school programs and an online hub with resource materials for moms and teachers alike. Safeguard's superhero, Commander Safeguard, teaches healthy hand-washing habits through school visits, videos, animations, story books and games.

### Pantene

Pantene Beautiful Lengths provides free, real-hair wigs to women who have lost their hair due to cancer treatments. Since 2006, more than 800,000 ponytails have been donated and 42,000 wigs have been created. The wigs are distributed through American Cancer Society wig banks at no cost to cancer patients. Many of the women helped say that putting on a wig makes them feel like themselves again. In 2014, the Pantene Beautiful Lengths Fund was established in partnership with the Greater Cincinnati Foundation, enabling people who are unable to donate their hair to get involved in the program and to help create more wigs than ever before.

800,000 42,000

donated ponytails

wigs created

### Secret

Secret's Mean Stinks program exists to encourage girls to put an end to girl-to-girl bullying. Bullying in social media is increasing, with 55% of teens having witnessed bullying online. Secret's "Gang of Good" has generated over 2 million acts of nice by putting the power directly in girls' hands. Last year, Mean Stinks held the Biggest Assembly Ever, viewed by 2,000 schools across the nation, where the brand discussed the negative effects of bullying and how to end it. Secret also developed an anti-bullying curriculum with Cincinnati Children's Hospital ([GirlsGuideToEndBullying.org](http://GirlsGuideToEndBullying.org)) that has been proven to decrease the experiences of being bullied through tips, activities and advice that girls can apply to their lives. In the upcoming year, Secret will partner with Teen Vogue to encourage girls to take a pledge and share how they will end bullying on social media.

## 2020 Goals Progress

We are working toward our long-term vision of:

- Powering all our plants with 100% renewable energy
- Using 100% renewable or recycled materials for all products and packaging
- Having zero consumer and manufacturing waste go to landfills
- Designing products that delight consumers while maximizing the conservation of resources

We have established specific goals to demonstrate we are making progress against our long-term vision. The table at right updates progress against our goals.

GOAL	RESULT
<h3>Conservation of Resources</h3>	
• Reduce energy use at P&G facilities by 20% per unit of production by 2020.*	• Since 2010, we have reduced our energy usage by about 15%.
• Reduce absolute GHG emissions by 30% by 2020.*	• Since 2010, we have reduced our absolute GHG emissions by 4%.
• Ensure 70% of all washing machine loads are washed in cold water.	• Our data indicates the percentage of global washing machine loads washed in cold water increased from 38% to 56%.
• Reduce truck transportation kilometers by 20% per unit of production.*	• We reduced our truck transportation by approximately 25% per unit of production, exceeding our goal.
• Reduce water use in manufacturing facilities by 20% per unit of production with conservation focused on water-stressed regions.*	• We have reduced water usage by about 21%, exceeding our goal.
• Provide 1 billion people with access to water-efficient products.	• In FY 14/15, we estimate that approximately 140 million consumers had access to water-efficient products.
• Reduce packaging by 20% per consumer use.*	• Since 2010, we have reduced packaging by approximately 10% per consumer use.
• Double use of recycled resin in plastic packaging.*	• This year, we used approximately 29,200 tons of post-consumer resin (PCR) in our plastic packaging, which represents an increase of approximately 12% vs. baseline.
• Ensure 90% of product packaging is either recyclable or programs are in place to create the ability to recycle it.	• In FY 14/15, approximately 85% of our packaging was considered recyclable.
<h3>Renewable Resources</h3>	
• Ensure plants are powered by 30% renewable energy.	• Our use of renewable energy is approximately 9%. We continue to evaluate and expand our portfolio of energy sources.
• Create technologies by 2020 to substitute top petroleum-derived raw materials with renewable materials, as cost and scale permit.	• The capability to substitute plastic resins has been demonstrated while work on other key material classes continues.
• Ensure traceability of PO and PKO to our supplier mills by December 31, 2015, and to plantations by 2020 to ensure zero deforestation in our PO supply chain, with a commitment to working with small farmers.	• We will achieve our 2015 traceability goal by December 31, 2015, and continue to make progress on our smallholder efforts.
• Have 100% of the virgin wood fiber used in our tissue/towel and absorbent hygiene products be third-party certified by 2015.	• This year we met our goal of having 100% of the virgin wood fiber used in our tissue/towel and absorbent hygiene products be third-party certified.
• Have 100% of our paper packaging contain either recycled or third-party-certified virgin content by 2020.	• Approximately 97% of materials surveyed this year were either recycled or third-party-certified virgin content.
<h3>Worth from Waste</h3>	
• Conduct pilot studies in both the developed and developing world to understand how to eliminate landfilled/dumped solid waste.	• We are involved in a number of waste-reduction pilot projects in both developed and developing regions including participation in the Closed Loop Fund (CLF), The Recycling Partnership (TRP) and our Waste to Worth pilot program in the Philippines.
• Continued progress on ZMWTL.	• 68 sites, which accounts for nearly 50% of our manufacturing sites, have reached zero manufacturing waste to landfill (ZMWTL).
<h3>Social Programs</h3>	
• Improve the lives of 50 million people each year through our social sustainability programs.	• This year, we estimate P&G has benefited more than 50 million people through programs like P&G CSDW, Always #LikeAGirl, Pantene Beautiful Lengths, Safeguard Hand Washing and Disaster Relief around the world.**
• Provide 15 billion liters of clean drinking water by 2020.	• The P&G CSDW Program has delivered more than 9 billion liters of clean drinking water and is on track to meeting the 2020 goal.

\* Using 2010 as a baseline.

\*\* The number of people reached is an estimate based on self-reporting in collaboration with charitable partners.



# P&G Profile

P&G serves consumers around the world with one of the strongest portfolios of trusted, quality, leadership brands, including Always,<sup>®</sup> Ambi Pur,<sup>®</sup> Ariel,<sup>®</sup> Bounty,<sup>®</sup> Charmin,<sup>®</sup> Crest,<sup>®</sup> Dawn,<sup>®</sup> Downy,<sup>®</sup> Fairy,<sup>®</sup> Febreze,<sup>®</sup> Gain,<sup>®</sup> Gillette,<sup>®</sup> Head & Shoulders,<sup>®</sup> Lenor,<sup>®</sup> Olay,<sup>®</sup> Oral-B,<sup>®</sup> Pampers,<sup>®</sup> Pantene,<sup>®</sup> SK-II,<sup>®</sup> Tide,<sup>®</sup> Vicks<sup>®</sup> and Whisper.<sup>®</sup>

Our products are sold in more than 180 countries and territories around the world, primarily through mass merchandisers, grocery stores, membership club stores, drug stores, department stores, distributors, e-commerce, high-frequency stores and pharmacies.

The P&G community includes operations in approximately 70 countries worldwide and approximately 110,000 employees.

P&G is a publicly traded company. Its stock is listed and traded on the New York Stock Exchange and NYSE Euronext – Paris.



## Our Purpose, Values and Principles

Taken together, our Purpose, Values and Principles are the foundation for P&G's unique culture. Throughout our history of over 175 years, our business has grown and changed while these elements have endured, and will continue to be passed down to generations of P&G people to come.

*Our Purpose* unifies us in a common cause and growth strategy of improving more consumers' lives in small but meaningful ways each day. It inspires P&G people to make a positive contribution every day.

*Our Values* reflect the behaviors that shape the tone of how we work with each other and with our partners.

And *Our Principles* articulate P&G's unique approach to conducting work every day.

### Our Purpose

We will provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come.

As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders, and the communities in which we live and work to prosper.

### Our Values

P&G is its people and the values by which we live. We attract and recruit the finest people in the world. We build our organization from within, promoting and rewarding people without regard to any difference unrelated to performance. We act on the conviction that the men and women of Procter & Gamble will always be our most important asset.

#### Integrity

- We always try to do the right thing.
- We are honest and straightforward with each other.
- We operate within the letter and spirit of the law.
- We uphold the values and principles of P&G in every action and decision.
- We are data-based and intellectually honest in advocating proposals, including recognizing risks.

#### Leadership

- We are all leaders in our area of responsibility, with a deep commitment to delivering leadership results.
- We have a clear vision of where we are going.
- We focus our resources to achieve leadership objectives and strategies.
- We develop the capability to deliver our strategies and eliminate organizational barriers.

### Ownership

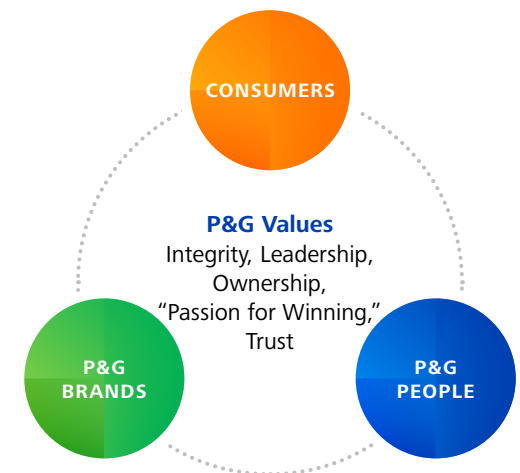
- We accept personal accountability to meet business needs, improve our systems and help others improve their effectiveness.
- We all act like owners, treating the Company's assets as our own and behaving with the Company's long-term success in mind.

### Passion for Winning

- We are determined to be the best at doing what matters most.
- We have a healthy dissatisfaction with the status quo.
- We have a compelling desire to improve and to win in the marketplace.

### Trust

- We respect our P&G colleagues, customers and consumers, and treat them as we want to be treated.
- We have confidence in each other's capabilities and intentions.
- We believe that people work best when there is a foundation of trust.



P&G Brands and P&G People are the foundation of P&G's success. P&G People bring the values to life as we focus on improving the lives of the world's consumers.

## Our Principles

These are the Principles and supporting behaviors that flow from our Purpose and Values.

### We Show Respect for All Individuals

- We believe that all individuals can and want to contribute to their fullest potential.
- We value differences.
- We inspire and enable people to achieve high expectations, standards and challenging goals.
- We are honest with people about their performance.

### The Interests of the Company and the Individual Are Inseparable

- We believe that doing what is right for the business with integrity will lead to mutual success for both the Company and the individual. Our quest for mutual success ties us together.
- We encourage stock ownership and ownership behavior.

### We Are Strategically Focused on Our Work

- We operate against clearly articulated and aligned objectives and strategies.
- We only do work and only ask for work that adds value to the business.
- We simplify, standardize and streamline our current work whenever possible.

### Innovation Is the Cornerstone of Our Success

- We place great value on big, new consumer innovations.
- We challenge convention and reinvent the way we do business to better win in the marketplace.

We incorporate sustainability into our products, packaging and operations.

### We Are Externally Focused

- We develop superior understanding of consumers and their needs.
- We create and deliver products, packaging and concepts that build winning brand equities.
- We develop close, mutually productive relationships with our customers and our suppliers.
- We are good corporate citizens.
- We incorporate sustainability into our products, packaging and operations.

### We Value Personal Mastery

- We believe it is the responsibility of all individuals to continually develop themselves and others.
- We encourage and expect outstanding technical mastery and executional excellence.

### We Seek to Be the Best

- We strive to be the best in all areas of strategic importance to the Company.
- We benchmark our performance rigorously versus the very best internally and externally.
- We learn from both our successes and our failures.

### Mutual Interdependency Is a Way of Life

- We work together with confidence and trust across business units, functions, categories and geographies.
- We take pride in results from reapplying others' ideas.
- We build superior relationships with all the parties who contribute to fulfilling our Corporate Purpose, including our customers, suppliers, universities and governments.

To learn more about our Purpose, Values and Principles, please go to: [www.pg.com/en\\_US/company/purpose\\_people/pvp.shtml](http://www.pg.com/en_US/company/purpose_people/pvp.shtml)





## P&G — A Company of Leading Brands

P&G is focusing on 10 product categories with about 65 brands. These 10 categories have been growing faster, and their operating margins are higher than those of the total Company. P&G is the leader in seven of these categories and is #2 in the remaining three, with significant growth potential in all of them. They play to P&G's core strengths: consumer understanding, innovation, productivity, branding, go-to-market execution and leveraging Company scale and scope.

We are well positioned to build consumer trial and create value in these categories, and drive category market growth, which creates value for our retail customers and suppliers.

Across the 10 categories, P&G has 21 brands with annual sales of \$1 billion to about \$10 billion, and 11 brands with sales of \$500 million to \$1 billion—many of those with billion-dollar potential.

### BABY, FEMININE AND FAMILY CARE

\$20.2 billion

NET SALES<sup>1</sup>

#### BABY CARE

Subcategories: Baby Wipes, Diapers and Pants

#### FAMILY CARE

Subcategories: Paper Towels, Tissues, Toilet Paper

#### FEMININE CARE

Subcategories: Adult Incontinence, Feminine Care



### BEAUTY

\$12.6 billion

NET SALES<sup>1</sup>

#### HAIR CARE

Subcategories: Hair Care

#### SKIN AND PERSONAL CARE

Subcategories: Antiperspirant and Deodorant, Personal Cleansing, Skin Care



### FABRIC AND HOME CARE

\$22.3 billion

NET SALES<sup>1</sup>

#### FABRIC CARE

Subcategories: Fabric Enhancers, Laundry Additives, Laundry Detergents

#### HOME CARE

Subcategories: Air Care, Dish Care, P&G Professional, Surface Care



### HEALTH AND GROOMING

\$15.2 billion

NET SALES<sup>1</sup>

#### ORAL CARE

Subcategories: Toothbrush, Toothpaste, Other Oral Care

#### PERSONAL HEALTH CARE

Subcategories: Gastrointestinal, Rapid Diagnostics, Respiratory, Vitamins/Minerals/Supplements, Other Personal Health Care

#### SHAVE CARE

Subcategories: Electronic Hair Removal, Female Blades and Razors, Male Blades and Razors, Pre- and Post-Shave Products, Other Shave Care



<sup>1</sup>Results for all sectors exclude net sales in Corporate.

## P&G at a Glance

### Financial Highlights (unaudited)

Amounts in millions, except per share amounts	2015 <sup>(1)</sup>	2014	2013	2012	2011
Net Sales	\$70,749	\$74,401	\$73,910	\$73,138	\$70,464
Operating Income	11,049	13,910	13,051	12,495	13,849
Net Earnings Attributable to Procter & Gamble	7,036	11,643	11,312	10,756	11,797
Net Earnings Margin from Continuing Operations	11.7%	14.3%	14%	12.1%	14.9%
Diluted Net Earnings per Common Share from Continuing Operations <sup>(1)</sup>	\$ 2.84	\$ 3.63	\$ 3.50	\$ 2.97	\$ 3.46
Diluted Net Earnings per Common Share <sup>(2)</sup>	2.44	4.01	3.86	3.66	3.93
Dividends per Common Share	\$ 2.59	2.45	2.29	2.14	1.97

(1) Our 2015 net sales were negatively impacted by approximately \$4.4 billion of unfavorable foreign exchange fluctuation compared to 2014. Net earnings attributable to Procter & Gamble in 2015 were negatively impacted by approximately \$1.4 billion due to foreign exchange, \$2.1 billion of non-cash impairment charges related to the Batteries business reported in discontinued operations and a \$2.1 billion Venezuelan deconsolidation charge. These impacts are discussed more fully in "Summary of 2015 Results" and "Results of Operations" of the MD&A (Exhibit 99.2).

(2) Basic net earnings per common share and diluted net earnings per common share are calculated based on net earnings attributable to Procter & Gamble.

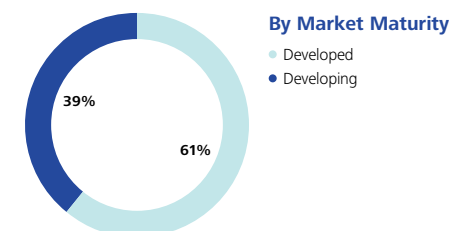
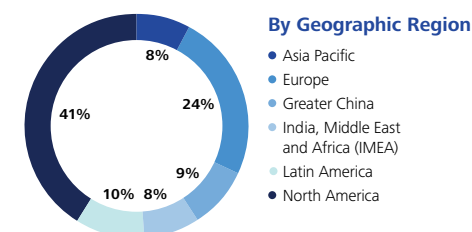
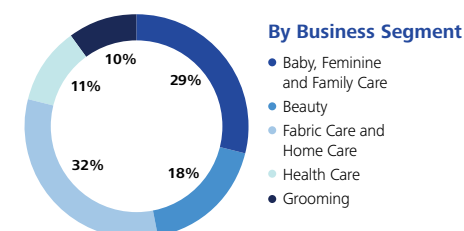
Reportable Segment	% of Net Sales <sup>(3)</sup>	% of Net Earnings <sup>(3)</sup>	Global Business Units (Categories)	Billion-Dollar Brands
<b>BEAUTY</b>	18%	20%	Skin and Personal Care (Antiperspirant and Deodorant, Personal Cleansing, Skin Care); Hair Care	Head & Shoulders, Olay, Pantene, SK-II
<b>GROOMING</b>	10%	17%	Shave Care (Female Blades & Razors, Male Blades & Razors, Pre- and Post-Shave Products, Other Shave Care); Electronic Hair Removal	Fusion, Gillette, Mach3, Prestobarba
<b>HEALTH CARE</b>	11%	11%	Personal Health Care (Gastrointestinal, Rapid Diagnostics, Respiratory, Vitamins/Minerals/Supplements, Other Personal Health Care); Oral Care (Toothbrush, Toothpaste, Other Oral Care)	Crest, Oral-B, Vicks
<b>FABRIC AND HOME CARE</b>	32%	25%	Fabric Care (Laundry Additives, Fabric Enhancers, Laundry Detergents); Home Care (Air Care, Dish Care, P&G Professional, Surface Care)	Ariel, Dawn, Downy, Febreze, Gain, Tide
<b>BABY, FEMININE AND FAMILY CARE</b>	29%	27%	Baby Care (Baby Wipes, Diapers and Pants); Feminine Care (Adult Incontinence, Feminine Care); Family Care (Paper Towels, Tissues, Toilet Paper)	Always, Bounty, Charmin, Pampers

(3) Percent of net sales and net earnings from continuing operations for the year ended June 30, 2015 (excluding results held in Corporate).

For more financial details, please refer to the P&G investor relations website:  
[www.pg.com/en\\_US/investors/financial\\_reporting/annual\\_reports.shtml](http://www.pg.com/en_US/investors/financial_reporting/annual_reports.shtml)

As part of P&G's initiative to optimize resources to fit a growing global business and accelerate innovation and growth, the Company operates its business as described under Organizational Structure on [page 18](#). This organizational structure accounts for why P&G does not provide employee data, sales or profits by individual countries. Some countries may provide this data in reports other than this one.

### 2015 Net Sales: \$70.7 Billion<sup>(4) (5)</sup>



(4) Results exclude sales for several Beauty categories P&G plans to exit, as the Company announced on July 9, 2015. Please see [www.pginvestor.com](http://www.pginvestor.com) for the informational 8-K furnished on September 8, 2015, and the revised Form 10-K for FY 14/15 furnished on October 26, 2015, which provide more details of the impacts to the Company's financial results due to this change.

(5) These results exclude net sales in Corporate.

## Acquisitions

Acquisition activity was not material in 2014 and 2015.

## Proceeds from Asset Sales

Proceeds from asset sales in 2015 contributed \$4.5 billion in cash, primarily from the sale of our Pet Care business, the sale of our Chinese battery venture and other minor brand divestitures. Proceeds from asset sales contributed \$570 million in cash in 2014 mainly due to minor brand divestiture activities, including MDVIP, the Pert business in Latin America and the bleach business in Europe, IMEA and Latin America.

## Global Purchases

In FY 14/15, P&G spent approximately \$55 billion with over 70,000 external business partners in more than 70 countries. This is spread across raw and packing materials, equipment and services.

## Economic Development

Innovation is a fundamental driver of P&G's growth. We invest about \$2 billion a year in research and development (R&D). This level of investment is multiplied by our global network of external innovation partners, which leads to an effective investment in innovation that far exceeds the reported spending.

Our External Business Development group and the Connect + Develop organization manage thousands of active connections with other companies and institutions. These include a wide variety of partnership structures, including licensing, sales, technology development, joint ventures and more. P&G's goal is to be the partner of choice in working with others to improve the lives of the world's consumers.

For more information, please visit:  
[www.pgconnectdevelop.com](http://www.pgconnectdevelop.com)



## Shareholder Information

P&G trades on the New York Stock Exchange and NYSE Euronext - Paris under the stock symbol PG. There were approximately 2.6 million common stock shareowners, including shareowners of record, participants in the P&G Shareholder Investment Program, participants in P&G stock ownership plans, and beneficial owners with accounts at banks and brokerage firms, as of June 30, 2015.

### Contact

The Computershare Trust Company serves as transfer and dividend paying agent for P&G Common Stock and Administrator of the Procter & Gamble Shareholder Investment Program. Registered shareowners and Program participants needing account assistance with share transfers, plan purchases/sales, lost stock certificates, etc., should contact Computershare at:

- Website: [www.pgshareholder.com](http://www.pgshareholder.com)
- E-mail: [P&G@computershare.com](mailto:P&G@computershare.com)
- Phone: (M-F, 8am-8pm Eastern):  
 1-800-742-6253; 1-781-575-4399  
 (outside U.S. and Canada)



## Organizational Structure

Our organizational structure is composed of Global Business Units (GBUs), Selling and Market Operations, Global Business Services (GBS), and Corporate Functions. It combines global scale benefits with a local focus on consumers and retail customers in each country where P&G products are sold.

Our GBUs are organized into industry-based sectors, which share common technologies, competitors and consumer benefits. GBUs are responsible for developing overall brand strategy, new product upgrades and innovations and marketing plans.

- Baby, Feminine and Family Care
- Beauty
- Fabric and Home Care
- Health and Grooming

Our Selling and Market Operations (SMOs) are responsible for developing and executing go-to-market plans at the local level – and includes dedicated retail customer, trade channel and country-specific teams. Their focus is effective and efficient selling, distribution, shelving, pricing execution and merchandising for consumers, channels, customers and markets in six regions:

- Asia Pacific
- Europe
- Greater China
- India, the Middle East and Africa (IMEA)
- Latin America
- North America

GBS provides technology, processes and standard data tools to enable the GBUs and the SMOs to better understand the business and better serve consumers and customers. The GBS organization is responsible for providing world-class solutions at a low cost and with minimal capital investment.

GBS also supports P&G business units and employees in areas such as accounting and financial reporting, information technology, purchases, payroll and benefits administration, and facilities management.

Lean Corporate Functions ensure ongoing functional innovation and capability improvement.

To learn more about our organizational structure, please go to: [www.pg.com/en\\_US/company/global\\_structure\\_operations/corporate\\_structure.shtml](http://www.pg.com/en_US/company/global_structure_operations/corporate_structure.shtml)



## Manufacturing and Outsourcing

P&G has approximately 130 manufacturing facilities in over 35 countries. These facilities handle the majority of P&G's production.

Our primary focus is delighting consumers. To ensure that our products deliver superior value and quality, our manufacturing facilities must provide the most efficient option for the Company. We conduct regular reviews to ensure that our facilities are highly competitive, and this process includes benchmarking versus third-party manufacturers. P&G strives to eliminate losses across our end-to-end supply chain, which often results in local or regional manufacturing facilities to support our approximately 5 billion consumers around the world.

When it makes sense for the business and it is the most competitive solution, we may decide to use contract manufacturers. For example, when entering a new market, introducing a new product or accessing a technology or process we don't currently have, we may rely on contract manufacturing prior to investing in new capacity at a P&G facility.

Sometimes we use contract manufacturers on a longer-term basis for reasons of cost effectiveness. In these instances, we are usually manufacturing in the region and for the region, as almost all of our third-party manufacturers are regional. In addition, many of our products simply do not lend themselves to shipping long distances. The exception to this would be where unique manufacturing capability exists in one region and we are able to economically ship across regions.

The percentage of P&G production supplied by contract manufacturers varies according to the needs of the business and the ability of P&G facilities to compete and win production based on providing the best value. Currently, our plants do this extremely well, and we rely on third-party manufacturers for only 10% to 15% of our total manufacturing volume.



## Countries where P&G has manufacturing operations include:

COUNTRY
Argentina
Belgium
Brazil
Canada
Chile
China
Colombia
Czech Republic
Egypt
France
Germany
Hungary
India
Indonesia
Ireland
Italy
Japan
Malaysia
Mexico
Morocco
Nigeria
Pakistan
Peru
Philippines
Poland
Romania
Russia
Saudi Arabia

COUNTRY
Singapore
South Africa
South Korea
Spain
Thailand
Turkey
Ukraine
United Arab Emirates
United Kingdom
United States
Venezuela
Vietnam



## Governance

### Everything we do is done with our commitment to doing the right thing in mind.

We believe that good governance practices contribute to better results for shareholders. Our objective is to maintain corporate governance principles, policies and practices that support the management's and the Board of Directors' accountability. These are in the best interest of the Company and our shareholders, and they are consistent with the Company's Purpose, Values and Principles.

### Management's Responsibility for Financial Reporting

At The Procter & Gamble Company, we take great pride in our long history of doing what's right. If you analyze what's made our Company successful over the years, you may focus on our brands, our marketing strategies, our organization design and our ability to innovate. But if you really want to get at what drives our Company's success, the place to look is our people. Our people are deeply committed to our Purpose, Values and Principles. It is this commitment to doing what's right that unites us.

This commitment to doing what's right is embodied in our financial reporting. High-quality financial reporting is our responsibility, one we execute with integrity and within both the letter and spirit of the law. High-quality financial reporting is characterized by accuracy, objectivity and transparency. Management is responsible for maintaining an effective system of internal controls over financial reporting to deliver those characteristics in all material respects. The Board of Directors, through its Audit Committee, provides oversight. We have engaged Deloitte & Touche LLP to audit our Consolidated Financial Statements, on which they have issued an unqualified opinion.

To learn more about our governance structure, policies and procedures, please go to: [www.pg.com/en\\_US/company/global\\_structure\\_operations/governance/index.shtml](http://www.pg.com/en_US/company/global_structure_operations/governance/index.shtml)

To learn more about our commitment to providing timely, accurate and understandable information, please see our Annual Report, available at: [www.pg.com/en\\_US/investors/index.shtml](http://www.pg.com/en_US/investors/index.shtml)



## Political Involvement

Guided by our Purpose, Values and Principles, P&G participates in the political process to help shape public policy and legislation. This engagement ensures 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.

You can read more about our efforts here: [www.pg.com/en\\_US/company/global\\_structure\\_operations/governance/governance\\_political.shtml](http://www.pg.com/en_US/company/global_structure_operations/governance/governance_political.shtml)

## Principal Industry and Business Associations

P&G holds membership in many industry, business and environmental associations whose activities are related to the Company's. These include the associations listed in the following link: [Associations List](#)

## Business Continuity

P&G's Global Business Continuity Program ensures that all critical sites and work processes evaluate their risk mitigation programs, exposure to catastrophic events at P&G sites and sites of our key suppliers and service providers that could significantly interrupt business operations, as well as the business impact of such events. Site and business unit leaders then develop contingency plans to minimize business interruption if a disabling event should occur. Crisis Management team structures are defined to manage business recovery using the predefined contingency plans. Tests are conducted annually to ensure that the contingency plans are sufficient and up-to-date.

Business Continuity Plans are audited regularly, and a report of the Business Continuity Program's status is made periodically to the Audit Committee.





## Product Safety

### Our Commitment to Your Safety Begins with You

Since Procter & Gamble was founded over 175 years ago, ensuring the safety of people who use our products, and the safety of the world we all live in, has been at the heart of what we do. This commitment to safety is both our heritage and our future, so we have approximately 700 in-house experts devoted globally to human and environmental safety and regulatory compliance of all our products and ingredients.

Our safety standards for all of our products and ingredients are the same throughout the world. We ensure that our products are safe for their intended use before they go to market—complying with all laws and regulations where they are sold.

### Constant Diligence

Our commitment to safety doesn't stop once our products go to market. We remain diligent in ensuring your safety by continually investigating new scientific information and collaborating with external scientists and regulatory agencies on new safety methods. We also listen to the people who use our products to confirm they are performing as expected.

### Being Safe, Feeling Safe and Ingredient Choices

Safety is at the heart of everything we do—ensuring our products are safe for their intended use before they go to market. Simply put, that is being safe.

But feeling safe can be a different matter altogether. We carefully consider new information on ingredients that we may have in our products. The following are the steps we take to review new information:

#### Listen

Listen to the people who use our products, other external sources and new scientific information.

#### Evaluate

Consider all options and possibilities.

#### Act

Remove or replace an ingredient, provide an option without it and/or continue its use if supported by science.

We also work to help you feel safe by openly sharing information about ingredients where you may have questions, or on ingredients we have decided to no longer use. For more information on these ingredients and P&G's approach for ingredient-related decisions, please visit the product safety section on: [www.pg.com](http://www.pg.com)



# Environmental Sustainability

P&G's sustainability objective is to create industry-leading value with consumer-preferred brands and products while conserving resources, protecting the environment and improving the social conditions for those who need it most.

In this section we provide an update on our environmental sustainability efforts across three core focus areas:

- Conservation of Resources
- Renewable Resources
- Worth from Waste

We also highlight our efforts on climate change to better acknowledge and celebrate some of our key accomplishments over the last year.

To learn more about our commitment to operate sustainably, please go to:  
[www.pg.com/en\\_US/sustainability/policies\\_practices/enviroquality.shtml](http://www.pg.com/en_US/sustainability/policies_practices/enviroquality.shtml)



# Climate Change

Guided by our [Climate Change Policy](#), P&G has been taking action to address climate change for several years. As the world's attention focuses on climate change and the COP21 meetings in December 2015, we wanted to highlight some of the recent actions we have taken and share progress versus key climate-related goals.



Miniature windmills are set up to represent Tide and Dawn bottles near the U.S. Capitol building in Washington, D.C. This supported P&G's announcement that it will procure 100% renewable electricity from wind power equivalent to the amount of electricity needed to manufacture all our Fabric and Home Care products in the U.S. and Canada and coincided with P&G signing the American Business Act on Climate Pledge at the White House..

## Driving Science-Based Goals

Over the course of FY 14/15, we collaborated with World Wildlife Fund (WWF) to develop a new science-based goal for GHG emissions. Our new goal of a 30% absolute reduction in Scope 1 and 2 GHG emissions by 2020 versus 2010 is aligned with climate science and will help ensure that P&G is supporting global efforts to prevent temperature increases from exceeding two degrees Celsius.

To learn more about science-based targets, see:  
[www.sciencebasedtargets.org](http://www.sciencebasedtargets.org)

*"We recognize P&G for its leadership in setting a reduction target that is grounded in climate science. This is a significant commitment that will lead to measurable reductions in P&G's greenhouse gas emissions while inspiring other companies to step up and take action."*

— Suzanne Apple, senior vice president, private sector engagement,  
World Wildlife Fund

*"We set this goal with the firm belief that it will be good for the environment and good for our business. Energy conservation and increasing renewable energy will not only drive emission reductions, but will decrease costs and help create innovative solutions that will help our brands win with consumers."*

— Martin Riant, Group President, Executive Sponsor  
for Global Sustainability, P&G

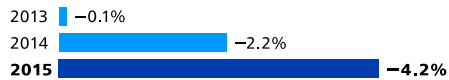


## Greenhouse Gas Emissions

In 2015, we announced a new [science-based](#) goal to reduce our absolute Scope 1 and 2 GHG emissions by 30% by 2020 versus a 2010 baseline. We continue to increase production volume without increasing GHG emissions. Since 2010, our production volumes have increased approximately 13% while Scope 1 and 2 GHG emissions have reduced 4% over the same time period. Our focus on energy conservation, combined heat and power, and renewable energy have all helped deliver this result.

### Total Greenhouse Gas Emissions (Scope 1 & 2)\*

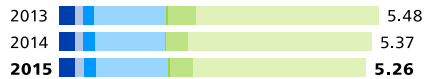
(Percent reduction versus FY09/10)



\*Market based calculations

### Total Greenhouse Gas Emissions (Scope 1 & 2)\*

(Millions of metric tons)



\*Market based calculations



## Partnering to Power Progress

The challenges posed by climate change are bigger than any one company, which is why we believe collaboration with like-minded companies and stakeholders will be key to driving progress at scale. This year, we were one of the corporate sponsors for NYC Climate Week, a global forum that brought together influential figures from the worlds of business, government and society who are leading the low-carbon transition.

[www.climateweeknyc.org](http://www.climateweeknyc.org)

We are also participating in several partnership efforts, including:

### WWF Climate Savers

A WWF program to enable leading companies to collaborate and accelerate their efforts to address climate change.

<http://climatesavers.org>

### RE100

A program run by the Climate Group to recognize and support companies that have made commitments to move toward 100% renewable energy.

[www.there100.org](http://www.there100.org)

### Corporate Renewable Energy Buyers' Principles

In collaboration with WWF and WRI, a group of large energy buyers, including P&G, developed the Buyers' Principles to spur progress on renewable energy and to add their perspective to the future of the U.S. energy and electricity system.

[www.buyersprinciples.org](http://www.buyersprinciples.org)





## Energy Conservation

Overall, P&G has achieved a 15% reduction in energy use per unit of production and is well ahead of schedule to achieve our 2020 goal to reduce energy intensity by 20% versus 2010. Over the last four years, P&G's improvements in the use of energy have yielded over \$350 million in savings. In 2015 alone, our energy use per unit of production was 5% lower than in 2014.

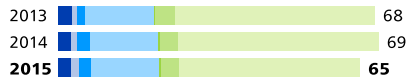
### Reduction in Energy Consumption

(Percent reduction versus FY09/10, per unit of production)



### Energy Consumption by GBU

(Millions of gigajoules)



## Harnessing the Power of P&G People

In 2015, with support from WWF, P&G launched the Power of 5-Race to \$100 million. This global campaign engaged 100% of our manufacturing employees in reducing energy at our sites and in their homes. The program was designed to be fun and engaging in order to fully leverage the in-depth knowledge of our most important asset—our employees. One element of the program, an Ideas campaign, generated over \$25 million of new energy savings opportunities that P&G intends to execute over the next two to three years.



Sylvia Jiang, and others from the Xiqing Beauty Care site in China, participated in the Power of 5 campaign by submitting innovative savings ideas.

## Renewable Energy

In 2010, P&G announced a compelling vision to power our plants with 100% renewable energy. We understand that this may take decades to accomplish, so we have put in place a short-term goal to obtain 30% of our total energy from renewable sources by 2020. We developed aggressive strategies and are making progress toward that goal. Over the last five years, we have implemented or begun construction on a diverse portfolio of projects, including:

- An upgrade of our existing onsite biomass in North America to a large-scale combined heat and power operation
- An agreement to build a large-scale offsite wind farm in the U.S. as well as smaller wind PPAs in China and Mexico
- Five onsite solar photovoltaic (PV) projects across multiple regions
- An onsite geothermal well in China
- Powering several sites in Europe with 100% renewable electricity from wind and hydropower

On each of the above projects, our teams have found innovative approaches to deliver both sustainability and cost savings, driving reductions in our overall footprint while at the same time creating financial savings for our shareholders.

P&G is currently using approximately 9% renewable energy. This includes renewable electricity provided as part of the grid generation mix (approximately 4% is provided via grid generation mix). With the recent announcements to expand our current biomass operation in Albany, Ga., and procure power from a large-scale wind farm, we expect our use of renewable energy to approximately double when these facilities come online in 2017. We continue to actively develop additional options that will put us on track to achieve 30% by 2020.



Our Huangpu plant in China partnered with a local utility supplier to install solar panels on the plant's rooftop. This is the first P&G manufacturing plant in Asia to host solar PV panels. Electricity from the installation will eliminate 600 metric tons of CO<sub>2</sub> emissions annually from the local community.

## Albany Plant to Receive 100% Renewable Steam from Scrap Wood

P&G aims to one day run all our manufacturing facilities on renewable energy. In February, we took a big stride in that direction by announcing an agreement with Constellation to develop an onsite 50-megawatt biomass plant that will help run our paper facility in Albany, Ga.

The biomass plant will turn scrap wood into steam and electricity, providing 100% of the steam that P&G needs to make Bounty paper towels and Charmin toilet tissue at our Albany plant. What's more, the incoming biomass will provide up to 70% of the overall energy needed by the site. When it opens in 2017, the biomass plant will significantly increase our use of renewable energy and move us closer to our goal of obtaining 30% of our total energy from renewable sources by 2020. We currently get approximately 9% of our energy from renewable sources, including wind, solar, geothermal and biomass. This new project will bring an additional 5% to 7%, and along with the Tyler Bluff wind farm will get us nearly halfway to our goal.

"As this project enables us to operate one of our largest global plants with a renewable energy source, it will reduce the environmental footprint of two leading brands, Bounty and Charmin. We see this as a win for our business, consumers, partners and the environment," said Martin Riant, Group President, Executive Sponsor for Global Sustainability at P&G.

The project, which has been in the works for nearly two years, is well under way with foundations, footings and structural steel, putting us on track for a June 2017 startup. A \$200 million plant, it will be built, owned and operated by Constellation, a leading retail supplier of power, natural gas and energy products and services and a subsidiary of the Exelon Corporation. In addition to steam for P&G, the plant also will create electricity that Constellation will sell to local utility Georgia Power. Several local, state and federal officials and other companies also supported the project.

As with our other projects, sustainable sourcing is one of our priorities, so as part of the initial planning for the facility, P&G and Constellation outlined sustainable "procurement standards" for the project. The plant's fuel supply will come from biomass that would otherwise have been left to decay, burned or potentially sent to landfill, including discarded treetops, limbs,

branches and scrap wood from local forestry operations, crop residuals such as pecan shells and peanut hulls, and mill waste such as sawdust. These standards follow current Green-E renewable energy standards and complement P&G's responsible wood fiber procurement policy for its tissue/towel and absorbent hygiene business.



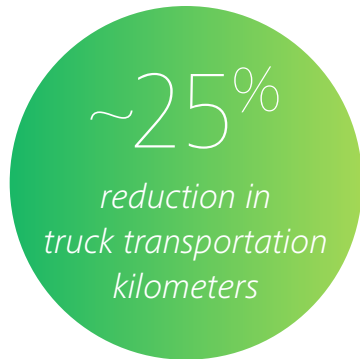
Artist rendering of the new Constellation renewable energy facility.



## Truck Transportation

As one of the world's largest consumer products companies, we ship a significant amount of product. To help ensure we are driving efficiency, our 2020 goal is to reduce truck transportation kilometers by 20% per unit of production versus our 2010 baseline. Our global teams have made great progress and we have reduced over-the-road truck transportation by approximately 25% since 2010 by improving vehicle fill rate, optimizing distribution routes and driving increased use of multi-modal transportation.

As P&G completes work on significant supply chain transformations in North America, and innovative efficiency projects in other regions, we will look for additional opportunities to improve our transportation footprint.



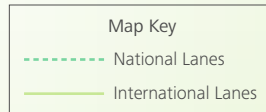
## New Intermodal Network Approach

One example of improvement is P&G's innovative New Intermodal Network Approach (NINA) program in Europe. P&G launched a focused group of projects in 2008 with an ambitious goal of moving 30% of our Western Europe freight transportation from over-the-road trucks to intermodal rail and shipping lines by 2015. The team worked to find or often create new rail networks between our manufacturing plants and distribution centers across the region, reducing both emissions and congestion on local roads.

The regional program exceeded our initial target, reaching its 30% goal two years early in 2013. To continue building on our progress, we have expanded our intermodal rail networks across Europe. To drive efficiency, we also continue to add additional manufacturing and transportation partners to improve collaboration and amplify the sustainability impact to not only P&G, but also other companies in the area.

Some of our newest partnerships include:

- An innovative overnight shuttle train between our main manufacturing and distribution hubs in France and the U.K. using the Eurotunnel and available capacity on the U.K. High Speed (HS1) line. This highly efficient approach is one of our most sustainable and fastest rail connections to date, combining freight and reducing emissions for P&G and other companies.
- A high-frequency connection for customer deliveries along the main Italian North-South trade axis. This collaborative approach with [ECR Europe](#) provides enough volume for up to five intermodal trains per day, making transit and delivery times competitive with traditional over-the-road options while providing lower emissions per case.



New intermodal shipping routes implemented as part of the NINA program.





## Natural-Gas Trucking

In addition to optimizing our distribution networks, in 2013 P&G announced an ambitious goal to work across our transportation carriers to convert up to 20% of our North America truckloads to natural-gas vehicles. The intent was to spur innovation and additional infrastructure that would benefit both P&G and other natural-gas users. We have more than tripled our amount of active CNG lanes since last year (more than 14 million miles) and have put in place transportation contracts that will take us to approximately 25% moving forward. That is 14 million truck miles using cleaner-burning CNG instead of diesel, while at the same time delivering several million dollars in fuel savings since the program began.

As P&G and others build momentum within this space, more natural-gas filling stations and more advanced trucking technologies are becoming available, enabling broader distribution lanes. P&G is installing onsite CNG filling stations at some of our high-volume sites or, in most other cases, working with external CNG companies as an anchor tenant for new stations along key shipping lanes.

## Mehoopany Onsite CNG Filling Station

The new CNG filling station at our Mehoopany, Penn., U.S. facility is now fully operational. This onsite filling station enables over 60 trucks per day to utilize lower-emissions natural gas to deliver Bounty, Charmin, Pampers and other P&G products to the Northeast market.



## Cold-Water Washing

The impact of the energy used during machine washing of laundry is the single biggest impact on our corporate GHG emissions footprint. That is why we have established a goal to have 70% of all machine wash loads done in cold water by 2020.

Since 2010, we have seen an estimated increase in cold-water loads from 38% to 56%. Another encouraging and relevant trend in consumer habits is an accelerating shift to more sustainable high-efficiency (HE) washing machines with low-energy cycles. As both trends contribute to the objective of reducing energy consumption during machine washing, we have started in 2014 to track not only cold cycles (i.e., dial set to cold setting), but also HE, low-energy cycles, as they have comparable energy savings and help us meet the objective of decreasing energy consumption during machine washing.

To ensure best possible results in low-energy cycles of HE machines, we launched Tide HE Turbo-Clean earlier this year. Tide HE Turbo-Clean is specifically designed to work optimally in HE machines, helping enable the significant energy savings (up to 65% versus traditional machines) and water savings (up to 50%) of HE machines. This is an outstanding success, with HE Turbo-Clean now in 23% of U.S. households. Additionally, 4% more U.S. households are using Tide HE products than before the launch.

Besides having designed a detergent that works at its best in HE machines, we also continue to partner with washing machine manufacturers to place information about the benefits of cold-water washing on new washing machines, reaching millions of consumers, and to encourage the use of quick cycles (time saving is a great consumer motivator to switch to this cycle, which is by default at lower temperatures).

In the coming fiscal year, we will maintain our focus on R&D efforts to continue to further extend product performance in cold-water, quick and HE cycles.



## Conservation of Resources

In addition to our work on climate change, we continue to drive broader progress on resource conservation. Our work in conservation is simply about doing more with less. We are trying to reduce the amount of energy, water and materials that go into the making and use of our products, while still delivering the high-quality product performance our consumers expect.

## Packaging Stewardship

Packaging plays a critical role in enabling us to meet consumer needs, including protecting products during shipment and providing important safety and use information to consumers. We continually strive to optimize the design of our packaging such that it can deliver against key performance criteria while minimizing life-cycle impacts of packaging choices. To help demonstrate and measure progress, we are working against three 2020 packaging stewardship goals:

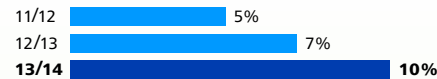
- Reduce packaging by 20% per consumer use
- Double our use of recycled resin in plastic packaging
- Ensure 90% of our packaging is recyclable or there are programs in place to develop the ability to recycle it

### Packaging Reduction

Our goal is to reduce packaging by 20% per consumer use by 2020. Since announcing this goal, we have continued to make steady progress on increasing our packaging efficiency and, in turn, reducing our packaging. From 2010 to 2014, we have been able to reduce our packaging by 10% per consumer use.

While this puts us slightly ahead of schedule to meet our 20% reduction goal by 2020, we know that we still have a lot of work to do to make sure our packaging is as efficient as possible and that consumers see value in using our most efficient products and packaging. In fact, our consumers have helped us considerably in driving packaging efficiency by moving to products that utilize more efficient packaging. For example, products like our Cascade Action Pacs packaged in a stand-up pouch combine the efficiency of a highly compacted product with an engineered film that provides a significant reduction in packaging. Meeting consumer needs with products and packages that deliver sustainability benefits but don't require trade-offs in performance or cost will continue to be a key to driving future progress.

#### Percent reduction in packaging per consumer use (vs. 2010 baseline)



Packaging data are reported one year in arrears, so this represents progress through end of FY 13/14



### Post-Consumer Resin

Our goal is to double our use of PCR in our plastic packaging by 2020 versus a 2010 baseline. This means that by 2020, we will need to use 52,000 metric tons of PCR.

In FY 14/15, we used approximately 29,200 tons of PCR in our plastic packaging. This PCR was primarily used in our Fabric Care and Home Care and Hair Care categories, with the vast majority being used in North America. Looking ahead, our plans include increasing PCR usage in North America, as well as developing new capability and capacity to use PCR in other regions. In fact, this year we announced plans to introduce PCR into 230 million bottles for Fabric and Home Care bottles in Europe, which will increase our PCR use by approximately 3,800 tons.

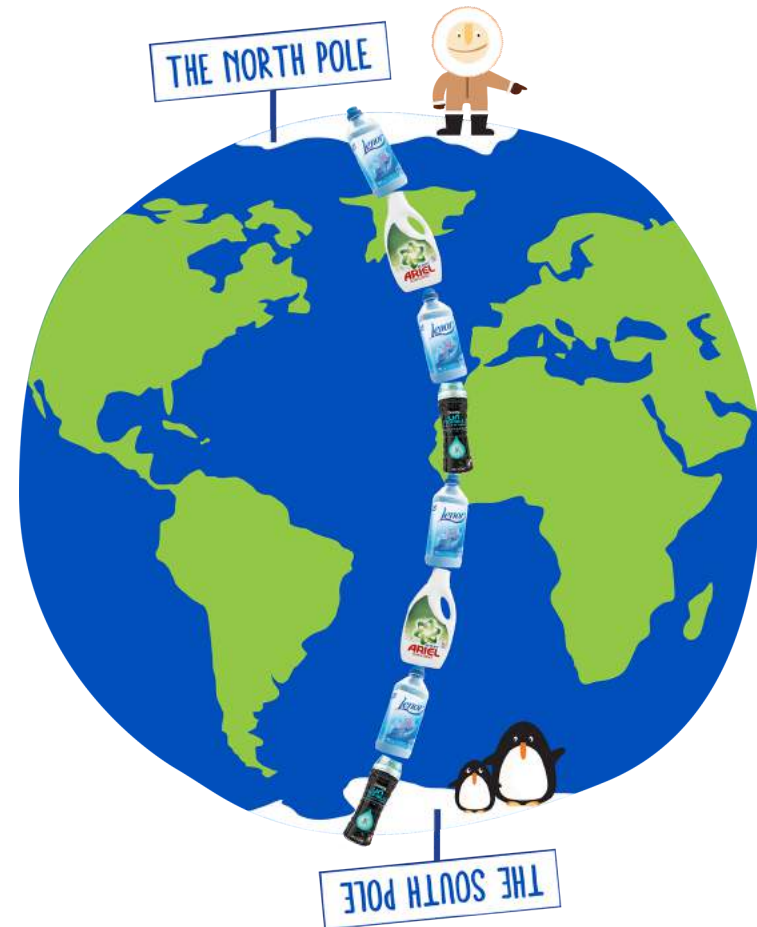
We also know that we will need continued help from the entire recycling value chain to achieve our goal, and we are seeking ongoing support from existing and new industry partners, trade organizations and others. We recognize the value of external partnerships in driving progress and greatly appreciate the efforts of our partners to date.

*"P&G leads the industry through their actions and by forming long-term partnerships throughout the sometimes fragile supply chain of MRFs, communities, collectors, industry groups, recyclers and converters. Our 27+ year partnership on recycling and use of PCR materials is just one example of industry-leading collaborations."*

— Tom Busard, chief procurement & product supply officer, Plastipak

*"P&G's commitment to partnership focuses on the growth and expansion of the entire plastics recycling industry so that it can better meet the challenges of the entire marketplace. Their commitment in supporting plastics recycling is unsurpassed in the industry segment."*

— Steve Alexander, executive director, Association of Plastic Recyclers



P&G will introduce PCR into 230 million bottles in Europe – enough to go from the North Pole to the South Pole.



## Packaging Recyclability

Last year, we announced a 2020 goal to ensure that 90% of our product packaging is recyclable or that programs are in place to create the ability to recycle them. Over the last year, we collected packaging information to understand what percentage of our packaging is recyclable today. 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 (i.e., collection, sortation, processing for end use, an established end market for collected material). Using this definition, approximately 85% of our packaging would be considered recyclable today. This relatively high baseline reflects the fact that the vast majority of our current packaging is materials and forms that are readily recyclable (e.g., corrugated boxes, cartons, high-density polyethylene [HDPE] bottles, polyethylene terephthalate [PET] bottles).

While we were pleased that a majority of our packaging is recyclable, we know that we have work to do get to our 90% goal. Films, including single-material films and multi-material laminates, are our biggest opportunity. Films are an important part of our sustainability strategy, as they offer several benefits such as reducing package weight and increasing packaging efficiency. However, we also acknowledge that there are some current challenges to collecting and sorting this type of material. We recently joined the Flexible Film Recycling Group (FFRG)

as an initial step to try to help drive the collection and recycling of films and plan to continue to work on ways to increase the recovery of this type of packaging.

While we will work to find solutions for packaging that is not recyclable today, we are also focused on trying to increase the recovery of all types of packaging. In order to do this we need to ensure that the packaging we produce continues to be designed to drive maximum collection efficiency for companies involved in the recycling infrastructure. We work closely with external organizations like The Association of Plastic Recyclers (APR) and PAC NEXT to make sure we understand how to design our packaging for recyclability. We also collaborate closely with them when our packaging cannot meet their guidelines to try to drive toward solutions that meet everyone's needs.

Consumers also play an important role when it comes to recycling. Even if our package is 100% recyclable, we depend on the consumer to put it in the correct bin so that it can be recycled.

This year Dawn became the first P&G brand to announce their participation in the Sustainable Packaging Coalition's (SPC's) How2Recycle label.

This label will make it simpler for our U.S.

consumers when it comes to deciding what to do with packaging after the product has been used.

## Innovative Solutions for Film Recycling

This year P&G joined the American Chemistry Council's FFRG. Films are an important part of our packaging portfolio, as they can enable significant source reduction, but there are opportunities to increase both recovery and recycling of films. The FFRG is focused on driving increased recovery of films, wraps and bags by driving increased consumer awareness and supporting pilot programs across the U.S.

*"We are extremely pleased to be working with P&G. National efforts to educate consumers about the recyclability of bags and wraps are already paying off, and having P&G on board will help extend our reach even further."*

— Shari Jackson, director, film recycling, American Chemistry Council

To learn more about the FFRG, go to: [www.plastics.americanchemistry.com/Product-Groups-and-Stats/FFRG](http://www.plastics.americanchemistry.com/Product-Groups-and-Stats/FFRG)



## Water

P&G is committed to sustainable water management. Our corporate water stewardship program focuses on three key areas where we believe we can have most immediate impact:

1. Reduce water use in manufacturing facilities by 20% per unit of production, with conservation focused on water-stressed regions
2. Provide 1 billion people with access to water-efficient products by 2020
3. Provide 15 billion liters of clean drinking water to those who need it most by 2020

This past year, we made solid progress toward meeting our water goals.

### Manufacturing Water Conservation

Internally, water conservation and loss elimination at our global facilities have been a key focus area for over a decade. Although we did not have an external target, our internal teams were actively working to reduce their water footprint every year. Last year we formalized our goals externally, including our goal to reduce water use in manufacturing by 20% per unit of production by 2020 versus a 2010 baseline. Five years into our goal window, our manufacturing sites have risen to the challenge, delivering an outstanding 21% reduction since 2010. We plan to continue our focus on water conservation and will evaluate future targets and goals over the course of our next fiscal year.

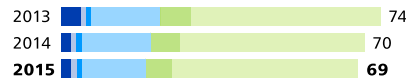
### Reduction in Water Consumption

(Percent reduction versus FY09/10, per unit of production)



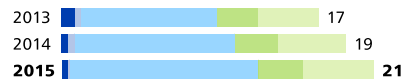
### Water Consumption by GBU

(Millions of cubic meters)



### Wastewater COD Disposed by GBU\*

(Thousands of metric tons)



\*Chemical Oxygen Demand



## Improved Filtration and Recycling

One example of the breakthrough work our teams are driving is improved filtration and recycling. After several years of close collaboration with the EU consortium [E4WATER](#), a new to the world industrial water recycling technology has entered the demonstration phase and is ready to help a broad range of manufacturing plants reuse water.

As one of the early industrial partners, P&G has agreed to pilot a demonstration unit at our Taicang, China, Fabric and Home Care manufacturing plant. Along with the site's other water treatment infrastructure, this state-of-the-art European technology is enabling the site to beneficially recycle 100% of its process washwater.

Based on positive initial results, P&G has plans to work with E4WATER to expand this technology into two more sites – Rakona, Czech Republic, and Louveira, Brazil – for testing, with a long-term goal to apply across multiple sites and business units.

P&G recently hosted the E4WATER consortium meeting at its production facility in Rakona, Czech Republic, where water experts from across various industries and academia were able to review and benchmark the new technology. Because water is a global issue, knowledge from this open innovation approach has the potential to help not only P&G, but also other companies around the world.

E4WATER consortium members observe the breakthrough water recycling technology at our Rakona, Czech Republic, site.



## Water Risk Assessments

As part of our goal to reduce water use in manufacturing, we recognize the importance of focusing on sites located in water-stressed regions. This year, we finalized the Tier 1 results of our water risk assessment process. Working with our external NGO partners, we found that the majority of our sites (over 70%) are in lower-risk regions of the world. The remaining sites (less than 30%) will move into Tier 2 of the assessment process. Looking forward, this knowledge has allowed us to better inform our manufacturing teams while at the same time focusing efforts where they are needed the most.

Many Tier 2 sites are developing new water-saving approaches along with reapplying best-in-class ideas from P&G sites across the globe. Our Beauty site in Mariscal, Mexico, for example, found innovative ways to use steam to clean out equipment instead of hot water. This has helped them save more than 100 million liters of water per year in a local water basin that can use every extra drop. This innovation in cleaning is actively being reapplied to other P&G sites in similar situations.

While we continue to advance progress at our existing sites, we also want to make sure that new sites are built to the highest water-efficiency standards. In addition to P&G's commitment to meet [LEED Silver certification](#) for all new sites, we also challenge our design teams to deliver against best-in-class targets within their product category while looking for ways to pilot new technologies.

One example of this is our new liquid detergent production module in Louveira, Brazil, close to São Paulo. From day one, managing the water footprint was part of the success criteria for the new production module. The site has been designed to recycle as much water as possible.

As a result, more than 90% of all wastewater will be recycled back into the process, leaving only a small fraction of mainly sanitary wastewater that will need to be treated and discharged. The system will go online within the next year.

## P&G Water Risk Assessment Framework

# 1

### Water Risk Screening

Identify risk level of sites based on:

- Baseline Water Stress Score—World Resource Institute (WRI)
- Gross National Income per Capita—World Bank
- P&G Site Water Use per Year—P&G
- Access to Water—WHO/UNICEF



ALL SITES SCREENED

~70% of sites in lower-risk regions



# 2

### P&G Tailored Site Questionnaire

Prioritize sites based on outcome of responses

- The P&G 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 Site Water Analysis

Prioritize risks for mitigation and develop a site-specific sustainable water management plan

- GEMI Local Water tool or equivalent



PRIORITY SITES FROM TIER 2

## Provide 1 Billion People with Access to Water-Efficient Products

Life-cycle assessments show us that for many of our categories, the consumer use phase is often the most water intensive. While we cannot directly control the amount of water consumers choose to use in their homes, we can ensure that consumers have the tools they need to reduce their water use while using our products without having to compromise on performance. In light of this knowledge, last year P&G set a goal to provide 1 billion people access to water-efficient products by 2020. At the end of FY 14/15, we estimate that approximately 140 million consumers had access to water-efficient products. At right, we highlight two examples:

### Cascade Unit Dose

In the U.S., Cascade Platinum Action Pacs clean stuck-on food in just one wash, with no prewash needed. This enables P&G to help consumers reduce their water use with every pot, plate or pan they put in the dishwasher. In fact, for each person who skips the prewash, up to 2,600 gallons of water can be saved in a household per year.<sup>1</sup> Cascade is working hard to educate consumers about skipping the prewash when using this unit dose product so that everyone can start saving water while doing their dishes. Over 100 million U.S. consumers currently have access to this water-efficient product.



### Downy Single Rinse

Fabric softeners are a staple on laundry day for many families in developing markets, but in many of these regions, water is often in scarce supply. Downy teams worked for three and a half years with an external partner to develop Downy Single Rinse, a breakthrough technology that enables consumers to rinse just once versus three or four times, saving 30% to 50% in each washing.<sup>2</sup> This technology enables them to effectively soften and freshen their clothes while also saving water. At least 40 million people have access to this water-efficient product.

Over the next year, we will look to advance our efforts on water-efficient products and refine our data tracking systems to better reflect the full reach of our water-efficient products.



## Provide 15 Billion Liters of Clean Drinking Water to Those Who Need It Most by 2020

As highlighted within the [social sections](#) of this report, over a decade ago, P&G established the CSDW Program to help provide clean drinking water to millions of people around the world. With the help of our wide range of partners, P&G has provided nearly 9 billion liters of clean drinking water through our P&G packet technology.

Over the next five years, we will launch more than 25 new programs to bring clean water to even more malnourished children, people living with HIV/AIDS, families living in rural areas who lack safe drinking water and victims of natural disasters.

To learn more about the CSDW Program, go to: [www.CSDW.org](http://www.CSDW.org)

To learn more about P&G water policy, go to: [http://us.pg.com/sustainability/environmental\\_sustainability/policies\\_practices/water](http://us.pg.com/sustainability/environmental_sustainability/policies_practices/water)

<sup>1</sup> Based on average of 12.5 gallons of prewashing water used and average of four loads per week

<sup>2</sup> [www.us.pg.com/sustainability/environmental\\_sustainability/brand\\_efforts](http://www.us.pg.com/sustainability/environmental_sustainability/brand_efforts)



## Renewable Resources

One element of our long-term environmental sustainability vision is to work toward 100% renewable or recycled materials in our products and packaging. As we seek to develop the capability to replace petroleum-derived raw materials with renewable materials, we are also focused on ensuring the sustainable sourcing of existing renewable materials we use.

### Renewable Materials

We are striving to create technologies to substitute our top petroleum-derived raw materials with renewable materials, and will integrate those into our supply chain as cost and scale permit. Our top petroleum-derived materials include plastic resins, cleaning agents (e.g., solvents, surfactants) and acrylates. We have had research programs in all three areas for several years and, as highlighted below, have made the most progress in plastic resins used in packaging.

#### Plastic Resins

We have focused on identifying, evaluating and qualifying bio-derived resins for the three major classes of resins we use in packaging: polyethylene (PE), PET and polypropylene (PP).

- PE: Bio-derived PE has already been commercialized and P&G has demonstrated our ability to use bio-PE via introduction into packaging in our Hair Care category (e.g., Pantene Nature Fusion). This material is derived from sustainably sourced sugarcane grown in Brazil. The resulting bio-PE also provides a reduced environmental footprint from the overall manufacture and distribution point of view. Net, this has been a successful demonstration of the availability of, and

our ability to utilize, bio-PE. We continue to explore opportunities to further deploy this technology more broadly as cost and scale permit.

- PET: Bio-derived PET has already been commercialized with a 30% renewable content. This level of renewable content is driven by the availability of only one of the two materials required to produce this plastic resin – and it accounts for only 30% of the resin by weight. We have qualified the use of this resin in several packaging applications and will deploy this technology across P&G as cost and scale permit. Additionally, P&G is working within a cross-industry collaborative effort to further develop the needed technology to produce a 100% bio-PET.
- PP: We have conducted extensive exploration into various routes to produce bio-derived PP and have completed successful lab-scale proof of the ability to make this material. However, at this time, we have concluded that the economics of this process are extremely challenged. We therefore believe the best option to address our objective for more sustainable use of PP is to pursue recycled versus bio-PP. We are actively working both internally and externally to develop the technology required to provide recycled PP at the required volumes and quality.

In addition to our efforts on resins, we are continuing to advance our efforts on cleaning agents and acrylates and plan to provide an update on progress for these materials in our next sustainability report.

## Bioplastic Feedstock Alliance

To support our development of renewable resources, P&G joined several organizations to establish the Bioplastic Feedstock Alliance (BFA), a pre-competitive, science-based stewardship group. Its members include experts from the WWF (chair), Cambridge University, The Coca-Cola Company, Danone, Ford Motor Company, Michigan State University, Nestle, Nike, P&G and Unilever. These global companies, together with respected academic and NGO thought leaders, are all committed to using informed science and critical thinking to help guide the responsible selection of feedstocks for bio-based plastics, encourage a more sustainable flow of materials, and create lasting value for present and future generations. This past year, the BFA developed explanations and infographics on the circular and bio-based economies, food security, the sustainable sourcing of feedstocks used to make bio-based materials (and energy), and more.

For background and educational information about bioplastic feedstocks, please see: [bioplasticfeedstockalliance.org](http://bioplasticfeedstockalliance.org)



Bioplastic  
Feedstock  
Alliance



## Sustainable Forestry

The world's forests play a role in supporting virtually all life on earth. The good news is that they are one of our most renewable resources. However, in a world of increasing population and economic well-being, the world's forests are under increasing pressure, especially in the tropical regions where deforestation and loss of high-conservation-value areas are already occurring.

Although we do not own or manage forests, many of our products and packages are dependent on raw materials from the forest-based supply chain. Therefore, we recognize the key role we can play, through our procurement practices, to ensure the sustainability of the world's forest resources. For example, P&G and other members of the Consumer Goods Forum have committed to help achieve zero net deforestation in our supply chains by 2020. At P&G, we have identified three strategic commodities where our sourcing practices can have the greatest impact on ensuring responsible use of the world's forest resources: wood pulp for tissue/towel and absorbent hygiene products, wood pulp used in paper packaging, and palm oil for our laundry and beauty products. The supply chains for these materials are significantly different, and as a result, we have established focused programs for each one as described on the following sections. Ultimately, however, all of these programs are tied to our commitment to ensuring the sustainability of the world's forests.



## Responsible Forest Management in Our Wood Pulp Supply Chains

We give preference to pulp from FSC®-certified forests when it is available and meets product performance and business requirements. FSC® has the world's most widely recognized forest certification scheme and is supported by internationally recognized environmental NGOs.

There are also a number of other third-party forestry certification systems that are now available around the world. P&G also relies on the use of these systems within our supply chain:

- Sustainable Forestry Initiative® (SFI – North America)
- Programme for the Endorsement of Forest Certification (PEFC – global)
- Brazilian National Forestry Certification Scheme (CERFLOR)
- Canada's National Standard for Sustainable Forest Management (CSA-SFM)

P&G is committed to the following core principles:

- Ensuring the safety of forestry and manufacturing operations for employees and the environment.
- Ensuring that wood is legally harvested and that all legal requirements are met. P&G will not knowingly use illegally sourced materials in our products.
- Ensuring that our supply chain is incorporating the principles of sustainable forest management and continuous improvement in their own operations and that these are verified by independent forest and chain-of-custody certification.

- Ensuring that trees are not harvested from high-conservation-value forests. P&G supports multi-stakeholder efforts to develop information sources and tools that will help suppliers identify these areas on their own forestlands and in their procurement of wood raw materials from third parties (e.g., [www.hcvnetwork.org](http://www.hcvnetwork.org)).
- Ensuring that there is no sourcing from genetically modified trees.
- Ensuring that supplier practices reflect our social values and support of universal human rights through work with local governments and communities to improve the educational, cultural, economic and social well-being of those communities.
- Ensuring that our supply chain does not contain fiber from conflict timber (timber that was traded in a way that drives violent armed conflict or threatens national or regional stability).

## Pulp for Our Tissue/Towel and Absorbent Hygiene Products

P&G purchases wood pulp for use in our tissue/towel and absorbent hygiene products. This year, P&G met our goal of having 100% of the virgin wood fiber used in our tissue/towel and absorbent hygiene products be third-party certified to one of the aforementioned standards. We maintain our focus on FSC® and this year achieved 51% FSC®-certified material in our tissue/towel products. We also utilize FSC® Controlled Wood as part of a stepwise approach to progressively increase the amount of pulp from FSC®-certified sources. We also require that all pulp come from sources that have undergone a risk assessment in accordance with the FSC® Controlled Wood Standard. Additional details on our pulp sourcing can be found in the following tables:

### Pulp Sources

In FY 14/15, P&G bought approximately 1.65 million metric tons of air-dried pulp for use in our tissue/towel, diaper and absorbent hygiene products. The pulp was sourced from the following countries:

Country	FY 14/15
Canada	28%
Argentina and Brazil	35%
United States	37%
<b>Total</b>	<b>100%</b>

The third-party-certified fiber used as a percent of our total virgin wood supply:

Third-Party Certification System	FY 14/15
FSC®	35%
SFI	51%
PEFC	14%
CSA-SFM	1%
<b>Total</b>	<b>100%</b>

Total third-party certification for virgin wood fiber usage for our tissue/towel business:

T/T Virgin Wood Fiber Third-Party Certification	FY 14/15
FSC®	50%
SFI	26%
PEFC	22%
CSA-SFM	1%
<b>Total</b>	<b>100%</b>

In FY 13/14, we completed our goal to source 40% of our tissue/towel products with FSC®-certified inputs one year ahead of our 2015 goal. We continue to have a preference for FSC® certification, and in FY 14/15 we achieved 51% FSC®-certified virgin wood pulp inputs for our tissue/towel business.

To learn more about our virgin wood pulp procurement policy, visit: [www.pg.com/en\\_US/sustainability/policies\\_practices/woodpulp.shtml](http://www.pg.com/en_US/sustainability/policies_practices/woodpulp.shtml)

*Achieved 2015 goal to have 100% third-party certification of virgin wood fibers*



## Progress Rooted in Partnership

Ensuring the sustainability of the world's forests is a global issue that is bigger than any one company or organization. That is why we are committed to working with a wide range of stakeholders to help shape and amplify our forestry efforts. We reaffirmed that commitment during FY 14/15 by signing the New York Declaration on Forests, which pledged collective action by a wide range of stakeholders to halt forest loss. Some of the key partners we work with to advance sustainable forestry practices include the following:

### WWF

WWF, the world's leading conservation organization, has partnered with P&G to help us assess and reduce our environmental footprint and achieve our goals. A key element of that partnership is P&G's participation in WWF's Global Forest & Trade Network – North America program, through which we set a robust fiber sourcing policy and are making progress against sourcing targets to increase the percentage of fiber for our Family Care products that is sourced from FSC®-certified sources, which WWF views as the highest level of protection for social and environmental values.

To learn more about WWF, visit:  
[www.worldwildlife.org](http://www.worldwildlife.org)

To learn more about the  
Global Forest & Trade Network, visit:  
[www.worldwildlife.org/gftn](http://www.worldwildlife.org/gftn)

### FSC®

FSC® is a global, independent, not-for-profit, multi-stakeholder membership organization dedicated to the promotion of responsible forest management worldwide. Together FSC® members define best practices in forestry to ensure protection of critical social and environmental values. P&G is a member of FSC®, and we are a FSC® Chain of Custody Certificate holder, License Code FSC-C100701.

For more information on FSC® and their role in forest stewardship, visit:  
[www.fsc.org](http://www.fsc.org)



The mark of responsible forestry

### Rainforest Alliance

The Rainforest Alliance works to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behavior. P&G worked with the Rainforest Alliance as the certification body for our wood pulp FSC® Chain of Custody certification system.

To learn more about Rainforest Alliance and their forestry efforts, visit:  
[www.rainforest-alliance.org/forestry/certification](http://www.rainforest-alliance.org/forestry/certification)





## Paper Packaging

P&G continually strives to optimize the design of our packaging to use the minimum amount and type of material that will ensure adequate protection, delivery and safe use of our products. As part of our overall efforts on packaging stewardship, we strive 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, as a result, we have a responsibility through our procurement practices to ensure the wood fiber in our packaging has been responsibly sourced. P&G has 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 over 120 suppliers (up 35% versus last year) that represent over 90% of our global paper packaging spend. This data, which were self-reported by our suppliers, is summarized in the following table:

### Total Metric Tons Reported by Paper Packaging Suppliers Surveyed in FY 14/15 - ~860,000 Metric Tons

% recycled	79%
% virgin	21%
% of virgin fiber that was third-party certified	88%
% of total paper packaging that was recycled or third-party-certified virgin	97%

This year, 97% of the volume reported by our suppliers was either recycled or third-party-certified virgin content. That means 3% of the reported volume was virgin material that was not third-party certified. Over the course of the next year, we will remain focused on working with our suppliers to close that gap.



## Palm Oil

PO is an important and versatile vegetable oil that is used as a raw material by both food and non-food industries. In some regions of the world, the rapid expansion of PO production has threatened environmentally sensitive areas of tropical forests and peat lands and has resulted in some incidents where the rights of independent smallholder farmers and indigenous peoples have been infringed.

P&G uses relatively little PO, but we do use a byproduct of PO production called palm kernel oil (PKO). We are committed to ensuring that our sourcing of PO, PKO and derivatives does not contribute to deforestation and respects the rights of workers and indigenous peoples. P&G is a member of the RSPO, and we continue to support RSPO standards as a key mechanism to drive responsible palm practices across the industry. In April 2014, we announced that we would take additional steps beyond RSPO certification to confirm the palm-derived materials we purchase are not contributing to deforestation.

### Our Commitments:

1. Develop a traceable supply chain
2. Ensure our suppliers meet RSPO criteria and have policies and procedures in place to ensure:
  - No development of high-conservation-value areas and high-carbon-stock 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
3. Work with suppliers, industry peers, NGOs, academic experts and other stakeholders to promote consistent industry standards and practices in PO sourcing with the aim of achieving full traceability and eliminating deforestation

### Our Goals:

1. PO and PO fractions
  - Establish traceability to PO mills by December 31, 2015
  - Suppliers to submit plans by December 31, 2015, to ensure no deforestation in their supply chain by 2020
  - As we advance progress against the goals above, we also will continue to purchase 100% RSPO-certified PO
2. PKO
  - Establish traceability to PKO mills by December 31, 2015
  - Invest in and work with PKO suppliers, and the smallholders who supply them, with the aim of improving both practices and livelihoods to establish zero deforestation in our supply chain by 2020
3. PO derivatives and PKO derivatives
  - Require suppliers to put forward time-bound plans by end of 2016 to ensure no deforestation in their supply chains



## Update on Our Progress

P&G has been driving progress against our PO commitments via a three-pillar approach.



### 1. Supplier Management

We are engaging with and enabling our suppliers to meet our traceability, no-deforestation and certified PO procurement requirements.

- Traceability – As of June 30, 2015, 89% of our PO and PKO volume was tracked to the PO mill and PKO mill level. We are on track to reach our target of 100% PO and PKO traceable to the mill level by the end of 2015.
- No-deforestation plan – We have reviewed the initial no-deforestation plans from our suppliers and are working together to ensure robust, time-bound policies and systems are in place. As industry-wide efforts to develop standard approaches to key issues such as high carbon stock emerge, we will work with our suppliers to understand how current policies can evolve to integrate these new, emerging approaches.

- RSPO-certified oil procurement – Since FY 13/14, 100% of our PO and PO derivatives are either mass-balance certified or covered by Green Palm certificates. We continue to progress in our journey to move away from Green Palm certificates and toward physical certified materials. We are targeting to have 100% of PO and PO derivatives mass-balance certified by the end of 2015. For our overall P&G palm supply chain (including PO, PO fractions, PKO and derivatives), we saw an improvement in RSPO physically certified oil from about 6% in FY 13/14 to 10% in FY 14/15. For FY 15/16, we target to have over 40% of our materials be from RSPO physically certified oil.

### 2. Smallholder Program

PKO represents our largest and most complex supply chain, and a significant part of it is via independent smallholder farmers under various trader networks. We developed an independent smallholder program for our largest palm supply chain through a collaboration with the Malaysia Institute for Supply Chain Innovation (MISI) and NGO partners.

Via the project with MISI, we made significant progress on tracking the large independent smallholder network and enabling the design of pilot programs to develop group management models to improve and maintain smallholders' practices and productivity. We are on track to kick off two pilots starting FY 15/16 and expect the learnings will help us scale efforts across the rest of the independent smallholders in our supply chain.

We also understand that to accelerate the improvement and management of a large, complex network of smallholders will require an innovative approach. We initiated the Smallholder Risk Assessment Modeling (SHRAM) project with the WRI, MISI, FGV and NGO partners to develop a desktop modeling tool to help map supply chain risk. The tool helps drive better prioritization and ultimately serves to reduce time and effort for implementing our smallholder program in the field.

### 3. Industry Standard and Methodology Development

We connect and collaborate with the multi-stakeholder community to drive harmonized industry standards and methodology to advance our commitment program and industry sustainability effort as a whole.

- The Traceability Working Group (TWG) – P&G participates in TWG to support development of an industry traceability platform and system that will drive greater efficiency and speed for driving traceability of palm oil
- The High Carbon Stock (HCS) Approach Steering Group – We joined the HCS Approach Steering Group to help further develop the high-carbon-stock assessment approach and support integration of multiple efforts into a single harmonized methodology for the industry
- RSPO Smallholder Working Group (SHWG) – We will be joining the SHWG in FY 15/16 to continue our contribution to developing new standards and tools for our smallholder project and industry programs

- Consumer Goods Forum (CGF) – We are also part of the CGF Palm Oil Working Group to mobilize resources in driving industry progress on policy and goals, as well as alignment on standards and methodologies

**P&G PO Purchases FY 14/15**

	Metric Tons	% of Total
PO & PO Fractions	72,154	14%
PKO	291,733	59%
Palm & PKO Derivatives	133,594	27%
<b>Total</b>	<b>497,482</b>	<b>100%</b>

We will continue to report our progress throughout FY 15/16. To learn more about our efforts on PO, please go to: [www.pg.com/en\\_US/sustainability/policies\\_practices/palmoil.shtml](http://www.pg.com/en_US/sustainability/policies_practices/palmoil.shtml)



## Worth from Waste

We believe that all materials have value, even if they have traditionally been defined as waste and disposed as trash. At the end of life - whether that's after a product has been used or after a material has gone through our manufacturing process - we believe there is a way to create worth from what's left through reuse, recycling, composting or converting waste to energy. The content in this section includes our work to reduce our manufacturing waste and to pilot ways we can find worth in consumer waste.

### Zero Manufacturing Waste to Landfill

Over the past three years, P&G has increased the number of ZMWTL sites from 10% to nearly 50% of our manufacturing sites globally. Considering over 95% of our waste comes from our manufacturing sites, we are proud to have 63 of our 130 production facilities at ZMWTL.

To drive consistent behaviors, we also track ZMWTL at our offices, technical centers and distribution facilities. These non-manufacturing facilities are at approximately 14% ZMWTL but are finding innovative recycling streams to quickly catch up to their manufacturing counterparts. In total 68 sites across P&G including both manufacturing and non-manufacturing have achieved ZMWTL status. We have also reached several country/regional milestones, with all facilities in Germany, Poland and Vietnam and all manufacturing sites in Japan reaching ZMWTL. The teams in these countries are driving breakthrough solutions and setting a high bar for their peer sites to follow.

To learn more about how we define ZMWTL, please see: [www.pg.com/en\\_US/downloads/sustainability/reports/ZeroManufacturingWaste.pdf](http://www.pg.com/en_US/downloads/sustainability/reports/ZeroManufacturingWaste.pdf).

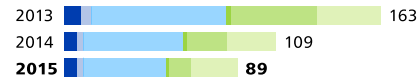
### Waste Disposed

(Percent reduction versus FY09/10, per unit of production)



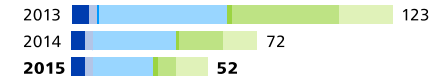
### Disposed Waste by GBU

(Thousands of metric tons)



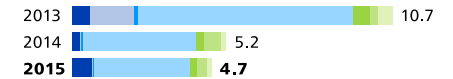
### Non-Hazardous Waste by GBU

(Thousands of metric tons)



### Hazardous Waste by GBU

(Thousands of metric tons)



68  
sites achieved  
ZMWTL





## Driving Innovative Solutions

One example of innovative thinking to drive progress is reuse of non-recyclable plastic laminate materials from our plants in Mandideep and Baddi, India. When the manufacturing site found that there was no locally available recycling stream for these types of multi-wall plastic sachets, they worked with a company that creates low-cost

housing partitions to use our waste as a beneficial feedstock. This prevented over 640,000 metric tons of waste per year from going to the landfill while providing a unique and beneficial raw material that ultimately helps the local community, proving once again that what was considered waste truly can have worth.



Plastic laminate scrap materials from manufacturing operations in India



Our scrap and unused sachets are shredded for use as a raw material



The plastic is mixed with other components, heated and pressed into building panels



From waste to worth, our manufacturing scrap helps build local communities

## Consumer Waste

We are initiating a number of waste-reduction pilots in both developed and developing regions.

### Waste to Worth

One of our key pilot programs is our Waste to Worth project in the Philippines. Waste to Worth is an effort focused on developing an integrated, profitable and replicable waste management business model that extracts value from waste. To date, feasibility studies sponsored by P&G and the Asian Development Bank have been completed and formed the basis for two proposed pilot projects to convert over 1,000 tons per day of solid waste to value. The pilots are currently entering into the execution phase, with groundbreaking on the first pilot site expected to take place by the end of FY 15/16.

While we look forward to the groundbreaking for the first pilot site, we are equally excited about a growing multi-stakeholder coalition called the Trash Free Seas Alliance (TFSA), which P&G joined this year. The goal of TFSA is to bring together thought leaders from industry, conservation and academia to create a forum for pragmatic, real-world collaboration focused on the measurable reduction of ocean trash. One focus area for TFSA is to explore how land-based sources of trash in developing regions of the Asia Pacific rim are contributing to ocean debris and what kind of pragmatic efforts could be brought forth to improve solid-waste management and reduce the amount of trash entering the ocean. We see many parallels between our Waste to Worth effort and TFSA's focus on waste management in the developing world and look forward to contributing to the dialogue going forward.

## Closed Loop Fund

Last year, we announced P&G joined forces with several other large, multi-national companies to form the CLF, a social impact investment fund that provides U.S. cities access to the capital required to build comprehensive recycling programs. CLF aims to invest \$100 million by 2020 with the goal to create economic value for U.S. cities by increasing recycling rates. This year, CLF announced its first three investments totaling \$7.8 million in capital, which in turn unlocked an additional \$17 million from other public and private co-investors.

To learn more about the progress CLF is making and the projects they are investing in, please go to:

[www.closedloopfund.com](http://www.closedloopfund.com)



## The Recycling Partnership

This year, P&G joined TRP. TRP is a national recycling non-profit organization with a goal to improve residential recycling in the U.S. With a focus on public-private partnerships that improve recycling at the local level, TRP's efforts serve to increase the supply of recycled materials and reduce the amount of consumer waste going to landfill. These outcomes align with our objectives, and we are pleased to be members of TRP.



## 2015 Resource and Waste Summary Table

The table below reports environmental statistics for manufacturing operations in the GBUs, Technical Centers and Distribution Centers.

	Totals (absolute units x 1,000)			2015 Global Business Unit Detail <sup>(1)</sup> (absolute units x 1,000)					
	2015	2014	2013	Baby, Feminine and Family Care	Beauty	Fabric and Home Care	Grooming	Health Care	Other
<b>Production (metric tons)</b>									
Product Shipped <sup>(2)</sup>	27,997	28,331	26,570	5,319	1,930	19,572	814	360	N/A
Raw Materials from Recycled Sources <sup>(3)</sup>	699	859	592						
<b>Waste (metric tons)</b>									
Generated Waste	797	1,127	856	321	103	280	35	34	24
Percent Recycled/Reused Waste	89%	90%	81%	92%	80%	89%	97%	90%	71%
<b>Disposed Waste (metric tons)</b>									
Waste Disposed	89	109	163	25.78	9.45	43.21	0.93	3.50	5.66
Solid Waste–Non-Hazardous	52	72	123	13.87	5.94	24.38	0.08	3.19	4.23
Solid Waste–Hazardous	5	5	11	0.16	0.21	3.33	0.04	0.05	0.88
Effluents (excluding water) <sup>(4)</sup>	21	19	17	4.67	2.91	12.40	0.53	0.14	0.38
Air Emissions <sup>(5)</sup>	11	12	11	7.08	0.39	3.11	0.28	0.12	0.16
<b>Energy and GHG</b>									
Energy Consumption (gigajoules)	64,849	69,076	68,349	38,876	3,825	14,700	2,670	1,605	3,173
Total GHG Emissions (metric tons) <sup>(6)</sup>	5,256	5,368	5,483	2,956	343	1,296	215	158	287
Scope 1–Direct GHG Emissions (metric tons)	2,304	2,385	2,220	1,620	78	420	68	34	83
Scope 2–Indirect GHG Emissions (metric tons) <sup>(7)</sup>	2,952	2,983	3,263	1,336	265	876	147	124	204
Biogenic GHG Emissions (metric tons)	232	236	242	232	N/A	N/A	N/A	N/A	N/A
<b>Water (cubic meters)</b>									
Water Consumption	69,594	70,085	73,869	43,234	5,475	15,297	1,087	1,340	2,162

1 metric ton = 1,000 kg = 2,205 lbs.

(1) For 2015, Baby, Feminine and Family Care includes Baby Care, Feminine Care and Family Care. Beauty includes Beauty Care, Prestige, Salon Professional and Personal Beauty Care. Fabric and Home Care includes Fabric Care, Home Care, Batteries and Chemicals. Grooming includes Blades and Razors and Devices. Health Care includes Personal Health Care, Oral Care and Pet Care. Technical Centers includes major office buildings as well as technical and research centers that support the business units. Distribution Centers includes facilities that distribute finished product. Numbers do not include production from contract manufacturing operations.

(2) Estimated from shipment figures.

(3) Data is tracked at a corporate level.

(4) Wastewater chemical oxygen demand (COD).

(5) Air emissions include particulates, SO<sub>2</sub>, NO<sub>x</sub>, CO and VOC.

(6) Total GHG emissions = Scope 1 + Scope 2. Scope 2 emissions calculated using a market-based method.

(7) Market-based Scope 2 GHG emissions. Note: Location-based Scope 2 emissions for 2015 were 3,076,000 metric tons.

# Social Responsibility

**Doing the right thing is the foundation of P&G's Purpose, Values and Principles.**

It is naturally woven into the way we work every day—paying competitive wages, working consistently with our retailers and suppliers, preventing conflicts of interest, ensuring consumer privacy, and maintaining financial stewardship. This approach to business is at the heart of all we do at P&G.

Doing the right thing also includes investing in the communities in which we live, work and serve. At its core, P&G Social Responsibility programs aim to improve lives by providing superior performing products and brands where and when they are needed most and perform at their best, responding to disasters and other extreme needs.

In this section, we provide perspective on our Social Responsibility Programs, as well as our policies and practices.





## Social Responsibility Programs



Consistent with P&G's strengths, we focus our work on providing the Comforts of Home and improving Health & Hygiene for people around the world. Through this work, we are leveraging the Company's core competencies to address critical social needs.

### Comforts of Home

#### Habitat for Humanity

This year, P&G celebrated a decade of working with Habitat for Humanity and its affiliates on the construction, repair or cleaning of homes. What began as a grassroots effort in a small town in the U.S. has grown into a global partnership, involving P&G employee volunteers in 18 countries around the world.

In 2015, more than 1,200 employees volunteered their time to help families in Brazil, Poland, the U.S., Mexico, Thailand and other countries realize their dreams of homeownership or improve their living conditions. Others worked to help families learn about the tasks of owning a home. Some of this year's projects included:

- In Hungary, P&G volunteers assisted in apartment renovations for families living in transitional housing institutions.
- Assisting in the construction of three housing improvement projects in Colombia and providing healthy house training for local residents.
- In Vietnam and the Philippines, P&G volunteers helped to build seven homes. In addition, roughly 84 families received water, sanitation and hygiene (WASH) training to promote healthy habits.
- In Singapore, P&G employees cleaned homes to assist people who are older or have disabilities.

*"P&G brands have always been in the business of helping families keep their houses clean and feeling like home. Through our partnership with Habitat for Humanity, we're bringing that same pride and comfort to families in need of secure housing," said Steve Bishop, P&G Group President and Habitat supporter. "Whether it's helping a family in Canada build a new home or cleaning homes for the elderly in Singapore, we're proud of the difference P&G people and brands are making in the lives of families around the world."*

10-year partnership with Habitat for Humanity

3,000 P&G employees who have volunteered to help

30 projects we've been a part of around the world

#### Disaster Relief

The P&G Disaster Relief program is committed to helping rebuild lives after widespread disasters by providing the comforts of home that people need. In FY 14/15, P&G responded by providing in-kind product and monetary donations to more than 25 disasters globally. These included support for the Ebola outbreak in West Africa, families displaced by conflict in Ukraine, earthquake relief in China, Panama floods and the tropical cyclone in Vanuatu. The biggest response this year was to help those affected by a devastating 7.8 magnitude earthquake that struck Nepal in April 2015. In the days and weeks that followed, a massive humanitarian aid

effort was organized to help respond to the critical need for food, water, shelter and other necessities. In the immediate aftermath, P&G provided product donations from brands such as Whisper and Vicks and monetary donations to some of its long-standing emergency relief partner organizations, including AmeriCares, CARE, International Medical Corps, Save the Children and World Vision. Through the P&G CSDW Program, we helped to distribute enough packets to provide 20 million liters of clean drinking water in collaboration with our partners CARE, DayOne Response, HOPE, IMC, PSI, Thai Red Cross, Vishal Group, World Vision and World Wildlife Fund. Employees also generously donated to a global P&G matching disaster relief fund for Nepal.

20 million

liters of clean drinking water in the aftermath of the Nepal earthquake



## Health and Hygiene

### Children's Safe Drinking Water

This year, the P&G CSDW Program provided its 7 billionth liter of clean drinking water for children and families in need and helped save an estimated 42,000 lives.

The program also:

- Expanded operations in 17 countries, including Myanmar, Vietnam and India, and launched in Brazil.
- Delivered the 7 billionth liter to a family of six through a new community program in southeastern Brazil with NGO partner ChildFund.
- Developed and expanded a shopper-facing promotion with Wal-Mart and its UK ASDA stores, sharing directly with consumers the need for clean drinking water. Still growing, the program already has reached more than 50 million shoppers and raised funds to deliver an additional 80 million days of clean drinking water.

### Helping Through Our Brands

#### Always

For the last 30 years, Always, the leader in global feminine care, has accompanied and empowered young girls through better understanding of their bodies and the complex, transformative time of puberty. Always' puberty education program reaches up to 20 million girls a year in 65 countries. In 2014, new Always research revealed that girls experience a drop in confidence at the start of puberty with their first period. Stopping the drop in confidence became Always' mission. In June 2014, Always launched the #LikeAGirl campaign with a film that shows how harmful words can contribute to lower self-confidence. The film has been viewed more than 90 million times across the globe, demonstrating the profound effect the phrase "like a girl" can have on girls' self-confidence. Millions of girls around the world have rallied to change #LikeAGirl to mean amazing things. This massive engagement has started to change public perception: while only 19% of girls had a positive association with the phrase "like a girl" before the campaign, 76% agree they no longer view the phrase as an insult after watching the Always #LikeAGirl film.\*

#### Safeguard

Safeguard knows that clean hands save lives and make families healthy and happy. It is clinically proven that washing hands with soap and water can prevent almost 4 million children per year from dying before their 5th birthday. In FY 14/15, Safeguard reached over 6.8 million children through school education. Safeguard is committed to teaching school children good hygiene habits that will keep them healthy and free from preventable illnesses such as diarrhea,

coughs and colds through school programs and an online hub with resource materials for moms and teachers alike. Safeguard's superhero, Commander Safeguard, teaches healthy hand-washing habits through school visits, videos, animations, story books and games.

#### Pantene

Pantene Beautiful Lengths provides free, real-hair wigs to women who have lost their hair due to cancer treatments. Since 2006, more than 800,000 ponytails have been donated and 42,000 wigs have been created. The wigs are distributed through American Cancer Society wig banks at no cost to cancer patients. Many of the women helped say that putting on a wig makes them feel like themselves again. In 2014, the Pantene Beautiful Lengths Fund was established in partnership with the Greater Cincinnati Foundation, enabling people who are unable to donate their hair to get involved in the program and to help create more wigs than ever before.

#### Secret

Secret's Mean Stinks program exists to encourage girls to put an end to girl-to-girl bullying. Bullying in social media is increasing, with 55% of teens having witnessed bullying online. Secret's "Gang of Good" has generated over 2 million acts of nice by putting the power directly in girls' hands. Last year, Mean Stinks held the Biggest Assembly Ever, viewed by 2,000 schools across the nation, where the brand discussed the negative effects of bullying and how to end it. Secret also developed an anti-bullying curriculum with Cincinnati Children's Hospital (GirlsGuideToEndBullying.org) that has been proven to decrease the experiences of being bullied through tips, activities and advice that girls can apply to their lives. In the upcoming year, Secret will partner with Teen Vogue to encourage girls to take a pledge and share how they will end bullying on social media..

800,000

donated ponytails

42,000

wigs created



\*Always Puberty & Confidence Wave II Study, 2015

# Social Responsibility Policies and Practices

**Responsible business practices are embedded within P&G's culture, beginning with our Purposes, Values and Principles.**

We believe the interests of the company and the individual are inseparable. We recognize the important responsibility we have to operate ethically, in accordance with the law and with respect for all individuals. The following pages share our approach to responsible operations within the area of social responsibility.





## Human Rights Policies, Practices and Due Diligence Systems

Respect for human rights is implemented through our Policies, Practices and Due Diligence Systems (e.g., Human Rights Policy Statement; Employee Rights; Employee Benefits; Worldwide Health, Safety and Environment Systems; Health Services; Worldwide Business Conduct Manual; Sustainability Guidelines for External Business Partners; Social Responsibility programming). Examples of our commitment to respect for human rights can be seen throughout the report.

Of specific note, this past year, our policy commitments enabled us to establish clear expectations to respect internationally recognized human rights, comply with all applicable laws, and conduct business ethically and responsibly with our external business partners. As such, when P&G became aware of adverse human rights impacts in the operations of several major international external business partners, we were able to effectively engage to be part of the solution to address the issue, including seeking to prevent or mitigate the adverse impact.

We renewed our internal P&G compliance and health audits this past year, placing an increased emphasis on meeting international and local legal/social compliance requirements. These audits are executed annually in all P&G manufacturing plants globally. Our internal audits focus on three pillars (Culture/Compliance, Management of Unions and Non P&G Workers [Utilization of Contractors]).

We will also continue to update our risk-based auditing process of our external business partners as needed, using third-party risk management tools to enable the identification and remediation of noncompliance in a timely manner. We will also continue to raise awareness of our commitment to respect human rights through internal training programs.

P&G continues its involvement with external stakeholders:

1. Engaged with Shift, leading center of expertise on U.N. Guiding Principles on Business and Human Rights
2. Continued to monitor the work of the U.N. Working Group on Business and Human Rights
3. Became a member of U.N. Global Corporate Community of Practice
4. Became a member of U.S. Council for International Business
5. Participated in the annual Human Rights Seminar, sponsored by The Coca-Cola Company
6. Continued leading the Human Rights Work Stream effort within AIM-Progress

Our human rights policy can be downloaded at: [www.pgsupplier.com/en/\\_downloads/Human\\_Rights\\_Policy\\_Statement.pdf](http://www.pgsupplier.com/en/_downloads/Human_Rights_Policy_Statement.pdf)

## Human Resources

**Human Resources ensures that P&G has the employees, organizational design and work culture to deliver business productivity and to continually improve consumer, employee and shareholder value. They provide recruiting, training, development, diversity, benefits and compensation coordination for the Company.**

It is the Company's intent to develop all employees to their full potential. To achieve this goal, the following support systems are in place:

- Career discussions, performance appraisals, assignment plans, transfer and promotion plans
- Informal network support groups
- Mentoring to provide informal support and guidance, in addition to coaching and training provided by each employee's direct manager

### Employee Privacy

P&G is committed to maintaining the principles of integrity and trust with respect to our employees' privacy. We will only collect personal information about our employees when it is necessary to carry out legitimate business objectives and to provide employee services. Access to employee data will be limited to only those who have a legitimate business need or to fulfill a legal requirement.

### Harassment Policy

P&G is committed to providing a harassment-free work environment. This is the right thing to do not only from a social perspective, but also from a business perspective. It enables our diverse workforce to contribute to its highest

potential. We will not tolerate harassment of anyone by anyone—including employees, suppliers, customers, contractors and agencies. Every employee is expected to be proactive in ensuring that the work environment is free from harassment of any kind. Managers of others are responsible for setting clear expectations for acceptable behavior in the workplace.

### Wages

P&G supports paying employees a competitive wage, as benchmarked against other leading companies. Consistent with our principle of valuing personal contribution and mastery, we provide employees the opportunity to develop their skills and capabilities to enhance their ability to succeed in their career, consistent with the needs of the business.

### Benefits

P&G is a recognized leader in employee benefits. The Company's benefits have been developed to help protect the financial security of employees. These benefits include comprehensive coverage for health care, vacation and holiday time, and other work/family balance benefits, including flextime, child care leave and less-than-full-time schedules.





## Diversity & Inclusion

Diversity & Inclusion has always been a part of our DNA and all we do. It is part of our Purpose, Values and Principles and critical to business growth. And as we continue on our journey, we have become more deliberate with our diversity efforts to ensure that inclusion is a key focus area. And we want to be recognized as a global leader for diversity and inclusion.

As a Company, our business model is built on and driven by consumers. Consumers are at the heart of everything we do. We cannot create brands and products to improve the lives of the world's consumers unless we understand and value the diversity of those we serve and those we work with.

To do so, we have a mission to ensure Everyone Valued, Everyone Included, Everyone Performing at Their Peak.<sup>®</sup>

We strive to develop a workforce that reflects the markets and consumers we serve and to fully value and leverage their experiences, insights and talents. And we are respectful of all employees regardless of race, gender, color, religion, national origin, age, sexual orientation, gender identity or expression, disability, or any other non-job-related personal characteristic.

### Diverse Talent Throughout

P&G is a build-from-within Company. Just as our consumers are global and diverse, so are our employees. By design, we ensure that leadership has broad, global perspectives. We recruit top talent from diverse backgrounds and cultures around the world. Our employees need to reflect the diverse markets and consumers we serve. P&G employees represent more than 140 nationalities worldwide, and we have the most globally diverse and experienced leadership team in the Company's history.

### Trusting, Open and Inclusive Culture

At the core of our strategy, we want to foster a culture of inclusion so that everyone is valued, included and performing at their peak. To support our diverse and global workforce, we have seven corporate affinity groups. P&G's affinity groups offer an internal forum for employees to connect and build a strong sense of community as well as have the opportunity to be in service to the Company to deliver better business results. Affinity groups also aim to ensure we attract, develop and maintain a diverse workforce.

Structurally, each group is sponsored by a senior leader in the Company and regularly meets with executive leadership on key areas and opportunities. Additionally, there are also numerous grassroots employee resource groups throughout the Company, representing a large variety of diverse interests throughout our entire employee population.

P&G's affinity groups began in the early 1960s and have continually evolved, formalizing in the 1990s and continuing on a journey to help P&G further foster a culture of high inclusivity.

We want to foster a culture of inclusion so that everyone is valued, included and performing at their peak.

### Embedded in Our Culture for Lasting Change

Diversity & Inclusion capabilities aim to foster and grow an open and inclusive culture through a blended learning approach (classroom, webinars, assessment tools and employee interest groups). Topics include flexibility, cultural competency, affinity (people with disabilities, gender and lesbian/gay/bisexual/transgender [LGBT]), generations, and understanding differences in working and thinking styles. Understanding differences enables employees to build collaborative diverse relationships to successfully drive business growth.

Foundational diversity and inclusion capability focuses on key concepts such as microinequities, unconscious bias, benefits in leveraging diversity and intent versus impact on others. By understanding these types of differences, it enables our employees to be in touch and build collaborative diverse relationships so that we can all successfully grow our business together.



## Diversity Metrics

P&G continues to focus on diversity as a global strategy and expects its workforce to become increasingly diverse, enabling us to serve more of the world's consumers. Global data on enrollment by gender is shown in the following table:

Global Enrollment	2015	2014	2013
<i>% Female</i>			
Management	44%	44%	44%
All Other Employees <sup>(1)</sup>	35%	36%	36%

The percentages of minority and female employees in the U.S. are shown in the following table:

U.S. Enrollment	2015	2014	2013
<i>% Minorities</i>			
Management	25%	24%	24%
Non-Management <sup>(1)</sup>	19%	18%	18%
<i>% Female</i>			
Management	42%	42%	42%
Non-Management <sup>(1)</sup>	35%	36%	36%

<sup>(1)</sup> Administrative, technical and plant technicians; excludes NA retail merchandisers.

## External Recognition

P&G's commitment to creating a diverse workplace has been recognized by Diversity Inc., including a #7 ranking on its Top 50 Companies for Diversity and a #6 ranking on its Top Ten Companies for Global Diversity.

In 2015, P&G was recognized with the prestigious Catalyst Award that honors exceptional and innovative initiatives that expand opportunities for women and business globally.

Working Mother named P&G among the Top 5 Best Companies for Multicultural Women and one of its Working Mother 100 Best Companies.

The Human Rights Campaign (HRC) has recognized P&G as among a select group of companies scoring a perfect 100 on the HRC's Corporate Equality Index.



For additional information on our Diversity & Inclusion efforts, please see our Diversity & Inclusion Annual Report, available at: [http://us.pg.com/-/media/PGCOMUS/Documents/PDF/Who\\_We\\_Are/DiversityandInclusion/PG\\_DiversityInclusion\\_AR\\_2012%20pdf.pdf?la=en-US&v=1-201506230605](http://us.pg.com/-/media/PGCOMUS/Documents/PDF/Who_We_Are/DiversityandInclusion/PG_DiversityInclusion_AR_2012%20pdf.pdf?la=en-US&v=1-201506230605)

## Global Medical

We touch and improve the lives of our employees with focused delivery of our five Global Medical Priorities.

The P&G Medical vision “Healthy People, Healthy Business” reflects the importance of the wellness, productivity and innovativeness of our employees. The P&G global Employee Health and Wellness Policy insures that we deliver:

- The same corporate health and wellness standards at all P&G locations consistently around the world, assuring that sites provide employees with the appropriate level of occupational health assurance programs and services
- Comprehensive and effective emergency care for our employees, onsite contractors and visitors at all our facilities
- Compliance with related laws and regulations and sharing this expectation with all of our business partners
- A culture of health through quality health services and Vibrant Living offerings that support employees in protecting and promoting their health
- WorkLife Solutions and Employee Assistance Programs (EAPs) to support employees and their families

During the past year, Global Medical delivered in times of regional crisis, assisting our employees and local health providers with medical guidance, supplies and support.

Our programs are making a difference. Our P&G Health Services/Vibrant Living Health Centers worldwide had over 331,000 visits by employees in the past fiscal year. Over the past year, we have seen a decline in total employee visits to our Health Center sites. However, our ratio of Health Center visits to total P&G employees covered by onsite occupational health services remained at a similar level (approximately 3.5). Many of these employee visits are proactive, including use of preventive health services such as travel health consultations, seasonal influenza immunizations, and personal health and wellness consultations.

### Health Center Visits



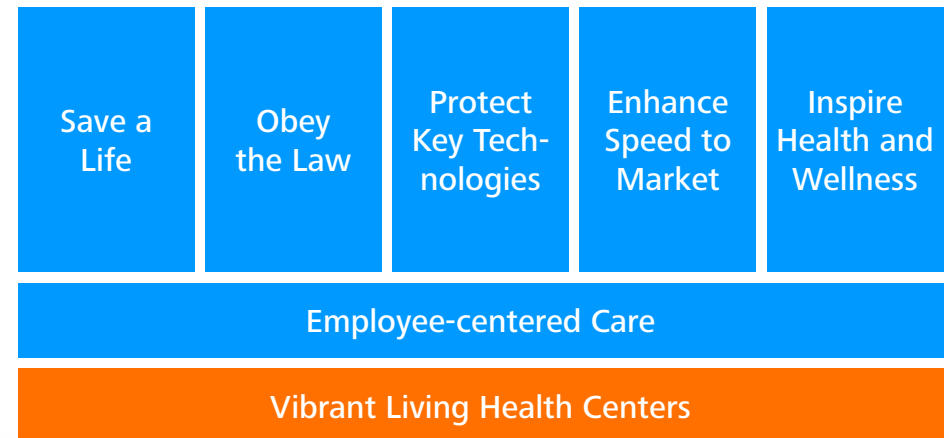
Employees who utilized Health Services or on-site Health Programs reported better personal well-being scores of 13 percentage points or higher compared to those not using these services and programs as measured by the 2015 P&G Employee Survey.

Since P&G is a principles-driven company, the following Global Medical Priorities drive all of our health systems worldwide:

1. Save a Life (Protect Our People)
2. Obey the Law (Protect Company Reputation)
3. Protect Key Technologies (Protect Brand Integrity)
4. Enhance Speed to Market (Support Emerging Technologies and New Business Development)
5. Inspire Health and Wellness (Vibrant Living, Travel Medicine Support, Global WorkLife Solutions and EAPs)

We ensure consistent global delivery of high-quality health systems via our Health Systems Key Elements (HSKE) site audit process. HSKE defines the corporate governance, country legal and clinical governance standards and requirements for our health systems worldwide. We review the HSKE program regularly to ensure the requirements stay current with legal, technical and policy developments. During this past year, audit requirements were updated to include a stronger focus on public health emergency preparedness. This ensures sites have robust programs in place to respond optimally to all crises with health-related impacts.

## Global Medical Systems



## P&G Vibrant Living

In 2015, we continued to focus on our P&G Vibrant Living initiative with the intent to support our employees to live healthy lives and achieve peak performance.

We now have Vibrant Living branded programs in 202 P&G sites in 55 countries (see map for countries with the Vibrant Living Program).

Our vision is to have the Healthiest, Most Engaged People in the World.

P&G's Vibrant Living strategy reflects these three focus areas:

**Culture of Health** – Through emphasis on nutrition, fitness, easy access to our health information, and an environment that encourages healthy choices and personal management of health risks.

**Health Education and Training** – Through programs such as Managing Stress and Building Resilience, we have expanded the reach of WorkLife Solutions/EAPs to over 90% of our employees globally. As measured by our 2015 P&G Employee Survey, employees who utilized WorkLife Solutions and EAPs had personal well-being scores 14 percentage points higher than those who did not use these services.

**Employee-Engaged Health Care** – Provides greater understanding of local health care resources and enables informed individual health choices.

### Highlights of our progress include:

In April, we celebrated our second annual Global Vibrant Living Awareness Day with 72% of our sites participating around the world. The theme for this year's celebration was, *What Step Will You Take Towards Vibrant Living?*

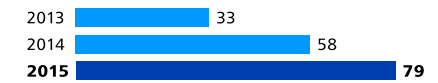
335 Vibrant Living Health Coaches (nurses and physicians) and Champions have been trained and qualified across all five regions (Asia, Europe, IMEA, Latin America and North America).

The Vibrant Living Site Certification Program continues to expand with 79 sites certified globally and more applications under review. This ensures that our Culture of Health goals are met by offering healthy choices and programs in the areas of nutrition, fitness, tobacco cessation and more.

#### Vibrant Living Health Coaches and Champions



#### Vibrant Living Certified Sites





## Worldwide Health, Safety and Environment Systems

### Health and Safety Policy

P&G is committed to having safe and healthy operations around the world. The goals are to protect the lives and health of its employees and the communities surrounding its operations, as well as to protect its assets, ensure business continuity and engender public trust.

To accomplish this, P&G will:

- Operate facilities safely and ensure that processes are safe and healthy for our employees and residents of the surrounding communities. We will accomplish this by following uniform corporate safety standards around the world. Safe operations have been a long-standing part of Company culture, reflecting the belief that our employees are our most important asset.
- Construct our facilities so as not to compromise the safety and health features designed into them.
- Monitor progress toward our objective of preventing injuries, illnesses and incidents. We will continually assess and improve our safety and health technologies and programs.
- Have every employee understand and be responsible for incorporating safe behavior in daily business activities. Every employee is trained to work in a safe and healthy manner.
- Have operating standards, practices, systems and resources in place to implement this policy.

### Worldwide Health, Safety & Environment Organization

Health, Safety & Environment (HS&E) is a global community of resources responsible for ensuring that all sites worldwide – including innovation centers, distribution centers, acquisitions and established plants – are operated safely and legally; that process hazards are minimized or eliminated; that health risks are identified and managed or eliminated; and that waste from sites is reduced as much as possible. Several thousand employees spend all or a portion of their time on HS&E management.

There are three major components to a site's HS&E organization: Environmental, Technical Safety and Industrial Hygiene & Personnel Safety. In addition each site typically has both a Fire Protection Systems Leader and an overall HS&E Leader. The HS&E site organization also closely partners with the site Health Service, or Medical leader. P&G uses a phased, detailed Risk Assessment process to evaluate the safety of processes and initiatives being introduced at its own manufacturing operations as well as at contractor manufacturing operations. The Risk Assessment process is designed to enable high-speed innovation.

P&G has verified that the HS&E program at all of our manufacturing facilities meets the intent of the Global Health and Safety Management standards OSHAS 18001 and ISO 14001. In addition to our own internal reviews, in 2006, P&G worked with Environmental Resources Management (ERM), a highly respected international consulting firm in the field of

environment, health, safety and sustainability to conduct an independent equivalence study. This ERM report, and a secondary P&G internal follow-up audit in 2010, both reaffirmed we are following the overall principles defined within these standards.



## Industrial Health and Safety

The health and safety of P&G employees are paramount in the principles of the Company:

- Nothing we do is worth getting hurt.
- Safety can be managed.
- Every illness and injury could and should have been prevented.
- Safety and health are everyone's responsibility.



The Company tracks and reports two metrics for worker safety: total incident rate (TIR) and total lost workday case rate (LWDC). TIR includes all cases that result in loss of consciousness, lost workdays, restriction of work or motion, medical transfer to another job or medical treatment beyond first aid. LWDC includes all cases that involve days away from work or days of restricted activity beyond the day of injury or onset of illness. The TIR target for sites is to be below 0.5 cases per year per 100 employees. To achieve such rates, programs to address employee safety, such as safe behaviors, ergonomics and confined space entry, have been implemented. No target has been set for LWDC. Instead, incidents that potentially could lead to lost workdays are managed. These charts summarize performance over the last three years.

### Total Incident Rate

(Injury and illness per 100 employees)



### Total Lost Workday Case Rate

(Lost and restricted workday cases per 100 employees)



P&G has over 41 manufacturing plants and technical centers that are celebrating over 1 million safe work hours without a lost workday injury. The charts below highlight some of our top facilities ranked by number of safe work hours.

## Audit Programs

P&G's internal HS&E audit programs are designed to ensure compliance with national, state and local regulatory requirements as well as corporate standards and procedures. Audit findings are reported promptly to the business management teams, which must address and correct all issues in a timely manner. P&G's audit programs apply to all plants, innovation centers and distribution centers worldwide. The fundamental philosophy is to use standards worldwide, implemented by trained professionals at facilities and audited each year using a consistent, comprehensive approach. The metrics used are consistent with that philosophy. Audits measure performance against a mandatory set of standards and standard operating procedures. The target performance is 8.0 or better on a 10-point scale. The percentage of sites assessed this year was 98%.

### Sites Conducting Annual Audits

(Percentage)



## Top 5 Sites with the Highest Number of Employee Safe Working Hours

### Manufacturing Sites

Site	Safe Hours*	GBU	Region
Ibadan	11,200,000	Fabric and Home Care	IMEA
Shiga	6,300,000	Beauty	Asia
Boryspil	5,300,000	Feminine Care	Europe
Chengdu	4,800,000	Fabric and Home Care	Asia
Takasaki	4,400,000	Fabric and Home Care	Asia

\*Rounded down to the nearest 100,000.

### Technical Centers

Site	Safe Hours*	GBU	Region
GPDF—Product Innovation	5,700,000	Technical Centers	N. America
Brussels Innovation Center	3,800,000	Technical Centers	Europe
Reading Technical Center	2,000,000	Technical Centers	Europe
Sharonwoods Technical Center	1,800,000	Technical Centers	N. America
Kronberg Headquarters	1,400,000	Technical Centers	Europe

## HS&E Audit Scores

P&G HS&E resources have been working through a rigorous calibration exercise across all geographies to ensure an appropriate calibration and focus on high-priority areas. This calibration exercise is helping to ensure we are holding ourselves to the highest standards and has resulted in a decrease in the number of sites achieving scores of 8.0 or higher. In addition, over the last few years, we added several acquisition sites. As is typical with many acquisitions, it takes time for them to reach an HS&E audit score of 8.0 or higher, and several sites are still short of that target. However, through robust action plans, over the last year we have closed the gaps from previous audits and today have over 80% of our global sites scoring of 8.0 or higher.

### Sites with HS&E Audit Scores of 8.0 or Higher (Percentage)



## Fire Protection

P&G operates its fire protection program on the basic principle that each facility is unique and should have a program designed to meet its specific requirements. Working with the Insurance division, HS&E has developed a checklist-based assessment process that evaluates the fire protection equipment, maintenance and inspection, and emergency response capability of a site versus the appropriate level of fire protection required at that site. Each plant, innovation center and major distribution center is assessed annually. The target performance is 8.0 or higher on a 10-point scale.



## Fire Protection Audit Scores

The fire protection assessment program was changed significantly in 2011, even though we had a historically low number of fire losses and no regulatory issues. The new audit process was designed to be much clearer and calibrated relative to our internal fire protection standards. These process changes resulted in a more rigorous and globally calibrated approach to conducting these assessments. This 2011 process change decreased the number of sites with scores of 8.0 or higher. However, since that intervention, we have been making steady progress and this year, 68% of sites had Fire Protection audit scores of 8.0 or higher. Sites will continue to work against action plans to improve scores over the course of the next year.

### Sites with Fire Protection Audit Scores of 8.0 or Higher (Percentage)



## Site HS&E Leadership Training

A key indicator of HS&E systems capability is the percentage of sites with trained and qualified leaders. Leadership candidates train onsite for an extended period after attending a week-long seminar where their knowledge and ability to handle specific situations are assessed. For full qualification, the candidates must complete a qualification project at their own plant. This training and qualification program applies to all sites, including technical centers and acquisitions. In 2012, we saw a decrease in the number of qualified leaders due to acquisitions and normal attrition. Short-term gaps were covered via corporate resources while we accelerated training plans. The charts below summarize our progress over the last three years.

### Sites with HS&E Qualified Leaders (Percentage)



### Sites with Fire Protection Qualified Leaders (Percentage)



## 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 P&G's 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 FY 14/15. Note, several fines are still under review but are included in the total numbers.

	2015	2014	2013
Number	27	34	43
Fines	\$444,708	\$95,460	\$709,061

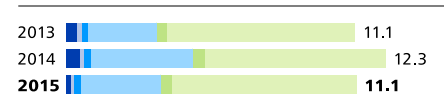
A breakdown of NOVs is provided below:

	Number of NOVs	Fines
Water-Based	5	\$0
Air-Based	5	\$159,035
Solid-Waste-Based	5	\$201,300
Paperwork	1	\$12,900
Transportation-Based	3	\$41,090
Other	3	\$8,953
Worker Safety	5	\$21,429
<b>Total</b>	<b>27</b>	<b>\$444,708</b>

## Air Emissions

Each site assesses total suspended particulates, volatile organic compounds (VOCs), carbon monoxide (CO), nitrogen oxides (NO<sub>x</sub>) and sulfur oxides (SO<sub>x</sub>). The chart below summarizes data from the last three years.

**Air Emissions by GBU**  
(Thousands of metric tons)



- Technical Centers
- Health Care
- Grooming
- Fabric and Home Care
- Distribution Centers
- Beauty
- Baby, Feminine and Family Care





## Stakeholder Engagement

**P&G works hard to be a good corporate neighbor and to improve lives in the communities where we live and work.**

### Communities

Each P&G production facility has site-specific activities to build constructive relationships with local authorities, 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 meetings. These could include, for example, a reception for immediate neighbors, where information about the past year and plans for the new year are discussed. P&G ensures continuity in community interaction by meeting regularly with local authorities to update them on plant news. In the neighborhoods of many P&G operations, the Company cooperates with and sponsors local events, so the whole area benefits from the presence of a P&G site.

P&G recognizes the importance of improving the quality of life in our local communities, and we support local initiatives and encourage employee involvement. The most valuable community support we provide usually involves not only writing a check, but also taking advantage of the intellectual capabilities and energy of P&G people. We look for areas where we can make a significant, long-term, systemic difference. This leads us to focus on disaster relief and programs in our areas of focus: Health and Hygiene and Comforts of Home. It also enables us to build

alliances with strategic partners to achieve a better result than we could alone. We look to our employees in the area to work with their local communities and government officials to learn where we can make the biggest difference.

### Authorities: Local - Regional - Global

P&G communicates with local, regional and global authorities directly, both as a Company and through industry associations. P&G scientists and legal experts review existing and proposed regulations that are relevant to the Company and work with authorities to ensure that policies take the needs and experience of business into account. This is done via meetings with the authorities and comments on their position papers and industry position papers. Activities like these can help ensure that the Company's needs are understood and considered when decisions are being made that can impact P&G's business and our ability to meet the needs of our global consumers.

### NGOs: Local - Regional - Global

P&G frequently enters into dialogue with NGOs to understand their concerns and cares. In order to work constructively with stakeholders, we feel it is essential to have their confidence and be seen as a reliable and open discussion partner. By building an open relationship, we can approach our NGO partners when issues arise. There is a wide range of NGOs that vary by area of interest (e.g., environmental, consumer, human rights, animal welfare), by attitude (from extreme to moderate) and by their geographic links (from local to global).

Depending on their characteristics, a number of NGOs can be seen as the vocal spokespeople for the public. Consumer organizations exist in many countries. These organizations contact companies to compare products and voice comments they receive from their members. P&G continuously provides consumer organizations with information on new initiatives and cooperates with them in answering consumer questions.

### Consumers

At P&G, 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 only new products and product improvements that genuinely meet their needs. Before establishing a project for a new product or product improvement, P&G researchers strive to understand consumer needs, in detail, in order to identify those needs that are not fully met today.

Once a product is launched, our commitment to our consumers does not stop there. For P&G, every consumer's experience in choosing, buying or using one of our products can provide vital insights to help us further improve our products and services. So we actively encourage consumers to contact our Global Consumer Relations team. We want to hear about our consumers' experiences with our products—both good and bad.

Each year, we hear from millions of consumers who want to ask us something about our products or our Company. We proactively offer "traditional" contact channels—phone, letter, e-mail—to consumers, but we are also very aware that consumers' lives are changing. As a result, we have invested to enable our consumers to engage with us through social media, in addition to our established Carelines. Many of the people in our Global Consumer Relations team are now responsible for establishing online communities in which consumers can ask questions about our Company and our products. This has been a huge success and has actually enabled us to interact with even more of P&G's consumers than in the past, which ultimately provides more insights for our Product Development and Marketing teams to help further improve our products and services.

We are also innovating in how we ensure that these important insights from our consumers get to our business teams. Consumers who take the time to contact a company for advice or to ask for help to resolve a problem provide valuable insights into our products, which can really help us to improve our brands. So we need to make sure that our consumers' voices are heard in P&G. We do this by using a range of tools and technologies that provide our business teams with key learnings from consumer comments. In Global Consumer Relations, we recognize that the world is changing and we are investing in innovative technology to better serve our consumers. We feel very privileged that consumers care enough about our products to contact us.

## Advertising and Promoting to Consumers Appropriately

The Company does not permit its advertising or promotions for its products to be false or misleading. P&G's Worldwide Business Conduct Standards for Responsible Sales and Marketing Practice states:

*We are expected to compete vigorously and effectively, but never unlawfully. For this reason, we are truthful in all of our sales and marketing. We must make only truthful statements about our Company and its products and services. All marketing claims must be substantiated and live up to their promises.*

For additional information, please see P&G's Worldwide Business Conduct Manual, available at: [www.pg.com/en\\_US/downloads/company/governance/Policy\\_Worldwide\\_Business\\_Conduct\\_Manual.pdf](http://www.pg.com/en_US/downloads/company/governance/Policy_Worldwide_Business_Conduct_Manual.pdf)

## Eliminating Research Involving Animals

At P&G, we believe that eliminating animal testing is the right thing to do. We do not test our products or ingredients on animals anywhere in the world unless required by law. We will continue to develop non-animal alternative tests and work with regulators around the world to ultimately end testing involving animals.

We've developed over 50 alternative, non-animal testing methods and have invested more than \$370 million in finding alternatives. We work with leading independent and industry experts in the field of alternatives research and partner with leading animal protection groups to promote alternative research methods and regulatory acceptance of alternatives.

In 2014/15, the first non-animal alternative to skin allergy tests was officially approved by the global international Organization for Economic Cooperation and Development (OECD), soon after it was approved by European authorities. This test, known as Direct Peptide Reactivity Assay (DPRA), was invented by P&G scientists and is now being increasingly used by international academia, industry and regulators. Skin allergy is a complex biological process and an important safety question for almost all ingredients, so the development of this alternative method and its regulatory acceptance marks a milestone in overcoming the need for animal testing for more complex safety questions. As a result of all these efforts, the P&G scientist who invented the DPRA received the William and Eleanor Cave Award from the Alternative Research and Development

Foundation, which recognizes significant achievements in developing alternatives to animal testing.

For more information, go to: [www.ardf-online.org/press-release\\_2014-11-24\\_ardf-cave-award-advancing-alternatives.pdf](http://www.ardf-online.org/press-release_2014-11-24_ardf-cave-award-advancing-alternatives.pdf)

In August 2014, P&G was a platinum sponsor of the 9th World Congress on Alternatives and Animal Use in the Life Science in Prague, the world's leading conference for scientists in the area of non-animal alternative test methods, which takes place every three years. Our leading scientists presented P&G's progress, achieved in close collaboration with partners from industry, academia, regulators and animal welfare NGOs, in more than 20 separate sessions.

For more information, go to: [www.wc9prague.org/sponsorship-exhibition](http://www.wc9prague.org/sponsorship-exhibition)

Our engagement has helped eliminate the need for testing and has significantly reduced the need for others in the industry to use animals in research.

We are passionate about continuing our progress in alternatives to research involving animals so that animal testing can be eliminated. Highlights of our progress include:

- We are a widely respected leader in developing alternatives to animal testing
- We actively share our discoveries so that others can benefit from our progress; our work has appeared in more than 1,000 scientific publications

- Our focus on developing non-animal test methods has led to even more predictive approaches using human cell lines, genomics and the latest in computer modeling and informatics
- We collaborate with universities, scientists from other companies, governments and animal welfare groups to develop and promote acceptance of alternative test methods and to change regulations that still require testing with animals

For details of our policy and practices, please go to: [www.pg.com/en\\_US/sustainability/policies\\_practices/animal\\_welfare.shtml](http://www.pg.com/en_US/sustainability/policies_practices/animal_welfare.shtml)



## Sustainability Guidelines for External Business Partners

P&G's Sustainability Guidelines for External Business Partners, renewed in 2014, set our expectations to our supply base with regards to human rights and sustainability. We actively seek business relationships with partners that share these values and promote high standards within their own supply chains. Our risk-based audit program supports this effort by assessing partners that need to go through third-party audits, identifying and remediating non-compliances.

The foundation of our Sustainability Guidelines for External Business Partners is our Statement of Purpose, Values and Principles. This leads consumers to place their trust in us, our customers and business partners to do business with us, our shareholders to invest in us, our external stakeholders to respect us, and the best talent to join us in working for P&G. We actively seek business relationships with external partners that share our values and promote the application of these high standards among those with which they do business.

Our guidelines place emphasis on respect for human rights by establishing clear expectations for our external business partners to respect internationally recognized human rights, comply with all applicable laws, and conduct business ethically and responsibly. Leveraging third-party risk-management tools, our risk-based auditing enables the review and remediation of noncompliance in a timely manner. We continue to update and expend our end-to-end program, collaborating with the industry through AIM-PROGRESS and SEDEX.

P&G is also committed to work with external business partners to reduce our joint overall footprint. Our digitized external business partner Sustainability Scorecard continues to be an enabler for this. Our partners are key to helping us reach our 2020 goals: on top of our specific wood pulp and PO programs, we are working with our strategic and most innovative partners and agencies to improve our products, supply chains and operations in a sustainable way. This includes developing improved solutions for bio-alternative materials, sustainable packaging, renewable energy or logistics setups.

### Summary of Our Renewed Guidelines

1. External business partners must conduct business with integrity and in full compliance with the law. External business partners and their employees must ensure they understand how these standards and the law apply to their work on behalf of P&G.
2. External business partners must not give, agree to give, offer or receive anything of value to influence the behavior of another business partner or government official in order to obtain an improper benefit or advantage.
3. P&G respects internationally recognized human rights as defined by the Universal Declaration of Human Rights and Associated Covenants and the International Labor Organization (ILO) Declaration on the Fundamental Principles and Rights at Work. We expect our external business partners to respect these internationally recognized

human rights. Examples of specific required behaviors include:

- Do not use child labor, prison labor, indentured or bonded labor, human trafficking or modern-day slavery or use corporal punishment or other forms of mental and physical coercion.
  - Treat their employees with dignity and respect and have systems in place to prevent, detect and resolve unacceptable worker treatment such as harassment, inappropriate use of discipline, discrimination, physical or mental punishment, or other forms of intimidation or abuse.
  - Do not tolerate discrimination based on race, color, gender, age, national origin, religion, sexual orientation, gender identity and expression, marital status, citizenship, disability, veteran status, medical condition (e.g., HIV/AIDS status, pregnancy), or any other legally protected factor.
  - Respect their employees' right to choose to join or not to join a trade union, or to have recognized employee representation in accordance with local law.
  - At a minimum, comply with all applicable wage and hour laws and rules and regulations, including minimum wage, overtime and maximum hours.
  - Comply with all applicable health and safety laws, rules, regulations and industry standards. We expect a commitment to and the support of the improvement of the health and safety of their operations, employees and the surrounding community. In our business award decisions, we will continue to place substantial value upon incumbent and potential external business partners that consistently respect these human rights.
4. External business partners must comply with all applicable environmental laws, rules and regulations. P&G recognizes that we must be responsible for environmental stewardship and using resources wisely. We strive to be socially responsible in the use of Company resources for the long-term benefit of society. External business partners are expected to share P&G's commitments and maximize the value and quality of their products by using resources responsibly, preserving the environment and reducing the environmental footprint of their operations.

The Sustainability Guidelines for External Business Partners are available at: [www.pgsupplier.com](http://www.pgsupplier.com)

## Supplier Diversity

Supplier diversity is a fundamental business strategy that strengthens our innovation and go-to-market capabilities and touches and improves the lives of our diverse suppliers, their employees and the communities in which they live and work.

For the eighth year in a row, P&G spent more than \$2 billion with minority- and women-owned businesses. Since 2005, P&G has been a member of the Billion Dollar Roundtable, a forum of 20 corporations that spend more than \$1 billion annually with diverse suppliers.

We are expanding the scope of Supplier Diversity to create even more value in our business and communities. Last year, we launched our Global Supplier diversity program to develop diverse suppliers outside the U.S., and we renewed our commitment to LGBT- and U.S. Military Veteran-Owned suppliers.

## Personal Information Privacy

Trust is a cornerstone of our corporate mission, and the success of our business depends on it. P&G is committed to maintaining your trust by protecting the personal information that we collect and use.

P&G may collect information from you directly, such as when you apply for a job at P&G or register for an e-mail program on one of our consumer websites; we may collect information as you use our websites, mobile applications or view online content; or we may collect information from other sources, such as commercially available sources, lists or databases. P&G uses personal information for various purposes. For example, we use the information we collect to provide products, offers and services; to deliver advertisements, offers or other content tailored to your interests; and to conduct other P&G business operations, such as providing employee benefits.

P&G's policies and practices regarding the collection and use of personal information are consistent with applicable privacy and data protection laws, as well as internationally accepted privacy principles.

P&G relies on third-party service providers to perform a variety of business operations on our behalf. In doing so, we may need to share your personal information with them. We provide our service providers with only the personal information they need to perform the services we request, and we require that they protect this information and not use it for any other purpose. Third-party companies can access our privacy and security guidelines at: [www.pgsupplier.com](http://www.pgsupplier.com). Externally, P&G has been a strong advocate of work within the industry to

protect the privacy of consumers. For example, P&G has been a leader in the effort to make privacy notices more consumer-friendly and has made our Global Consumer Privacy Policy available in over 40 languages.

For more information on P&G's global privacy principles, please visit: [www.pgsupplier.com/en/current-suppliers/managing\\_PII.shtml](http://www.pgsupplier.com/en/current-suppliers/managing_PII.shtml)

P&G self-certifies compliance with the U.S.-EU and Swiss Safe Harbor programs. We are committed to working with you to obtain a fair resolution of any privacy concern. Please contact us with any privacy questions or concerns.

P&G has further committed to refer unresolved privacy complaints under the U.S., EU and Safe Harbor Principles to an independent dispute resolution mechanism, the BBB EU SAFE HARBOR, operated by the Council of Better Business Bureaus. If you do not receive timely acknowledgment of your complaint, or if your complaint is not satisfactorily addressed by P&G, please visit the BBB EU SAFE HARBOR website at [www.bbb.org/us/safe-harbor-complaints](http://www.bbb.org/us/safe-harbor-complaints) for more information and to file a complaint.

In the U.S., P&G is an active participant in the Better Business Bureau's Accredited Business Program. For more information, visit: [www.bbb.org/online/consumer/cks.aspx?ID=292000103](http://www.bbb.org/online/consumer/cks.aspx?ID=292000103)





## Policies and Management Systems

### Reporting Boundaries

Our Sustainability Report covers environmental data on sites where we have operational control and the facility falls within the typical boundary of our GHG Inventory Management Plan. HS&E data covers approximately 132 manufacturing sites, 19 offices and technical centers, and 37 distribution facilities. Human Resources data covers all P&G facilities, unless otherwise stated. Financial data covers The Procter & Gamble Company and its controlled subsidiaries.

### Policies

While P&G competes hard to achieve leadership and business success, the Company is concerned not only with results, but also with how those results are achieved. We will never condone or tolerate efforts or activities to achieve results through illegal or unethical dealings anywhere in the world.

### Management Systems

P&G's Management Systems ensure that the Company's policies are implemented in a consistent manner throughout the world. These Management Systems align with the Company's policies and promote a regular flow of information that helps the Company better manage its progress on elements of sustainable development.

### Performance

P&G measures operational performance in order to drive continuous improvement. A companywide system of measuring performance has been developed. This approach enables the Company to report data on a wide range of operational categories. Our actions are not just profit-driven but also progress-driven, to ensure a better quality of life for everybody, now and for generations to come. Our extensive consumer research related to our brands also helps us identify ways we can best address sustainability.

### Acquisitions

Acquisitions have been included in the metrics presented herein. Acquisitions differ in performance expectations in that we allow a six-year glidepath to meet the HS&E audit performance score of 8.0 on a 10-point scale. A midpoint expectation of 6.5 is expected to be achieved within three years. Typically, acquisitions exceed those expectations.

### Process for Data Collection

P&G's data collection systems have been in place for many years. They are designed to be simple enough so that the people closest to the work can use the tools, regardless of their location. This simplicity enables the Company to collect data and update systems annually at a relatively low cost. Each business unit is responsible for the accuracy and consistency of its data.

All data is reported on a global basis. In order to achieve consistency and to ensure a common understanding throughout the organization, employees are trained in how to report and document data. Data is presented in metric units and published in English, with local translation performed where necessary. To ensure the standard collection of data, the Company established the following processes:

- Key terms are defined
- The data to be collected are identified
- Flow sheets are agreed upon regarding who collects data and on what systems
- Technically sound methods are used by facilities to estimate data and validate year-to-year results
- Personnel are trained on the work process as appropriate

## 2020 Goal Measurement Systems

We go to great lengths to ensure rigor, accuracy and transparency in our reporting. Below, we share additional information on our some of our 2020 Goal Measurement Systems to help ensure clarity and transparency on the data we are reporting:

### Energy Conservation

To accurately reflect the industrial efficiency improvements associated with new combined heat and power, P&G implemented a policy starting in 2015 to account for primary fuels used to generate all electricity purchased or sold for those sites that self-generate their electricity. For sites that generate their own electricity, we recalculated energy consumption for all years to include the efficiency loss of the electrical generation in our energy-efficiency boundaries regardless whether the power was self-generated onsite or generated offsite by a third-party utility. We found this creates a more consistent and fair view on the energy intensity across all of our operation versus baseline and presents a more accurate picture of the energy efficiency improvements of our operation including those achieved through combined heat and power.

### Greenhouse Gas Emissions

For purposes of monitoring progress against our goal and listing emissions levels in charts and graphs, we utilize market-based Scope 2 GHG emissions.

For WRI/WBCSD GHG Accounting protocol for additional perspective on market- versus location-based GHG emissions, please visit: [www.ghgprotocol.org](http://www.ghgprotocol.org)

### 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, PCC, Shave Prep, Hair Care and Hair Color). While a subset of overall data, we believe it is representative of overall corporate data and focuses resources on the biggest SKUs and categories that have the biggest impact on packaging. Data is currently reported one year in arrears, so data reported represents progress through June 30, 2014.

### 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, 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 where a package may be sold 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 P&G as well as contractor manufacturers and covered over 90% 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 third-party companies via piping systems or trucks, at any quality they deliver
- Net water via purchased steam
- Ground water from site wells
- Surface water—non-brackish as river, lakes, creeks, etc., at any quality they deliver

### Baseline Restatement

This year P&G 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/divestitures as well as other minor modifications and corrections to historic data. Our original baseline was 6,200,000 metric tons. Our revised baseline, which we will use for calculating progress versus GHG emissions reduction goals, is now 5,488,224 metric tons.

As part of this work, we also updated our baselines for energy, water and waste. Original energy baseline was 71,842,000 gigajoules; it is now 67,904,220 gigajoules. Original water baseline was 80,914,000 cubic meters, it is now 77,049,114 cubic meters. Original waste was 363,000 metric tons, it is now 354,563 metric tons. The baseline year remains the same, P&G's FY 09/10.

## GRI Index

GRI Indicator	Description	Page(s)
<b>1. STRATEGY AND ANALYSIS</b>		
1.1	Statement from the most senior decision-maker of the organization.	4
1.2	Description of key impacts, risks and opportunities.	5-65
<b>2. ORGANIZATIONAL PROFILE</b>		
2.1	Name of the organization.	12
2.2	Primary brands, products and/or services.	18-19
2.3	Operational structure of the organization.	
2.4	Location of organization's headquarters. <i>The Procter &amp; Gamble Company</i> <i>P.O. Box 599</i> <i>Cincinnati, OH 45201-0599</i>	17
2.5	Number of countries where the organization operates, and names of countries either with major operations or that are specifically relevant to the sustainability issues covered in the report. <i>Also see Global Locations <a href="http://www.pg.com/en_US/contact_us/index.shtml">www.pg.com/en_US/contact_us/index.shtml</a></i>	12, 19
2.6	Nature of ownership and legal form.	12
2.7	Markets served.	12
2.8	Scale of the reporting organization.	12, 15-16
2.9	Significant changes during the reporting period regarding size, structure or ownership.	17
2.10	Awards received in the reporting period. <i>Also see <a href="http://www.pg.com/en_US/company/external_recognition.shtml">www.pg.com/en_US/company/external_recognition.shtml</a></i>	55, 63



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### 3. REPORT PARAMETERS

#### Report Profile

3.1	Reporting period.	2
3.2	Date of most recent previous report (if any).	FY 13/14
3.3	Reporting cycle (annual, biennial, etc.).	Annual
3.4	Contact point for questions regarding the report or its contents.	<a href="mailto:sustainrep.im@pg.com">sustainrep.im@pg.com</a>

#### Report Scope and Boundary

3.5	Process for defining report content.	2, 5–11
3.6	Boundary of the report.	2, 66–67
3.7	State any specific limitations on the scope or boundary of the report.	66–67
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or among organizations.	48, 66–67
3.9	Data measurement techniques and the bases of calculations.	66–67
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	66–67
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	17, 66–67

#### GRI Content Index

3.12	Table identifying the location of the Standard Disclosures in the report.	68–74
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#### Assurance

3.13	Policy and current practice with regard to seeking external assurance for the report.	2
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### 4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT

#### Governance

4.1	Governance structure of the organization.	20
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	4, 20
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. State how the organization defines “independent” and “non-executive.” <i>Also see Proxy Statement <a href="http://www.pginvestor.com">www.pginvestor.com</a></i>	20
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. <i>Also see <a href="http://www.pg.com/en_US/investors/investor_contacts.shtml">www.pg.com/en_US/investors/investor_contacts.shtml</a></i>	17
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), as well as the organization’s performance. <i><a href="http://www.pg.com/en_US/downloads/company/governance/Corporate_Governance_Guidelines.pdf">www.pg.com/en_US/downloads/company/governance/Corporate_Governance_Guidelines.pdf</a> Proxy Statement <a href="http://www.pginvestor.com">www.pginvestor.com</a></i>	20
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided. <i>Also see <a href="http://www.pg.com/en_US/downloads/company/governance/Corporate_Governance_Guidelines.pdf">www.pg.com/en_US/downloads/company/governance/Corporate_Governance_Guidelines.pdf</a></i>	20
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization’s strategy on economic, environmental and social topics. <i>Also see <a href="http://www.pg.com/en_US/downloads/company/governance/Corporate_Governance_Guidelines.pdf">www.pg.com/en_US/downloads/company/governance/Corporate_Governance_Guidelines.pdf</a></i>	13–14
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation.	20–67



GRI Indicator	Description	Page(s)
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance. <i>Also see <a href="http://www.pg.com/en_US/downloads/company/governance/Governance_and_Public_Responsibility_Committee_Charter.pdf">www.pg.com/en_US/downloads/company/governance/Governance_and_Public_Responsibility_Committee_Charter.pdf</a></i>	20
4.10	Processes for evaluating the highest governance body's own performance. <i>Also see <a href="http://www.pg.com/en_US/downloads/company/governance/Corporate_Governance_Guidelines.pdf">www.pg.com/en_US/downloads/company/governance/Corporate_Governance_Guidelines.pdf</a></i>	20
<b>Commitments to External Initiatives</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	22
4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.	24, 25, 34, 58, 43-44, 35, 38, 40, 41
4.13	Memberships in associations.	21
<b>Stakeholder Engagement</b>		
4.14	List of stakeholder groups engaged by the organization.	21, 62
4.15	Basis for identification and selection of stakeholders with whom to engage.	62
4.16	Approaches to stakeholder engagement.	21, 62
4.17	Key topics and concerns that have been raised through stakeholder engagement.	7-10, 24-48, 50-51, 63-65

GRI Indicator	Description	Page(s)
<b>5. ECONOMIC PERFORMANCE INDICATORS</b>		
<b>Economic Performance</b>		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. (Core)	16
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change. (Core)	24-47
EC3	Coverage of the organization's defined benefit plan obligations. (Core) <i>Also see financial report <a href="http://www.pg.com/investors/annualreports.jhtml">www.pg.com/investors/annualreports.jhtml</a></i>	53
EC4	Significant financial assistance received from government. (Core) <i>Also see financial report <a href="http://www.pg.com/investors/annualreports.jhtml">www.pg.com/investors/annualreports.jhtml</a></i>	N/A
<b>Market Presence</b>		
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation. (Additional)	53
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation. (Core)	17, 19, 65
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. (Core)	53-55
<b>Indirect Economic Impacts</b>		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement. (Core)	49-51
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts. (Additional) <i>Also see financial report <a href="http://www.pginvestor.com">www.pginvestor.com</a></i>	49-51

GRI Indicator	Description	Page(s)
<b>6. ENVIRONMENTAL</b>		
<b>Materials</b>		
EN1	Materials used by weight or volume. (Core)	48
EN2	Percentage of materials used that are recycled input materials. (Core)	11, 33-34, 42, 48
<b>Energy</b>		
EN3	Direct energy consumption by primary energy source. (Core)	26-28, 48
EN4	Indirect energy consumption by primary source. (Core)	26-28, 48
EN5	Energy saved due to conservation and efficiency improvements. (Additional)	26, 31, 48
EN6	Initiatives to provide energy-efficient or renewable-energy-based products and services, and reductions in energy requirements as a result of these initiatives. (Additional)	31, 48
EN7	Initiatives to reduce indirect energy consumption and reductions achieved. (Additional)	26, 31, 48
<b>Water</b>		
EN8	Total water withdrawal by source. (Core)	35-37, 48
EN9	Water sources significantly affected by withdrawal of water. (Additional)	N/A
EN10	Percentage and total volume of water recycled and reused. (Additional)	N/A
<b>Biodiversity</b>		
EN11	Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas. (Core)	N/A
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. (Core)	36, 39-44
EN13	Habitats protected or restored. (Additional)	41
EN14	Strategies, current actions and future plans for managing impacts on biodiversity. (Additional) <i>Also see <a href="http://www.pg.com/productsafety/downloads/Environmental_Quality_Policy.pdf">www.pg.com/productsafety/downloads/Environmental_Quality_Policy.pdf</a></i>	36, 39-44
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations by level of extinction risk. (Additional)	N/A

GRI Indicator	Description	Page(s)
<b>Emissions, Effluents and Waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight. (Core)	25, 48
EN17	Other relevant indirect greenhouse gas emissions by weight. (Core)	25, 48
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved. (Additional)	25-31, 33, 38, 47
EN19	Emissions of ozone-depleting substances by weight. (Core)	48, 61
EN20	NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions by type and weight. (Core)	48, 61
EN21	Total water discharge by quality and destination. (Core)	35, 48
EN22	Total weight of waste by type and disposal method. (Core)	45, 48
EN23	Total number and volume of significant spills. (Core)	61
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally. (Additional)	45, 48
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. (Additional)	N/A
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. (Core)	5-8, 11, 23-47
EN27	Percentage of products sold and their packaging materials that are reclaimed by category. (Core)	45-47
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations. (Core)	61
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. (Additional)	11, 29-30
EN30	Total environmental protection expenditures and investments by type. (Additional)	N/A

GRI Indicator	Description	Page(s)
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## 7. LABOR PRACTICES AND DECENT WORK

### Employment

LA1	Total workforce by employment type, employment contract and region. (Core)	12, 55
LA2	Total number and rate of employee turnover by age group, gender and region. (Core) <i>Note: We do not track this information globally.</i>	N/A
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. (Additional)	N/A

### Labor/Management Relations

LA4	Percentage of employees covered by collective bargaining agreements. (Core)	N/A
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. (Core) <i>Note: We abide by local legislation and our PVPs.</i>	N/A

### Occupational Health and Safety

LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. (Additional)	58-60
LA7	Rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities, by region. (Core)	59
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases. (Core)	56-57, 60
LA9	Health and safety topics covered in formal agreements with trade unions. (Additional)	58-60

GRI Indicator	Description	Page(s)
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### Training and Education

LA10	Average hours of training per year per employee by employee category. (Core)	57, 60
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. (Additional)	53, 57
LA12	Percentage of employees receiving regular performance and career development reviews. (Additional)	53

### Diversity and Equal Opportunity

LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity. (Core) <i>Also see Proxy Statement <a href="http://www.pginvestor.com">www.pginvestor.com</a></i>	55
LA14	Ratio of basic salary of men to women by employee category. (Core)	53

## 8. HUMAN RIGHTS

### Investment and Procurement Practices

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that underwent human rights screening. (Core)	53, 64
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. (Core)	53, 64
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (Additional)	53

### Non-discrimination

HR4	Total number of incidents of discrimination and actions taken. (Core) <i>Also see <a href="http://www.pg.com/en_US/company/purpose_people/diversity_inclusion.shtml">www.pg.com/en_US/company/purpose_people/diversity_inclusion.shtml</a></i>	54-55
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GRI Indicator	Description	Page(s)
<b>Freedom of Association and Collective Bargaining</b>		
HR5	Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights. (Core)	64
<b>Child Labor</b>		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. (Core)	64
<b>Forced and Compulsory Labor</b>		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor. (Core)	64
<b>Security Practices</b>		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. (Additional)	N/A
<b>Indigenous Rights</b>		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken. (Additional)	N/A

GRI Indicator	Description	Page(s)
<b>9. SOCIETY</b>		
<b>Community</b>		
SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting. (Core)	62
<b>Corruption</b>		
SO2	Percentage and total number of business units analyzed for risks related to corruption. (Core) <i>Also see Worldwide Business Conduct Manual</i> <a href="http://www.pg.com/en_US/company/ethics.html">www.pg.com/en_US/company/ethics.html</a> <i>Governance structure, policies and procedures</i> <a href="http://www.pg.com/en_US/company/global_structure_operations/governance/index.shtml">www.pg.com/en_US/company/global_structure_operations/governance/index.shtml</a>	20
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures. (Core) <i>Also see Worldwide Business Conduct Manual</i> <a href="http://www.pg.com/en_US/company/ethics.html">www.pg.com/en_US/company/ethics.html</a> <i>Governance structure, policies and procedures</i> <a href="http://www.pg.com/en_US/company/global_structure_operations/governance/index.shtml">www.pg.com/en_US/company/global_structure_operations/governance/index.shtml</a>	20
SO4	Actions taken in response to incidents of corruption. (Core) <i>Also see Worldwide Business Conduct Manual</i> <a href="http://www.pg.com/en_US/company/ethics.html">www.pg.com/en_US/company/ethics.html</a> <i>Governance structure, policies and procedures</i> <a href="http://www.pg.com/en_US/company/global_structure_operations/governance/index.shtml">www.pg.com/en_US/company/global_structure_operations/governance/index.shtml</a>	20

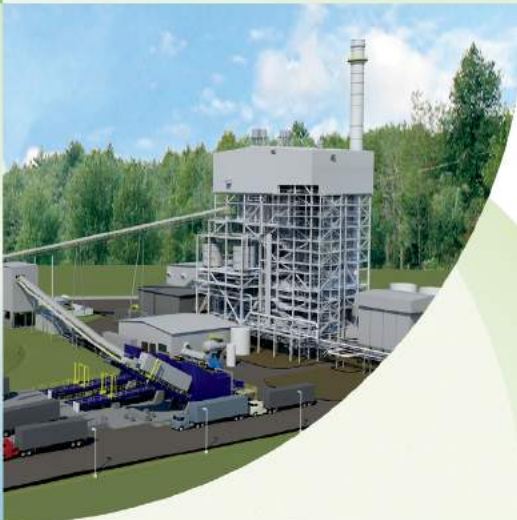


GRI Indicator	Description	Page(s)
<b>Public Policy</b>		
SO5	Public policy positions and participation in public policy development and lobbying. (Core)	21
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country. (Additional)	21
<b>Anti-Competitive Behavior</b>		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. (Additional)	N/A
<b>Compliance</b>		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations. (Core)	61


## 10. PRODUCT RESPONSIBILITY

<b>Consumer Health and Safety</b>		
PR1	Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. (Core)	22
PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes. (Additional)	N/A
<b>Product and Service Labeling</b>		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. (Core)	22
PR4	Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. (Additional)	N/A
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. (Additional)	62

GRI Indicator	Description	Page(s)
<b>Marketing Communications</b>		
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship. (Core)	63
PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes. (Additional)	N/A
<b>Customer Privacy</b>		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. (Additional)	N/A
<b>Compliance</b>		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services. (Core) <i>Note: We do not track this information globally.</i>	N/A



#### CONTACT

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