

2021 CITIZENSHIP REPORT

SUMMARY



This document includes interactive elements and is best viewed in Adobe Acrobat or Reader.

Access the <u>screen reader-friendly version</u> of P&G's Citizenship Report Summary





DEAR STAKEHOLDERS,

I want to take this opportunity to repeat and refresh our commitment to P&G's Citizenship efforts.

I approach this with a strong point of view. It is my personal belief that P&G is one of the most socially relevant companies on the planet. Over our 184 years, we have shown that our ability to grow is directly connected to our commitment to responsible business and doing good. Our ability to do good is in turn strengthened by our growth. We aim to be a force for growth and a force for good. We see these as inseparable.

Citizenship is how we refer to our efforts in Environmental, Social and Governance (ESG) areas. We have built Citizenship into how we do business every day.

Continued on the next page >



Community Impact



Equality & Inclusion



EnvironmentalSustainability



Ethics & Corporate Responsibility



"We aim to be a force for growth and a force for good. We see these as inseparable."

JON R. MOELLER

President and Chief Executive Officer

Environmental Sustainability has been embedded into how P&G does business for decades. We continually work to improve our environmental impact and enable consumers and suppliers to do the same. In September, we announced a comprehensive Climate Transition Action Plan—Net Zero 2040—to accelerate action related to climate change. We set a new ambition to achieve net zero greenhouse gas emissions across our operations and supply chain by 2040, with interim 2030 goals to ensure meaningful progress this decade.

Our Community Impact work supports people and communities in difficult times. We continue to provide COVID-19 relief around the world through donations of products, cash, and personal protective equipment. At the same time, we're supporting those who have faced fires, floods, typhoons, hurricanes and other emergencies. And our signature Community Impact initiative, the P&G Children's Safe Drinking Water Program, has provided more than 19 billion liters of clean water to people in need around the world.

Our Equality & Inclusion efforts are focused on helping create a world where equality and inclusion are achievable for all, inside and outside of P&G. Our diverse group of P&G people advance innovative ways to grow our business and support our communities. We use our voice through films, advertising, and programs to advance equity in our industry and society at large. We believe when brands and businesses meaningfully engage in supporting equality, it leads to a better world for all.

Ethics & Corporate Responsibility is the foundation for everything we do at P&G, including our Citizenship work. Building and sustaining a robust business for more than 180 years depends on maintaining strong ethical, compliance and quality standards across everything we do. It is a critical reason consumers trust us, partners do business with us, and shareholders invest in us.

As I shared earlier, I believe P&G is one of the most socially relevant companies on the planet. With that comes a responsibility, not only to consumers, employees, and shareowners, but also to our customers, communities, and our broader world alike.

Together, the people of P&G accept that responsibility—a responsibility none of us can deliver alone, but an objective that, together, working with each other and with valued partners, we can achieve and sustain so we can continue to be a force for growth and a force for good.

JON R. MOELLER

President and Chief Executive Officer



NOTE TO READER

This document includes interactive elements—use your cursor and click to reveal additional information. Some features may not work in web browsers, or with mobile or tablet viewing.

COVID-19 RESPONSE

When COVID-19 hit, we set a clear strategy focusing on three areas—







Taking Care of P&G People

Serving Consumers

Supporting Communities

We offered the resources to help keep our employees safe and protected. We provided many of the brands people count on to take care of their personal health and hygiene and to create healthy homes. Since the beginning of the pandemic, we donated tens of millions of dollars' worth of product, in-kind and cash donations to help people and communities suffering from the effects of the pandemic.

Here are just a few examples of how we stepped up as a force for good in this time of need.





CLICK ON EACH PIN TO READ MORE





COMMUNITY IMPACT

This year's events have helped to bring clarity to what matters. Our role as a company is not only to serve consumers with the products they rely on to take care of their personal health and hygiene and create healthy homes, but also to step up to be a force for good in the world.

At P&G, we bring this vision to life through 'Acts of Good' in our communities.

Giving back is rooted in who we are as a company. For more than 180 years, we have served our communities to help make lives a little better by—



Working with our partners to provide clean drinking water



Taking care of our neighbors after a disaster



Donating products and cash in times of need



Working through our brands to make a positive difference

GLOBAL CITIZEN. LIVE

Announced at VAX LIVE, our donation of U.S. \$5 million was matched by GAVI, providing

TWO MILLION+

COVID-19 vaccines globally.



And across our sites, we're supporting our frontline workers. In the last year, we stepped up to help in the aftermath of more than 30 emergencies by—

Offering Tide Loads of Hope and other laundry services

Partnering with Matthew 25: Ministries

Providing clean drinking water

Helping displaced families

Donating products, cash and more













Through our brands, people and resources, we are uniquely positioned to help restore a sense of normalcy in communities impacted by disasters.



19 BILLION LITERS¹

of clean water made possible through the Children's Safe Drinking Water Program.



700 MILLION



women and babies protected from Maternal Neonatal Tetanus (MNT) through the partnership between Pampers and UNICEF.

-60%



upports



Newborn

deaths by

by 60%.

MNT reduced

We stepped up to help our hometown community by donating more than

\$11,000,000

to the United Way of Greater Cincinnati.

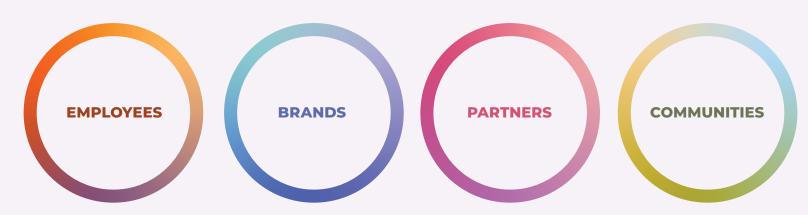




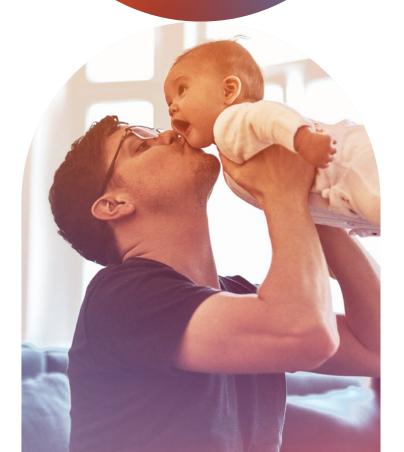
EQUALITY & INCLUSION

At P&G, we aspire to create a company and a world where equality and inclusion are achievable for all; where respect and inclusion are the cornerstones of our culture; where equal access and opportunity to learn, grow, succeed and thrive are available to everyone.

By being visible in our actions and staying anchored in our commitments to our employees, through our brands and with our business partners, we can continue to drive important change around the world.



We are committed to accelerating progress toward gender equality at home, at work and in society.



During the UN Generation Equality Forum in June 2021, we shared three commitments—

Spending \$10 billion with women-owned and women-led businesses through 2025.

Partnering with Promundo to advance gender equality by engaging men and boys.

Accurately portraying all women and girls through our brands' advertising and media.



whisper Secret.

We introduced audio description across the majority of our advertising in the UK, U.S. and Spain—opening these ads to over

25 MILLION

blind or visually impaired people.





We introduced Widen The Screen, a broad creative and partnership platform to increase inclusion of Black creators in the advertising, film, television and media industries.

We are committed to using our voice to accurately and authentically drive LGBTQ+ visibility.

We partnered with GLAAD to launch The Visibility Project, working to advance LGBTQ+ inclusion in ads.



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

PANTENE

6.3 million viewers and listeners tuned in to this year's Can't Cancel Pride virtual relief benefit, raising more than

\$4,200,000 for the LGBTQ+ community.







At P&G, environmental sustainability is embedded in how we do business. We have a responsibility to make the world better. P&G is committed to positively impacting our homes, our communities and our planet—especially in the areas of climate, forestry, water and packaging.

We are focused on developing innovations and products that deliver irresistible superiority in a sustainable way. We continue to reduce our footprint and strive for more circular approaches in our supply chain. We're building partnerships with external organizations to combat some of the most challenging and complex issues we face today. And our employees are committed to ensure that sustainability is built in—not bolted on—to their everyday work.

Together, we can create a future that protects our planet, our common home, for generations to come.



Climate >



Forestry >



Water >



Packaging >

OUR PROGRESS

CLIMATE

In September 2021, we <u>announced a new ambition</u> to achieve net zero greenhouse gas emissions across our operations and supply chain, from raw material to retailer, by 2040, as well as interim 2030 goals to make meaningful progress this decade. We also published a comprehensive <u>Climate Transition</u> <u>Action Plan</u>, which outlines our approach to accelerating climate action and the key challenges ahead.

Our science-based plan to net zero will prioritize cutting most of our emissions across our operations and supply chain, from raw material to retailer. For residual emissions that cannot be eliminated, we will use natural or technical solutions that remove and store carbon.

Our updated 2030 targets build on our <u>Ambition 2030 goals</u> to reduce greenhouse gas emissions and include:

Reducing emissions across our global operations by 50%⁴. From 2010 to 2021, we have reduced absolute Scope 1 & Scope 2 emissions across our global operations 56% through energy efficiency and renewable energy sourcing.
As we continue to reduce emissions, we are also advancing natural climate solutions which will balance any residual emissions from our operations that cannot be eliminated by 2030.

Reducing emissions across our supply chain by 40%⁵ by 2030.

Purchasing 100% renewable electricity. We are nearing our 2030 goal of purchasing 100% renewable electricity by increasing our global use to 98%.

Increasing transportation efficiency of upstream finished products by 50%4.



¹²

OUR PROGRESS

P&G is focused on ensuring we do
the right things in the right ways—
innovating using science and nature—
for the long term. We see it as our
responsibility to ensure no one has
to choose between the products
they use today and the world they
want for tomorrow.

FORESTRY

We use 100% certified pulp in Family Care 7 and will achieve 75% FSC certification, our preferred certification, by 2022 with an ambition to reach 100% FSC by 2030.

We are committed to the responsible sourcing of palm oils. We are members of the Roundtable on Sustainable Palm Oil (RSPO) and are committed to RSPO's 2018 Principles and Criteria (P&Cs). As of 2021, all P&G consumer brands use 100% RSPO certified palm oils. **ESG Portal** 7

WATER

We are doing our part to conserve and restore water for people and nature. In 2020, we kicked off a partnership with the Bonneville Environmental Foundation (BEF) Business for Water Stewardship (BWS) program through which we are funding six projects in California's Sacramento River and American River basins that aim to have a long-term positive impact on freshwater ecosystems and water supply for communities and businesses. These projects, combined, expect to restore more than three billion liters of water to people and nature. We have also increased water efficiency in our operations by 25% per unit of production and sourced 3.1 billion liters of water from circular sources. Mapping Our Impact 7

We are partnering to restore an anticipated



⁶vs. 2010 baseline Photo credit: Emily Reinhart

PACKAGING

In 2021, 73% of our consumer packaging is recyclable or reusable, and we continue to work towards 100% recyclable or reusable consumer packaging.



We continue to works toward

100%

recyclable or reusable packaging.







76%

of people want the brands they buy to help them be more environmentally conscious.



R

P&G and our brands are committed to using our voice, reach, innovation and expertise to make sustainability irresistible for all.



71%

of people want to do more to be sustainable at home. Reinventing the future of water with the 50L Home Coalition that aims to make

50 LITERS

of daily water use per person feel like 500.



Tide and Ariel have helped consumers increase their use of low-energy laundry cycles to avoid roughly

15 MILLION

metric tons of carbon dioxide.

Tide's Turn to Cold campaign encourages consumers to switch to cold water, reducing energy use in the wash phase by up to 90%.





Ariel's new campaign aims to achieve a five degree drop in average wash temperatures in Europe by 2025.

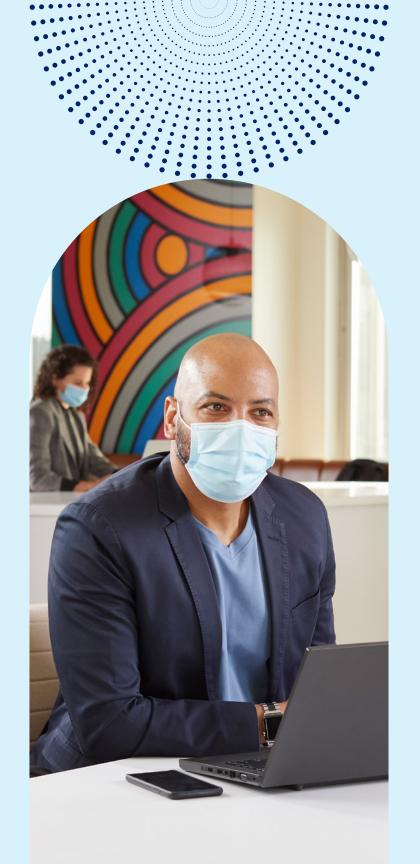






We have provided more transparency on our website, launching a portal for investors and an interactive map that details our environmental, social and governance efforts.







From experience, built over nearly 185 years, we know that a sustainably strong business depends on maintaining strong ethical, compliance and quality standards.

It is equally true that for our Citizenship work to be credible and impactful, it must be firmly rooted in our <u>Purpose</u>, <u>Values and Principles</u>

(<u>PVPs</u>) 7. Most critical though, is that our PVPs and standards come to life, by forming the basis through which our employees do their work to improve consumers' lives each and every day.

At P&G, we serve nearly five billion people around the world with our brands. We have operations in nearly 70 countries and have one of the strongest portfolios of trusted, quality and leadership brands. As we serve the world's consumers, we believe in, and have publicly committed to, doing what is right and being a good corporate citizen. These practices do not happen through luck. They happen by the thoughtful, principled

governance practices we establish across all that we do. This ranges from the design of our organizational structure and leadership culture to our daily commitment to operational discipline, which impacts every action and decision that our employees take—from sourcing quality, safe raw materials that are produced ethically to producing goods that prioritize product safety, transparency and consumer well-being. It requires us to be thoughtful about the communities and stakeholders with whom we work and impact. Ultimately, our approach to leadership in Ethics & Corporate Responsibility is our commitment to earn your trust every day.

Click here to learn more 7

BRANDS AS A FORCE FOR GROWTH AND GOOD

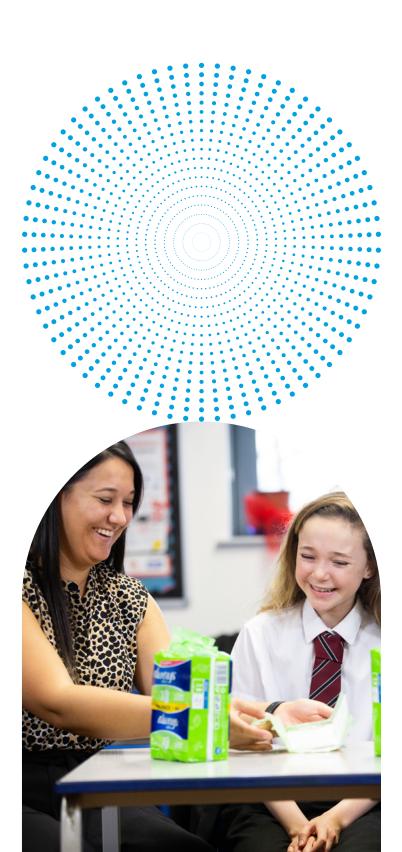
P&G brands are striving to be a force for growth and a force for good. Serving five billion people around the world provides a unique opportunity to not only delight consumers through superior product performance, but also to spark conversations, influence attitudes, change behaviors and drive positive impact.

Brands have a responsibility to society and the environment. To continue pushing ourselves to do even more, we set a goal in 2018 for "100% of our leadership brands to inspire and enable responsible consumption" >>> by 2030. It is a glide path for our brands to accelerate by integrating social impact and environmental sustainability as an essential core to their strategies and executions.

65%

of our leadership brands have met milestone one of their 2030 journey.





BRANDS AS A FORCE FOR GROWTH AND GOOD

Our brands have a glide path to integrate social impact and environmental sustainability as an essential core to their brand strategy and execution by implementing eight ambitious deliverables across product, packaging, communication, consumer use and supply chain. On the journey to meeting all 2030 criteria, brands are evaluated against certain milestones with distinct requirements.

Today, 65% of our leadership brands have met milestone one by defining meaningful and measurable goals for all eight deliverables and systematically integrating action toward them into their end-to-end business processes. Moving forward, they will take consistent action to prove meaningful, sustained progress to achieve a measurable positive impact on society and the environment.



Meaningful goals set

Strategy integration

On track for all goals Significant progress

2030

Goals met

CLICK BELOW TO LEARN ABOUT SOME OF OUR BRANDS' EFFORTS













Environmental 7
Social Impact 7

Environmental **A**Social Impact **A**

Environmental **A**Social Impact **A**

Environmental 7
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Social Impact A

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Environmental 7
Social Impact 7

ACTS OF GOOD

For generations, we have supported consumers, communities and our own employees through difficult times, while providing many of the products they count on to take care of their personal health and hygiene, care for their families and create healthy homes.

In another challenging year, there have also been brighter moments that remind us of the importance of community and how we can overcome challenges if we come together to create more of these moments. Throughout the year, we invited consumers to join us at PGGoodEveryDay.com, PGGoodEveryDay.ca, WirGemeinsamStaerker.de, PGBonus.ru and other online platforms where consumers help us to do more good.

As our 'Emotions' video 'A' shows, we are born with eight emotions, and the most important of them is love.

Shaped by compassion we have for each other, we committed to do 2,021 'Acts of Good' this year for our communities, for equality and for the planet we call home. We have met this goal, and the stories contained in this report are just a snapshot of the work we are doing with our many partners.

In partnership with Katie Couric Media, we created the Leading with Love video series, which highlights the Bennett Sisters, Emily, Crystal, Stacey and Pastor Rudy. See the videos and read about their stories here 7.

We hope these stories engage, touch and inspire many—including you—to join us in our efforts to do more acts of good.

We committed to do 2,021 'Acts of Good' this year for our communities, for equality and for the planet we call home.



RECOGNITIONS AND AWARDS

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



Community Impact







Recipient of the Sesame Workshop Corporate Leadership Award*



Equality & Inclusion



Named to Forbes 2021 America's Best Employers For Diversity





Environmental Sustainability



Most Sustainable Companies 2021



6 years in a row





Ethics & Corporate Responsibility



Named to the 2021 Global RepTrak® 100



Ranked in Top 20

Named to Fortune 2021 Most Admired Companies list



ABOUT OUR CITIZENSHIP REPORT

This summary shares a few examples of the work being led across the Company.

Explore more at www.pg.com/citizenship.

BACK TO START

The information in this report covers the period of July 1, 2020 to June 30, 2021. Questions related to this report can be directed to **mediateam.im@pg.com**.