Dear Stakeholders,

We made significant progress in each area of P&G’s Citizenship work in fiscal year 2018, and we continue to actively build Citizenship into how we deliver our business results.

Our aspiration is clear. We want to be a force for good and a force for growth. We know that the more we integrate and build Citizenship into how we do business, the bigger the impact we can have on the people we serve, the communities where we live and work and the broader world that surrounds us. In turn, this helps us grow and build our business.

We continue to make positive impact in each area of Citizenship: Ethics & Corporate Responsibility, Community Impact, Diversity & Inclusion, Gender Equality and Environmental Sustainability. Importantly, our efforts in these areas support nearly every objective outlined in the United Nations Sustainable Development Goals.
Here are a few highlights from the last fiscal year:

- Along with our NGO relief partners, we helped those impacted by disasters around the world. For example, we provided more than 2,000 personal care kits and washed more than 2,300 loads of laundry to help those impacted by hurricanes Harvey, Irma and Maria. We also activated our emergency response efforts to aid victims of the earthquake in Mexico and assisted with Syrian refugees in France, Germany and Turkey. And while this report is on a fiscal year basis, it’s important to note that we’re actively involved in relief efforts for those affected by recent natural disasters in the U.S. and Indonesia.

- Our Children’s Safe Drinking Water Program delivered more than one billion liters of clean drinking water last fiscal year and has provided more than 14 billion liters of water to those who need it most since the program began in 2004.

- We increased representation for women, now at 46% of all P&G managers globally, and we increased our U.S. representation and workplace satisfaction of African Ancestry, Hispanic and Asian Pacific American employees.

- We used our voice in advertising to promote important conversations about a full range of equality, diversity and inclusion topics with the “The Talk,” “Love Over Bias” and “The Words Matter.” We sparked important conversations to motivate positive change along racial, ethnic, sexual orientation, gender identity, disability and gender lines.

- And, we established a new road map to drive sustainability into how we operate to achieve positive impact through our brands, supply chain, society and our employees. This includes making all packaging recyclable or reusable, strengthening trust with our consumers by sharing our safety science across our brands, cutting greenhouse gas emissions from our manufacturing sites in half and continuing to help stem the flow of plastic into the world’s oceans.

This work could not have been accomplished without P&G people who come to work every day ready to make a difference in the lives of people everywhere and the many contributions of our business partners.

For more than 180 years, P&G has been touching and improving lives. It’s who we are. It’s what we do. And it motivates us to do more and be a force for good and a force for growth in the world.

DAVID S. TAYLOR
Chairman of the Board, President and Chief Executive Officer
Our Purpose, Values and Principles

Our Purpose, Values and Principles are the foundation of who we are. Our Purpose is to improve consumers’ lives in small but meaningful ways, and it inspires P&G people to make a positive contribution every day. Our Values of Integrity, Leadership, Ownership, Passion for Winning, and Trust shape how we work with each other and with our partners. And our Principles articulate P&G’s unique approach to conducting work every day. Our philosophy is that a reputation of trust and integrity is built over time, earned every day and is what sets us apart.

We operate within the spirit and letter of the law, maintaining high ethical standards wherever we conduct business. We believe that good governance practices contribute to better results for shareholders. We maintain governance principles, policies and practices that support management accountability. These are in the best interest of the Company, our shareholders and all stakeholders, and they are consistent with the Company’s Purpose, Values and Principles.

Our Commitment to Respect Human Rights

Our Human Rights Policy Statement communicates our support for the U.N. Guiding Principles for Business and Human Rights, which respects and honors the principles of internationally recognized human rights. P&G will always try to do the right thing by respecting human rights consistently across our global operations.

We expect these same commitments to be shared by our business partners, and we strongly encourage our business partners to share these same expectations with their business partners.

Speaking Up

Our employees hold themselves and one another accountable for operating with trust and integrity, for stepping up as leaders and owners of the business. We are committed to creating a work environment that fosters open communication and supports employees in reporting potential violations. Employees or individuals in our operations and extended supply chain can report potential violations at the Worldwide Business Conduct Helpline, which is staffed by an independent third party and is available 24 hours a day, 7 days a week. P&G is committed to reviewing all allegations of wrongdoing, and retaliation of any kind will not be tolerated.

Stakeholder Engagement

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

Our brands touch the lives of nearly five billion people, and we are there when our products matter more than ever. We provide the comforts of home in times of disaster and bring the power of clean water to people who need it most. We focus where we can uniquely bring value and where our brands and people can make the biggest difference. Here are some of the heartwarming stories from this year.

P&G Children’s Safe Drinking Water Program

P&G is a company founded on cleaning expertise and innovation. We provide products that help people clean their clothes, floors, hair, teeth and babies. So when one of our scientists discovered a way to clean dirty water and make it drinkable, an idea was born to help those nearly billion people who struggle with finding clean drinking water every day. We launched our Children’s Safe Drinking Water Program in 2004 and have worked with more than 150 partners around the world to provide more than 14 billion liters of water to those who need it most. This simple-to-use technology has been transformative for communities around the world—keeping children and their families healthy, able to pursue their educational dreams and helping to provide economic opportunities for so many people with just a bucket, a stick, a cloth and a P&G Purifier of Water packet. This is improving everyday life at its core. To celebrate World Water Day 2018, we partnered with National Geographic to tell the stories of Mary in Kenya, Veronika in Indonesia and Antonia in Mexico, and the power of clean water to their families.

16 Years of Making a Difference

In the UK, P&G has a long-standing partnership with In Kind Direct. Founded in 1996 by His Royal Highness, The Prince of Wales, In Kind Direct is the leading UK charity dedicated to distributing donated consumer products from manufacturers and retailers to UK charities working at home and abroad. Since 2002, P&G has donated more than $50 million worth of products which have benefited more than 5,800 charitable organizations and was awarded with a special recognition for ‘Greatest Volume of Products Donated’ by the charity in 2017.

Since 2002, P&G has donated $50 million worth of products in partnership with In Kind Direct.

Since 2004, we have provided more than 14 billion liters of clean drinking water.
Hurricane Help

The southern U.S. and Caribbean were hit hard during the 2017 hurricane season when hurricanes Harvey, Irma and Maria brought widespread devastation to Texas, Florida, Puerto Rico and multiple countries in the Caribbean. Communities suffered tremendous damage, and people were without basic comforts for extended periods of time. It’s in times like these where our products can mean the most. P&G, along with our partner Matthew 25: Ministries, deployed our relief efforts to multiple states in the U.S. and delivered more than 2,000 personal care and cleaning product kits providing everyday essentials like Crest toothpaste, Charmin toilet paper, Gillette razors, Secret deodorant and Pampers diapers. The team also washed and dried more than 2,300 loads of laundry through the Tide Loads of Hope program. Similar programs were deployed in Puerto Rico, and P&G supported broader emergency relief efforts throughout the Caribbean in partnership with organizations including Americares, International Medical Corps, GlobalMedic and Save the Children.

We delivered basic comforts to those in need with more than 2,000 disaster relief kits filled with P&G products.

P&G washed more than 2,300 loads of laundry through the Tide Loads of Hope program.
Helping Close to Home

In 1915, P&G helped establish the Cincinnati Community Chest, which today is known as the United Way of Greater Cincinnati (UWGC). UWGC impacts the lives of people in 10 counties across Ohio, Indiana and Kentucky. The annual P&G United Way campaign provides support to reach bold goals like preparing children for kindergarten, helping families achieve financial stability and ensuring people lead healthy, quality lives with maximum independence. This year, P&G employees, shareholders and retirees donated $9.7 million to the organization’s annual campaign.

Not Your Average House

In Costa Rica, 564 tons of plastic waste is thrown away every day, and only 14 of those tons are recycled—the rest ends up in landfills or in our environment. Working with Habitat for Humanity, we are taking that waste and turning it into homes. Through innovative technology that enables a new method of construction based on recycled plastic blocks, we are building homes that are fireproof, anti-seismic, water and humidity proof and require no maintenance. More than 200 volunteers helped build homes for two single moms—Rocio and Cindy—and their families. Each of these homes uses about seven tons of recycled plastic, and the construction system has been approved by the highest-ranking institute for building construction in Costa Rica.
The Talk Sparks Dialogue and Earns Honors

Last year, P&G tackled head-on a real challenge the U.S. and other countries must address—racial inequality driven by racial bias. We decided to step up and use our voice to shine the light on racial bias, continuing our efforts to create a better world for everyone, with equal representation, equal voice and equal opportunity—regardless of background.

We created a two-minute film focused on “the talk” that many black parents in America have with their children about racial bias to prepare, protect and encourage them. Throughout the film, there are scenes of parents having a version of The Talk with their son or daughter in various situations and across different decades. These depictions of The Talk illustrate that, while times have changed, racial bias still exists.

Since it debuted in July 2017, the film has generated widespread conversations in social media, news forums and millions of views online. The Talk was featured as part of the storyline during an episode of black-ish, ABC’s hit primetime sitcom and has racked up numerous awards including the 2018 Creative Arts Emmy award for Outstanding Commercial and 2018 Cannes Grand Prix Lion for Film Corporate Image.

Diversity & Inclusion

P&G is a company that believes in diversity and inclusion. With more than 140 nationalities represented in our workforce, our own diversity helps us reflect and win with the consumers we serve around the world. The more we understand people, their needs and challenges, the better we can delight them with our products and services. And while diversity is essential in all we do, we believe inclusion changes the game. Every day we strive to get the full value of our diversity through inclusion—fostering an environment where P&G people can be their best, full and authentic selves in the workplace. But our job doesn’t end there—our belief and commitment extend beyond P&G’s walls. We are driving action on the world stage to make a meaningful difference, and we care deeply about our impact, always striving to make the world a little bit better through our actions.
Documentary Profiles Courage and Leadership

In an era of increasing polarization and heightened concern for LGBT+ rights, *The Words Matter: One Voice Can Make A Difference* took on one of the most salient issues of our time and brought it to a worldwide audience. *The Words Matter* is more than just a corporate documentary—it’s a refreshingly candid examination of P&G’s own history and a lesson in leadership.

P&G commissioned the film in partnership with a production team at CNN’s Great Big Story in celebration of the 25th anniversary of LGBT+ inclusion at the Company. Beyond the launch and distribution of the film, P&G wanted to continue to bolster societal dialogue about LGBT+ inclusion. Screening events and discussions were held in New York, London, Geneva, Cincinnati, Cannes, China, Panama and other locations across the world.

Herbal Essences Designs a Sense of Touch

In 2019, P&G brand Herbal Essences will be making a small change that makes a big impact for people with visual impairments. Research shows that more than 69% of people have sight limitation or confusion, which means they have difficulty differentiating shampoo from conditioner while in the shower. Herbal Essences is taking small steps to ensure the brand is more available and inclusive to all consumers with the launch of the category’s first “visual impairment aid”—raised indentations that differentiate shampoo and conditioner.
Flex@Work Evolves with the Times

In an era of single parenting, caring for aging parents, supporting a special needs child or navigating same-sex parenting, P&G sought to modernize our signature Flex@Work program to provide location and time flexibility for modern families. We recently introduced additional upgrades in our parental leave policies in many of our largest countries around the world with a clearer focus on career flexibility. Today, more than 75% of P&G employees report flexing. We have five years of data through our employee survey that shows that employees who flex report significantly higher scores in four important areas of engagement and work-life effectiveness: flexibility, job demands, energy and support.

P&G Germany and REWE Build Inclusive Playgrounds

With the citizenship campaign “Piece of Happiness”, P&G Germany and key customer REWE have joined forces with the non-profit group Aktion Mensch to build inclusive playgrounds all over Germany within the next three years. We are teaming up with REWE, one of the biggest grocery chains in Germany, and Aktion Mensch, the largest social lottery in Germany. The first inclusive playground of the campaign has now been opened in Cologne. Children with and without disabilities now can jointly experience new adventures every day.

P&G Latin America Hosts Regional LGBT+ Conference

The GABLE affinity group founded more than 20 years ago continues to grow and thrive around the world. This year, P&G Brazil hosted the first P&G Latin America GABLE Conference to bring awareness and consciousness of LGBT+ and diversity matters with a lens on business impact. The conference was attended by more than 70 P&Gers from 10 different countries including P&G Brazil’s leadership team and more than 40 external guests from local business and academia.
Gender Equality

We aspire to build a better world for all of us—inside and outside P&G; a world free from bias and with equal voice and equal representation for all individuals. A world where everyone sees equal. We know that gender equality contributes to stronger economies, healthier communities and thriving businesses.

We are focusing on three areas where we can have the greatest impact: leveraging our significant voice in advertising and media to tackle gender bias; removing gender-biased barriers to education for girls and economic opportunities for women through our corporate programs and policy advocacy efforts; and creating an inclusive, gender-equal environment inside P&G—and advocating for gender-equal workplaces beyond P&G—where everyone can contribute to their full potential.

In each of these areas, we partner with highly-engaged organizations that share our commitment and where we can combine our resources, talents and skills to have a bigger impact.

Busting Workplace Myths and Opening Minds

In January 2018, a thought-provoking exhibit arrived at the small Alpine town of Davos, Switzerland during the annual World Economic Forum. This Women at Work: Myth vs. Reality interactive exhibit dispels the gender “myths” that get in the way of women’s representation and advancement in the workplace. It’s designed to expose and challenge the myths that hold women back from achieving 50/50 representation at all levels of management, changing the way we think and talk about women and creating a new narrative that will accelerate progress. The Women at Work exhibit is appearing at additional events across the world, continuing to open minds and challenge outdated thinking.

At P&G, we’re challenging the myths that hold women back from achieving equal representation in the workplace.
Sesame Street Muppets Fuel Girls’ Aspirations

Chamki is a vibrant 5-year-old girl Muppet who lives on Galli Galli Sim Sim, the Indian version of Sesame Street. The Growing Up Chamki series airing on TV in India explores issues of gender equity in child-relevant ways, with girls and boys role-playing different careers and family roles. P&G partnered with Sesame Workshop to produce the episodes and make them available to Sesame Street co-productions around the world, aiming to set a new expectation that values girls’ education equal to boys’—so that both boys and girls can reach their full potential. Sesame Workshop and P&G also launched an advocacy campaign featuring a 60-second video promoting girls’ education and gender equality. This video launched on the Kwesé TV network in ten countries throughout Sub-Saharan Africa, airing more than 1,000 times, and has been viewed more than two million times on social media. P&G will continue to support Sesame Workshop, local educators and producers in developing engaging, inspiring female Muppet characters around the world. From Zari in Afghanistan to Chamki in India, Lola in Latin America, Kami in South Africa and Raya throughout Sub-Saharan Africa and South Asia, the girl Muppets have become the most popular characters among girls and boys alike.

P&G Commits $100 Million to Women-Owned Businesses Outside the U.S.

When women have the tools to fully participate in the economy—through increased access to training, loans, credit, economic literacy and more—they build businesses, and we see entire communities transformed. P&G has made women’s economic empowerment a priority and developed a program supporting women entrepreneurs across our supply chain, from suppliers to distributors to agencies primarily in the U.S., but now we’re expanding the effort. In October 2017, we made a commitment to spend $100 million with Women-Owned Businesses (WBEs) outside the U.S. over three years. In December 2017, we joined with U.N. Women and Sharjah’s ruler to host the first Women’s Economic Empowerment Summit held in the Middle East, driving awareness about the importance of active intervention and long-term advocacy. P&G developed a customized training program targeting the private sector to help guide businesses on how to get started with WBEs. This, combined with other interventions, helped jump-start a new generation of women entrepreneurs. And we’re proud to report that the 3-year, $100 million goal was surpassed in less than one year.

P&G’s pledge to spend $100 million with Women-Owned Businesses outside the U.S. over three years was surpassed in just one year.
Using Our Voice

To use our voice in advertising to help eliminate bias and promote equality, we announced at the 2018 Cannes Festival of Creativity an industry-wide aspiration to get to 100% of ads and media accurately portraying women and girls along with specific steps to get to 50/50 equality in creative directors and other production roles. We’re partnering with #SeeHer and the U.N. Women Unstereotype Alliance, investing to expand Free the Bid and supporting content created by and for women—with partners like Katie Couric Media and The Queen Collective.

Gender-equal ads perform 26% higher in sales growth according to the same #SeeHer study. Some of P&G’s best-performing brands have the most gender-equal campaigns such as Always Like A Girl and SK-II Change Destiny—demonstrating that equality is a force for good and a force for growth.

Generation of Firsts

Our Always brand continues to tackle societal barriers for women around the world and in April launched the campaign “Generation of Firsts,” which celebrates Saudi women achievers. With this campaign, Always is supporting women to embrace being the first to achieve a career ideal that had been traditionally challenged. The film was made with not only an all-Saudi cast and crew but an all-female Saudi cast and crew including the director, producer, cinematographer and full production team.

The film was viewed more than 1.5 million times and generated a social media flurry with more than 1,000 stories, pictures and videos of Saudi girls proudly posting what they had accomplished.

Men Advocating Real Change™

At P&G, we believe that the requisite skills to succeed as leaders in 2018 and beyond include the ability to be empathetic and inclusive. Given the critical role men play in advancing women and to achieving gender equality, we have partnered with Catalyst on their MARC™ (Men Advocating Real Change) initiative. Through this effort men better understand the impact stereotypes, unconscious bias and male-dominant culture have on women’s career progression. In less than two years, MARC workshops have reached almost 800 P&G managers across more than 15 countries. And by inviting other Fortune 500 companies to join our P&G-hosted workshops, several companies have been inspired to launch their own MARC initiatives.
Ambition 2030

We’ve made strong progress against our 2020 goals and the time was right to raise the bar. So this year we launched our new 2030 goals—Ambition 2030—aimed to enable and inspire positive impact while creating value for consumers and our Company. These goals focus on where we know we can make the biggest positive difference—our brands, our supply chain, society and our employees.

People know us through our brands, and we will use the power of our innovation and our brands to delight consumers and drive positive impact. In our supply chain, we will reduce our footprint and strive for circular solutions. We can impact society by creating the right partnerships that enable people, the planet and our business to thrive, and this includes finding solutions so that none of our packaging finds its way to the ocean. And finally, we will tap into our greatest resources, our employees, so that they are engaged and equipped to build sustainability into their daily work and our communities.

Environmental Sustainability

Building on our legacy of environmental leadership, we have made significant progress against our 2020 goals for climate, water and waste—having achieved several of them already—and have set new, ambitious environmental goals for 2030 that will enable and inspire positive impact. These goals seek to address two of the world’s most pressing environmental challenges: finite resources and growing consumption.

A Power Play

Our energy team has worked hard to deliver renewable onsite projects like a combined heat and power biomass facility in Georgia and offsite partnerships like our wind farm in Texas that have put us on track to deliver our current targets. Building off their progress, we’ve stepped that up for 2030. We’ve agreed to purchase 100% renewable electricity and will do this in North America by 2020 and globally by 2030. We have also committed to reduce scope 1 and 2 greenhouse gas emissions by 50% by 2030, using 2010 as a baseline. This science-based target aligns with climate science, and it will help us do our part to reduce the impact of climate change.

P&G will purchase 100% renewable electricity in North America by 2020 and globally by 2030.
A Sea of Change

We understand what’s happening to the world’s oceans, so that is why we have included a plastics pledge in our Ambition 2030 goals. We are looking at holistic solutions that will make it possible that no P&G packaging finds its way to the ocean. We are reducing the plastic we use, increasing recycled content and the recyclability of our packaging, and leveraging innovation and partnerships to help stop the flow of plastic into our oceans. Our brands are bringing this to life:

Limited-edition H&S and Fairy bottles in several European countries contain recycled beach plastic.

Almost 100% of the packaging used in Charmin, Puffs and Bounty is recyclable.

Lenor introduced post-consumer resin into transparent sizes in Europe and enabled the use of 3,100 tons of recycled plastic in 2017.

P&G is reducing the plastic we use and increasing recycled content and the recyclability of our packaging.
Partnering for Change

We know that no one company can do this alone and believe that collaboration will be critical to driving positive change at scale. We’ve had some initiatives that we’ve been able to bring to life with our partners. For example, we worked with TerraCycle and Tesco to provide one lucky school in the UK with a playground made with recycled plastic. In Italy, we worked with Carrefour to create a sustainability campaign around beach litter that enabled shoppers to help choose which beach to clean by providing a donation with purchase. In Japan, Febreze partnered with TerraCycle and a national retailer to encourage shoppers to bring in used Febreze car air fresheners to their local shops for recycling. These collections were recycled into raw materials used to manufacture safety reflectors which were donated to schools—a great example of bringing the circular economy to life.

That’s Not Garbage

Our production sites are well on their way to reaching our goal of sending zero manufacturing waste to landfill by 2020. In fact, approximately 85% of our production sites have successfully qualified as Zero Manufacturing Waste to Landfill sites. So how does this happen? It all starts with changing the mindset to see waste not as waste, but as worth. Around the world, our employees have changed their everyday behaviors, partnering with our Global Asset Recovery Purchases (GARP) team to think of creative and innovative ways to find new life for our materials. So instead of sending those suds that don’t meet our specs to the landfill, we sell them to carwashes. The scraps from some of our fem care products become cat litter. Old shipping drums are repurposed into artistic waste bins, school benches and tree containers. And there is a double benefit—we create a more circular supply chain by avoiding the landfill while also getting revenue for this would-be waste. Since the program started in 2008, it has saved the Company more than $2 billion and has helped divert five million tons of waste from the landfill.
2020 Environmental Goals Progress

*Numbers are representative of progress since 2010*

**CLIMATE**

- **Reduce energy use at P&G facilities by 20% per unit of production by 2020**
  - Achieved — 22% reduction per unit of production

- **Reduce absolute GHG emissions by 30% by 2020**
  - We have reduced absolute GHG emissions by 21%

- **Ensure 70% of machine loads are low-energy cycles**
  - 69% of loads are low-energy

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

- **Reduce truck transportation kilometers by 20% per unit of production**
  - Achieved — reduced kilometers by more than 25%

- **Ensure plants are powered by 30% renewable energy**
  - 14% of energy is from renewable sources

- **Implement palm oil commitments**
  - We continue to advance progress against our three-pillar strategy

- **Create technologies by 2020 to substitute top petroleum-derived raw materials with renewable materials as cost and scale permit**
  - We have developed the ability to substitute our top petroleum-derived raw materials (resins, cleaning agents and acrylates) with renewable materials

**Ambition 2030**

**BRANDS**

- Use the power of innovation and our brands to delight consumers and drive positive impact

**SUPPLY CHAIN**

- Reduce our footprint and strive for circular solutions
**WATER**

**Provide 1 billion people with access to water-efficient products**

- 700 million people with access to water-efficient products

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

- Achieved—25% reduction per unit of production

**WASTE**

**100% zero manufacturing waste to landfill by 2020**

- 85% of our manufacturing sites are ZMWTL

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

- 98% of the volume reported by our suppliers was either recycled or third-party-certified virgin content

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

- We have reduced packaging by approximately 13.5% per consumer use

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

- We used approximately 38,100 metric tons of post consumer resin (PCR) in our plastic packaging, getting us 46% of the way to our goal

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

- We have achieved 86% and have strong, ongoing effort to further increase recyclability

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

- We continue to make progress implementing a variety of pilot projects with external partners

**SOCIETY**

Create transformative partnerships that enable people, the planet and our business to thrive

**EMPLOYEES**

Engage and equip P&G employees to build sustainability thinking and practices into their work and their communities
ABOUT OUR CITIZENSHIP REPORT

This summary shares a few examples of the work being done across the Company. Our full report, with more statistics and stories, is available online at www.pg.com/citizenship2018. The information in this report covers the time period from July 1, 2017 through June 30, 2018.

The paper utilized in the printing of this report is certified to the FSC® Standards, which promotes environmentally appropriate, socially beneficial and economically viable management of the world’s forests.