2017

Citizenship Report

EXECUTIVE SUMMARY

Dear Stakeholders,

I'm pleased to share our 2017 Citizenship Report, which details how P&G's Citizenship efforts are built into the way we deliver our business results. This report provides a holistic view of how P&G's Citizenship work comes together—across brands, employees, operations and business partners—to make meaningful differences in people's lives around the world.

Every day, we work to be a force for good and a force for growth. Our aspiration is to positively impact all our stakeholders in each area of our Citizenship work: Ethics & Corporate Responsibility, Community Impact, Diversity & Inclusion, Gender Equality and Environmental Sustainability.

Ethics & Corporate Responsibility

Community Impact

Diversity & Inclusion

Gender Equality

Environmental Sustainability

P&G has been a leader in environmental sustainability for decades and continues to make strong progress—meeting our 2020 energy, transportation, waste and water goals ahead of schedule. We're committed to continuing to innovate in these areas. For example, we partnered with TerraCycle and SUEZ to bring to market in France the first-ever recyclable shampoo bottle made from beach plastic. And we recently created a new partnership with Innventure called PureCycle, the basis of which is a new-to-the-world technology that has the potential to revolutionize the plastics recycling industry. This technology purifies recycled polypropylene plastic back to a virgin-like form and can open up billions of pounds of plastic material to meet an unmet demand for like-new recycled plastic—something that was not possible before.

P&G makes an impact in communities around the world through our people, brands and partners by delivering the comforts of home, health and hygiene. We do this with programs like Tide Loads of Hope, which provides laundry services to those affected by disaster; P&G Children's Safe Drinking Water Program, which has provided more than 12 billion liters of clean drinking water in communities around the world; and our Pampers UNICEF campaign, which has helped eliminate maternal and newborn tetanus in 20 countries—more than halfway to our goal of eliminating neonatal tetanus from the world.

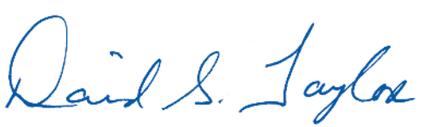
We treat all employees with respect and encourage them to bring their full selves to work, knowing that fully leveraging our diversity elevates our collective thinking and improves our ability to win. To accelerate our progress in diversity and inclusion, we recently joined 300 other companies to form the CEO Action for Diversity & Inclusion. This initiative focuses on three key areas: creating a trusting workplace environment for dialogue, understanding unconscious bias, and sharing best—as well as unsuccessful—practices to learn from. This is important not only for P&G and the other members of the coalition, but also for our society. By creating an environment where diverse people can come together and offer their best thinking, ideas and performance, more ideas for growth are realized. As a testimony to this effort, we received a perfect score on the Human Rights Campaign Foundation's Corporate Equality Index for the fourth consecutive year.

We aspire to build a better world for all of us—inside and outside of P&G—free from gender bias and with equal voice and equal representation for women and men. As the world's biggest advertiser, we can spark conversations that motivate change such as with our Ariel #SharetheLoad, SK-II #ChangeDestiny and Always #LikeAGirl campaigns. In addition, this year, in conjunction with International Women's Day, we launched our #WeSeeEqual video, which has been widely recognized for the inclusive way it promotes equality.

P&G's commitment to Citizenship is supported by our Purpose, Values and Principles. They are the foundation on which this Company was built, and they have been our guiding force for 180 years.

I want to acknowledge and thank P&G's many valued partners—businesses, NGOs and governments across the globe. In addition, our efforts align with the United Nations Sustainable Development Goals, which are focused on ending extreme poverty, fighting inequality and injustice, and tackling climate change.

We're proud of what we've accomplished, but we know there is more to do to continue to make progress in each area. This is important work. Consumers care about the company behind the brands they purchase and use. They want to know that the products they are buying come from a trusted source. We're working to build on that trust every single day, and we'll do it within our Purpose, Values and Principles. We'll always do it the right way, with integrity and with competitive passion. That's P&G at our best.



David S. Taylor

Chairman of the Board,
President and Chief Executive Officer

Ethics & Corporate Responsibility

At P&G, we serve nearly 5 billion people around the world with our brands. We have operations in nearly 70 countries and have one of the strongest portfolios of trusted, quality and leadership brands. As we serve the world's consumers, we believe in and have publicly committed to doing what's right and being a good corporate citizen.

We define this as improving transparency, building collaborative partnerships, respecting human and labor rights, and sourcing responsibly. This influences all we do, and we take this responsibility seriously. Our philosophy is that a reputation of trust and integrity is built over time, earned every day and is what sets us apart.

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.

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.

Community Impact

Our brands are part of everyday life. We're there with people when they wash their hair, clean their clothes, diaper their babies, and care for their homes. We're also there in times of greater need—when our products and our help matter more than ever. We focus our efforts where we can uniquely add value—health and hygiene and comforts of home. These are just a few examples of our work in communities around the globe.

BRINGING THE POWER OF CLEAN WATER TO FAMILIES AROUND THE WORLD

Now in its 13th year, the P&G Children's Safe Drinking Water (CSDW) Program continues to make a meaningful difference by providing clean water to communities in rural areas and during emergency situations. When families are forced to drink water from contaminated sources, the impact to daily life is significant. Health suffers, children miss school, and families struggle to earn stable incomes. Working with more than 150 global partners, we are contributing to the worldwide effort to achieve UN Sustainable Development Goal #6—clean water and sanitation for all. We have delivered more than 12 billion liters of clean water and are on our way to our goal of 15 billion by 2020. The life-changing technology, invented by a P&G scientist, packs the power of a water treatment plant in a four-gram packet. With just a bucket, a spoon, a cloth and a P&G Purifier of Water packet, a family can clean 10 liters of water in only 30 minutes.

P&G has delivered more than

12 billion liters

of clean water.

IMPROVING LIVES IN TIMES OF NEED

P&G provided product donations and services in response to more than 20 disasters globally, and helped millions of people through our disaster relief programs, working in collaboration with numerous disaster relief partner organizations. Brands such as Always, Gillette, Head & Shoulders, Oral-B, Pantene, Pampers, Vicks and many others donated thousands of products to those in need around the world. We provided disaster relief grants to partners on the ground to help bring some of the comforts of home to those impacted by natural disasters.

We've responded to more than

20 global disasters

with product donations and services this year.

With our Children's Safe Drinking Water Program, we are on our way to providing

15 billion liters

of clean water by 2020.

BIG IMPACTS COME IN SMALL SIZES

Pampers believes that when babies enter the world, they deserve to feel love at first touch. This is why P&G has partnered with Neonatal Intensive Care Unit (NICU) nurses to design and introduce the new Pampers Preemie Swaddlers Size P-3 diaper, which is three sizes smaller than newborn diapers. It is designed to fit the tiniest and most vulnerable premature babies, who can weigh as little as one pound, wrapping them in Pampers' most trusted comfort and protection. Moreover, in honor of World Prematurity Day, Pampers went on Facebook, Twitter and Instagram with its #TouchesOfLove campaign and donated more than $100,000 to March of Dimes.

Pampers Preemie Swaddlers Size P-3 is designed to fit the tiniest and most vulnerable premature babies, who can weigh as little as one pound.

COMING TOGETHER IN THE COMMUNITY

P&G has introduced a first-of-its-kind community Centre, located in the poverty-stricken region of Kibera, Nairobi in Kenya. Together with our NGO partner, Human Needs Project, P&G is pioneering innovative ways to make sustainable lifestyles irresistible and affordable, even in such a stressed environment. It is a life-transformational 1-stop-shop providing much-needed, pay-per-use services such as laundry, sanitation and hygiene to the challenged community. Since it opened in March 2015, the Centre has served more than 230,000 people with an estimated 750 transactions every day, helping to improve the quality of life for those in need in Kibera.

P&G has introduced a community Centre in Kenya, providing basic sanitation and empowerment through pay-per-use services.

HELPING HAND IN THE REFUGEE CRISIS

In Turkey, we donated more than 300,000 P&G products to help touch and improve lives of people needing assistance, including thousands of Syrian refugees. The Turkish Red Crescent acknowledged the contributions with two gold medals. The Turkish President hosted the ceremony recognizing P&G, and the Minister of Family and Social Policies presented the awards. We are privileged to be part of the solution, through a long-term partnership with the Turkish Red Crescent.

A GREATER GOOD

In line with the P&G Citizenship goal to bring comforts of home to those who need them the most, P&G Italy, in partnership with the Office of Papal Charities and the Whirlpool Corporation, led the creation of a free laundry service for homeless and disadvantaged people in Rome. P&G supplies Dash and Lenor fabric care products, and Whirlpool donated washing machines, dryers and irons. P&G Italy first partnered with the Office of Papal Charities in 2015 when we began supplying razors and shaving cream to the facilities in St. Peter's Square established by Pope Francis that offer free showers, haircuts and shaves to Rome's homeless population.

P&G supplies Dash and Lenor fabric care products for a free laundry service for homeless and disadvantaged people in Rome.

Diversity & Inclusion

P&G is a company that believes in diversity and inclusion. With over 145 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 extends 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.

CREATING VALUE THROUGH DIVERSITY AND INCLUSION

Our 2017 P&G Diversity & Inclusion Award winners are helping P&G to win through better business, organizational and community-improving results. The link to diversity and inclusion comes through the commitment of these teams and individuals who think differently and challenge themselves and others to take initiative, embrace change and tackle challenges through diverse vantage points and teams. From product innovation for women of African Ancestry, to creating opportunity for people with disabilities, to advancing LGBT inclusion, to driving economic empowerment for women, to winning locally with products and messages that resonate with consumers, we are innovating for growth across our business through our diversity and inclusion efforts.

BUILDING INCLUSION AS A BUSINESS AND CULTURAL STRATEGY

P&G's commitment to an inclusive culture is broad and deep. We are continually improving our culture through policies, training and employee support systems to meet the needs of our changing workforce. We are committed to achieving 50-50 representation of women and men in all parts of our Company and stepping up for our African Ancestry employees. To enable P&G people to be and give their best, we continue to innovate in the area of global parental leave and employee flexibility. All of this underscores our desire to make a difference around the world. We know that when we get inclusion right, we are more able to reach our full potential.

50 | 50

We are committed to achieving 50-50 representation of women and men in all parts of our company.

ENCOURAGING DIALOGUE AND ACTION

In June 2017, P&G joined 300 other companies through the CEO Action for Diversity & Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace signed by more than 270 CEOs. The power of this commitment is the bias towards action: seeing something, saying something and then doing something about it. Diversity is about making sure we have the right mix of talent. Inclusion is about using that diversity to make us all stronger. It takes both. P&G is taking deliberate steps inside and outside the Company to create a trusting workplace environment for dialogue, understand unconscious bias, and share best practices.

CEO ACT!ON FOR DIVERSITY & INCLUSION

BRINGING OUT OUR BEST EVERYDAY

At P&G, we believe diversity and inclusion comes down to the everyday choices and actions of every individual. When we unite to bring out the best in each other, and when we invest in our communities, we have the power to be unstoppable. In 2017, our People with Disabilities and Veterans Affinity Teams, in partnership with the Department of Veterans Affairs and Paralyzed Veterans of America, co-presented the 37th National Veterans Wheelchair Games in Cincinnati, Ohio. More than 550 veterans competed in this event, empowering veterans with spinal cord injuries, multiple sclerosis, amputations and other neurological injuries to live more active and healthy lives through wheelchair sports and recreation.

Photo Credit: Paralyzed Veterans of America

Gender Equality

We aspire to build a better world for all of us—inside and outside of P&G—free from gender bias and with an equal voice and equal representation for women and men. A world where everyone sees equal.

This focus makes sense for P&G, as many of our products are made uniquely for women and girls. We have deep insights into their lives, their challenges and their aspirations.

To create a world where everyone sees equal, we are focusing on three areas where we can have the greatest impact:

- Leveraging our voice in advertising and media to tackle gender bias;
- Removing gender-biased barriers to education for girls and economic opportunities for women through our brand and corporate programs and policy advocacy efforts; and
- Creating an inclusive environment for our employees with 50-50 representation of women and men.

In all 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 broader and bigger impact.

#WeSeeEqual

INSPIRING A NEW EXPECTATION WITH #WeSeeEqual

We believe that when we make gender bias visible and bring awareness to it, we have the power to motivate change. We launched #WeSeeEqual in March 2017 to inspire a new expectation and re-set the outdated narrative that has been in place for far too long. The video has been viewed millions of times in more than 180 countries and was named one of the most inclusive ads of 2017 by the Association of National Advertisers.

The #WeSeeEqual video has been seen millions of times in more than

180 countries.

P&G has more than

$1 billion

of spending with women-owned businesses in the United States.

LEVERAGING OUR VOICE IN ADVERTISING AND MEDIA

P&G's brands—including Always, Ariel, Dawn, Fairy, Luvs, Pantene, Secret, SK-II, Tide and others—continued to deliver campaigns that break down stereotypes and start conversations that motivate change.

Some of the ads tackle important issues like girls' confidence, while others break down stereotypes and set new expectations by portraying characters in a gender-equal setting. The campaigns, told in each brand's unique voice in a way that connects with consumers, build the business and contribute to a better world.

We've joined forces with other companies, including competitors, to collaborate for good. We've committed to support:

- The Association of National Advertisers (ANA) #SeeHer movement to reflect accurate portrayals of women and girls in advertising and media; and
- The UN Women-led Unstereotype Alliance, a group of about 20 companies around the world focused on addressing and eliminating stereotypes in advertising. (UN Women is the United Nations entity that champions gender equality and the empowerment of women worldwide.)

P&G's brands continue to deliver campaigns that break down stereotypes and start conversations that motivate change.

REMOVING BARRIERS TO EDUCATION AND ECONOMIC OPPORTUNITIES

We're helping to ensure access to education for girls and economic opportunities for women through our public policy advocacy efforts as well as our brand and corporate programs. Our Supplier Diversity program, which has been operating in the United States for more than 40 years, is a great example. This program is focused on awarding purchasing contracts to women- and minority-owned businesses—including military veterans, people with disabilities and LGBT business owners. We have more than $1 billion of spending with women-owned businesses in the United States. With recent expansion into China, Mexico, Nigeria, South Africa and Turkey, the program is now in place in each of the five regions where P&G does business, with expansion into additional countries planned soon.

CREATING AN INCLUSIVE ENVIRONMENT WITHIN P&G

We are committed to achieving 50-50 representation in all parts of our company and ensuring an inclusive environment where everyone—men and women—can contribute to their full potential.

Our commitment extends beyond the walls of P&G. We are a founding partner of Catalyst CEO Champions For Change, an initiative that brings together more than 50 global CEOs and senior leaders who are visibly supportive of diversity and inclusion by driving it in their organizations.

CATALYST CEO CHAMPIONS FOR CHANGE

Environmental Sustainability

Environmental Sustainability is not something new at P&G. We have been incorporating it into our way of doing business for decades. We see it as our responsibility, as well as a business opportunity, and want to ensure no one has to choose between the products they use and enjoy today and what they hope to preserve for tomorrow.

FULL STEAM AHEAD

A unique initiative that has come to fruition after years of planning is our highly efficient combined heat and power biomass facility in Albany, Georgia. This site produces 100% of the steam and a significant portion of the total energy used to make Bounty and Charmin at P&G's Albany manufacturing plant. This biomass project, along with our windfarm in Texas, will nearly double our use of renewable energy, getting us two-thirds of the way to our 2020 goal of 30%. Instead of using natural gas to make the hot air and steam, we produce our own renewable energy through the repurposing of scrap wood, leftover tree tops and limbs, peanut shells and other locally abundant products that would otherwise be discarded. The $200 million+ co-located facility is owned and operated by Constellation, and is another example of how we are using innovative partnerships to help reach our sustainability goals.

Renewable biomass produces 100% of the steam and a significant portion of the total energy used to make Bounty and Charmin in Albany, GA.

FINDING VALUE IN WASTE

P&G has committed that all our manufacturing sites will send ZERO manufacturing waste to landfill by 2020. This requires working with local partners on circular approaches, finding a beneficial use for more than 640,000 metric tons of waste (the weight of nearly 350,000 mid-size cars). Currently, more than 70% of our sites have achieved this status by eliminating or finding alternative uses for waste. This includes all of our manufacturing sites in two of our largest markets, China and India, for a total of 23 countries. In addition, our Always and Tampax Feminine Care business unit was the first business to reach zero manufacturing waste to landfill across all their manufacturing sites. And as an added benefit, it saves money—more than $1.9 billion since the program began in 2007.

P&G has committed that all our manufacturing sites will send ZERO manufacturing waste to landfill by 2020.

Photo Credit: Constellation

HEAD AND SHOULDERS ABOVE THE REST

Head & Shoulders, the world's #1 shampoo brand, partnered with TerraCycle and SUEZ to pioneer the world's first recyclable shampoo bottle made with beach plastic. The bottles, available in Carrefour retail stores in France, hit shelves this summer. In addition, we have a goal to have 99% of all hair care bottles sold in Europe converted to include 25% post-consumer recycled content by the end of 2018, giving consumers yet another way to make more sustainable choices.

Head & Shoulders partnered with TerraCycle and SUEZ to pioneer the world's first recyclable shampoo bottle made with beach plastic.

AND THE WINNER IS ...

P&G was recognized as an Organizational Leader in the 2017 Climate Leadership Awards. Sponsored by the US Environmental Protection Agency (EPA), the Center for Climate and Energy Solutions, and The Climate Registry, the award recognizes P&G's active leadership within industry to address climate change and reduce our greenhouse gas emissions. We are proud to be recognized by the EPA for our efforts to not only reduce our greenhouse gas footprint but also that of our consumers.

CLIMATE LEADERSHIP AWARDS 2017
Organizational Leadership Award Winner

REVOLUTIONIZING THE PLASTICS RECYCLING INDUSTRY

P&G has been using recycled plastic in our packaging since the late 1980s, but our use of recycled polypropylene (PP) has been limited due to a lack of availability of high-quality material. We needed a solution, so one of our scientists invented a technology to remove the color, odor and contaminants from recycled PP. We are scaling up this innovation with PureCycle Technologies and look for it to unlock the potential for billions of pounds of high-quality recycled polypropylene to replace virgin materials for P&G and many other companies.

"This technology has the capacity to revolutionize the plastics recycling industry by enabling P&G, and companies around the world, to tap into sources of recycled plastics that deliver nearly identical performance and properties as virgin materials in a broad range of applications."

—Kathy Fish, P&G Chief Technology Officer

WATER AWARENESS GUIDING ACTION

P&G celebrates its five-year anniversary partnering with the World Resources Institute (WRI) on water. Over the course of the partnership, we have worked with experts from WRI's Aqueduct Project to develop a detailed water risk assessment process for our manufacturing sites, supplier locations and key countries. This approach enables us to highlight opportunity areas and focus our resources where they can have the largest impact, such as our Bounty and Charmin plant in Oxnard, California. This facility implemented five distinct conservation projects to deliver a 28% reduction in freshwater usage, setting new site and category records for low levels of water consumption. As a result, the American Forest & Paper Association (AF&PA) presented P&G with their 2016 Sustainability Award for Water in recognition of these advances. We are also making it possible for consumers to reduce their water footprint with products like Tide HE Turbo, which helps to eliminate extra rinse time and water usage in high-efficiency washing machines while providing a fantastic clean.

The American Forest & Paper Association presented P&G with their 2016 Sustainability Award for Water.

Long-Term Environmental Vision

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

2020 Environmental Goals Progress

CLIMATE

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

Achieved—22% reduction per unit of production

Reduce truck transportation kilometers by 20% per unit of production

Achieved—reduced kilometers by more than 25%

Reduce absolute GHG emissions by 30% by 2020

We have reduced absolute GHG emissions by 16%

Ensure plants are powered by 30% renewable energy

10% of energy is from renewable sources

Ensure 70% machine loads are low-energy cycles

67% of loads are done in low-energy

Implement palm oil commitments

We continue to advance progress against our three pillar strategy

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

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

Complete for 2 of the 3 material classes we are focusing on (resins, cleaning agents). Research ongoing for third targeted material class (acrylates).

Numbers are representative of progress since 2010

WATER

Provide 1 billion people with access to water-efficient products

610 million consumers had access to water-efficient products around the world

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

Achieved—27% reduction per unit of production

WASTE

100% zero manufacturing waste to landfill by 2020

72% 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% per consumer use

Double use of recycled resin in plastic packaging

We used approximately 34,400 metric tons of PCR in our plastic packaging, getting us 32% 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 are making progress implementing a variety of pilot projects with external partners

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/citizenship.
The information in this report covers the time period from July 1, 2016 through June 30, 2017.

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