



## 2014 Sustainability Report





At P&G,  
sustainability is part of  
everything we do.

- A.G. Lafley, P&G President, CEO and Chairman of the Board

#### ABOUT THIS PUBLICATION

This is the 16th Sustainability Report for Procter & Gamble's worldwide operations. Data in this report cover the period from July 1, 2013, through June 30, 2014. Financial information is given in U.S. dollars. This report was prepared using the Global Reporting Initiative's (GRI) 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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## Leadership Statement

At P&G, our sustainability objective is to create industry-leading value with brands and products that consumers prefer, while at the same time conserving resources, protecting the environment and improving social conditions for those who need it most.

We see success as creating value for consumers and shareowners and leading the consumer products industry with effective and lasting solutions to environmental and social sustainability challenges.

We believe in actions speaking louder than words—“Promises made, Promises kept”—which is why we consistently deliver products and programs that demonstrate progress on environmental and social sustainability. For example, we are innovating in:

- Compacted laundry detergents, less bulky diapers, and products that reduce materials, energy usage and waste;
- Operations with zero manufacturing waste to landfills and less energy and water usage;

- Cold-water washing that conserves energy and reduces CO2 emissions;
- The P&G Children’s Safe Drinking Water Program, which has delivered more than 7 billion liters of clean drinking water and helped save an estimated 42,000 lives;
- Brand programs that provide essential products to help thousands of people in need when disaster strikes around the world.

These types of efforts have helped us meet consumer needs and make a positive environmental and social impact. To continue making progress over time, we need to ensure that what is good for sustainability also is good for business.

This belief is at the heart of my personal commitment as P&G’s new Global Sustainability Executive Sponsor. I see major opportunities to incorporate sustainability more deeply into business strategy and planning, innovation, operations and communication.

When sustainability goals and progress are led from within operating business units, and when business leaders see sustainability as a choice for growth and profitability, investment and breakthrough innovation will follow.

We have stretching goals before us for 2020. With clear business unit ownership and full employee engagement at all levels and across the entire Company, we know we can get there. Toward that end, we are introducing a three-pillar approach to our sustainability efforts—aiming to ensure clarity, consistency and engagement across the Company:

- **We Pioneer.** We use our innovation capability to create products that not only work well every day, but also aim to preserve natural resources throughout their life cycle. We find new and more effective ways to embed sustainability improvements into our business practices, systems and culture.
- **We Preserve.** Every day, we look to design products and operations with less water, energy and material waste to preserve resources. Through our brands, we focus on preserving the health and comfort of those in most need.
- **We Partner.** We can make the biggest impact when we build partnerships with experts in industry, government, NGOs and academic communities. The challenges are complex and require collaboration to develop effective and lasting solutions. We improve the way we communicate sustainability through our brands to help consumers make more educated choices in how they choose and use products.



With this focus and the full integration of our sustainability efforts into our business and innovation plans, I am confident we will further accelerate progress over the coming year.



**Martin Riant**

*Executive Sponsor, Global Sustainability  
Group President, Global Baby, Feminine & Family Care*

## Our Goals

At P&G, when we set a goal, P&G employees will work their hardest not just to meet it, but to exceed it.

That is why we established P&G's Global Sustainability Vision four years ago, backed by a set of 14 goals driving work across all areas of our business. The goals are detailed on [page 11](#), along with results achieved so far.

Looking ahead toward next fiscal year, in October 2014 we added four new goals, with emphasis on water conservation and product packaging. I wanted to share these so that you can see where we are headed.

### Water Conservation Goals

Water conservation has been a long-standing P&G priority. Our expanded commitment calls for:

- Reducing water use in our manufacturing facilities by 20% per unit of production, with a specific focus on conservation efforts at facilities located in water-stressed regions
- Providing 1 billion people access to water-efficient products

### Packaging Goals

Packaging sustainability is another key priority for P&G. We are on track to reduce packaging by 20% per consumer use by 2020. Given this progress, P&G is raising the bar to:

- Double the use of recycled resin in plastic packaging
- Ensure 90% of product packaging is recyclable or that programs are in place to create the ability to recycle it

Increase use of  
recycled resin by

100%

On track to reduce  
packaging by

20%

### Revised Renewable Materials Goal

We also are working across our supply chain to develop the capability by 2020 to replace our top petroleum-derived raw materials with renewable materials, as cost and scale permit.

### Palm Oil Goals

Our commitment to zero deforestation in our palm oil supply chain is unequivocal.

In April, we reinforced this commitment with an announcement of goals calling for traceability of palm oil and palm kernel oil to our supplier mills by December 31, 2015, and to plantations by 2020.

To support these goals, we began the intensive work of tracing our complete supply chain by partnering with the Malaysia Institute for Supply Chain Innovation (MISI), part of the Massachusetts Institute of Technology. MISI is conducting two six-month in-field studies to understand the highly segmented supply chain and the challenges facing farmers so we can help them continue working while also protecting the environment. We also communicated our new goals and the expectation that our supply chain will not contribute to deforestation with all our palm oil suppliers. We continue to work with our industry peers and NGOs to develop consistent industry standards and practices that will ensure



sustainable palm oil sourcing for the long term. We will continue to issue updates on this work at [pg.com/sustainability](#).

We believe that meaningful progress toward demanding sustainability goals is right for the planet and right for P&G's business. We're committed to doing the right thing, in the right way, for those who use our products, live in our communities and work in our Company. We thank you for your partnership on the journey.

**Len Sauers**  
*Vice President, Global Sustainability*

## Sustainability Across A Product's Life Cycle

We incorporate sustainability into every aspect of our products—from initial design to manufacturing to packaging to social impact.



Pampers Global



Tide Liquid North America

## Environmental Sustainability

We use P&G's core strength of innovation to design and manufacture products that meet important consumer needs while reducing materials and waste and conserving energy and water. We build partnerships with experts in industry, government, NGOs and academic communities because the challenges are complex and require collaboration to develop effective and lasting solutions.

### MANUFACTURING:

#### Making Zero Waste a Reality

Our vision is to send no manufacturing waste to landfill. It's a stretching goal, but we have made tremendous progress in the last seven years. We now have 70 zero manufacturing waste to landfill facilities around the world. That is nearly 50% of all our manufacturing facilities. This work has enabled us to exceed our goal on waste reduction six years ahead of schedule. Our goal was to reduce our



70  
zero  
manufacturing  
waste to landfill  
facilities

### SUPPLIERS:

#### Working in Partnership

This year we upgraded our Supplier Sustainability Scorecard, making data management more efficient and actionable. The Scorecard tracks supplier performance on key environmental measures, enabling us to evaluate improvement over time in terms of carbon, energy, water and waste performance. Our aim now is to increase data collection, and thus our ability to work with key strategic suppliers in reducing our collective environmental footprint.

manufacturing waste to less than 0.5% of input materials by 2020. This year, only 0.4% of all incoming materials were disposed of as waste. All other material either left as finished product or was recycled, reused, repurposed or converted to energy. We also have created more than \$1.6 billion in value for the Company through cost savings and revenue generation in the last seven years.

### NEW GOALS:

#### Palm Oil

A new set of palm oil goals put our teams in the field working with large and small palm plantation owners across Malaysia to ensure full traceability of our palm oil and palm kernel oil supply while also helping small farmers improve practices. The ultimate goal is to ensure that we are not contributing to the destruction of rain forests. Our teams are working with experts from the Malaysia Institute for Supply Chain Innovation to better understand farmers' needs,

practices and challenges to ultimately help create innovative solutions to the problem. Our new goals call for traceability of palm oil and palm kernel oil to our supplier mills by December 31, 2015, and to plantations by 2020.



### GOAL REACHED:

#### Renewable Resources

We celebrate reaching and exceeding one of our key renewable resources goals a year ahead of schedule:

- Today, 54% of the virgin wood fiber used in our tissue/towel products is certified by Forest Stewardship Council®, exceeding our goal to have 40% certified by 2015.

We reached the goal in collaboration with the World Wildlife Fund's Global Forest and Trade Network (GFTN) and its network of forestry experts from around the world.



## Environmental Sustainability (cont.)

### PACKAGING:

#### Innovating for Savings

Mr. Clean Liquid Muscle delivered two innovations. Its 2.5x-concentrated formula resulted in 45% less packaging and 64% less water per bottle. Its unique single-dosing cap is preferred by consumers and ensures people don't use too much. The cap design has won five global design awards, with judges for the DuPont Packaging Awards calling it "an amazing, award-winning package."

45%  
less  
packaging

64%  
less water  
per bottle



### PRODUCT FORMULATION:

#### Fabric Care Innovation

We committed to another round of compaction in our liquid laundry detergents, pledging to 25% less water in every dose of detergents sold in North America by 2018. This means less plastic, water and energy used to make, pack and ship products – and fewer delivery trucks on the road. We anticipate saving 50 million gallons of water a year and reducing CO<sub>2</sub> emissions by 50,000 metric tons. When we moved to a 2x-concentrated formula in 2008, we reduced plastic by more than 40%, reduced water use by 35% and increased truck capacity by 50%.

Fabric Care also committed to eliminating phosphates from all of its laundry detergents (Tide, Ariel, Ace and Bonux) within the next two years, providing consumers with superior cleaning performance while maximizing resource conservation. We have gradually been reducing phosphates since 2005.

25%  
less water  
by 2018

0  
phosphates  
by 2016

### PACKAGING:

#### Enabling Recycling to Increase Recycled Content

As part of our goal to increase the amount of recycled materials in our packaging, we are working with multiple partners to develop and encourage the use of local recycling programs. This year, we became a founding member of the Closed Loop Fund, designed to give more consumers in the United States access to recycling by creating a multi-million-dollar fund to invest in low- and no-interest loans for recycling. This will "enable a larger supply of usable, recyclable content, which will enable



manufacturers to give consumers what they want more packaging with recycled materials. This is good for consumers and good for the environment," said P&G President, CEO and Chairman of the Board A.G. Lafley.



## Social Sustainability

Doing the right thing is the foundation of P&G's Purpose, Values and Principles and includes investing in the communities in which we live, work and serve. P&G Social Sustainability provides programs and daily essential products when and where they are needed most and perform at their best, responding to disasters and other extreme needs.

### Disaster Relief

In November 2013, when the strongest storm ever to hit land whipped across the Philippines, P&G teams around the globe responded. Pampers, Safeguard, Duracell, Pantene and more than a dozen other brands joined together to help the 16 million people impacted and 4 million people left homeless. Together, P&G employees and our brands sent more than \$3 million in personal care supplies, cash and P&G Purifier of Water packets to help.

P&G also sent products and cash donations to help with more than 20 major disasters, including massive flooding in the Balkans; devastating tornadoes, flash floods and mudslides in the U.S.; wildfires in Chile; and earthquakes in Pakistan.



Here is a look at just some of our work aimed at improving lives in times of disaster:

#### July 2013

In India, thousands of people were impacted and homes devastated by flooding that hit with fury in summer 2013. P&G responded by providing P&G Purifier of Water packets and products such as Whisper, Oral-B, Tide and Pantene.

#### September 2013

Boulder, CO, and surrounding areas, P&G distributed more than 4,000 personal care kits along with products such as Charmin, Bounty, Pampers and Dawn. Tide Loads of Hope also helped by providing clean laundry for hundreds of families.

#### October 2013

When floods also hit Mexico, P&G sent 2.5 million P&G Purifier of Water packets and 6,000 disaster relief product kits.

#### May 2014

Deadly flooding in the Balkans impacted 1.6 million people in Bosnia alone. P&G helped with product donations totaling \$80,000 and a grant to rebuild homes and a school.

### Children's Safe Drinking Water

This year, The P&G Children's Safe Drinking Water 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:

- 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 to engage consumers in providing clean drinking water to developing

countries. 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.

- Expanded operations in 17 countries, including Myanmar, Vietnam and India, and launched in Brazil. Expanded operations in 17 countries, including Myanmar, Vietnam and India, and launched in Brazil.

#### CSDW by the numbers

+140 +7.5 billion

Global partners

Liters to date



## Social Sustainability (cont.)

### Helping Through Our Brands

[Always](#) reached an additional 300,000 girls through its Protecting Futures Program, providing girls ages 12-14 with education on good personal hygiene, puberty, menstruation and personal care tips. The program, started in 2006, helps girls attend classes during their periods, and stay in school. The program has expanded from Africa to the Middle East.

[Pampers](#) – as part of its commitment to happy, healthy development of babies – created the Pampers Mobile Clinic Program, providing free basic health checks, health talks and products to mothers and their babies. This year, the clinics mark their 10th anniversary, reaching more than 1.8 million mothers and children in Nigeria, Kenya, Uganda and Pakistan. Also, the Pampers UNICEF vaccine program marked another year of working to eliminate neonatal tetanus, a preventable disease that claims the life of 58,000 babies in developing countries each year. The campaign, 1 pack = 1 vaccine, has donated more than 300 million vaccines and helped to eliminate the disease in 15 countries.

[Safeguard's](#) Clean Hands Healthy Kids Campaign marked its 15th year of teaching hygiene to prevent childhood illness, absenteeism and even death. The program was launched in China based on global research that soap and water washing can prevent nearly 4 million children a year from dying before their 5th birthday. Today, the program is in schools across China, the Philippines, Pakistan and Mexico, reaching 4.5 million students a year. In many locations, the brand has helped build hand-washing and sanitation stations for children.

[Pantene](#) launched a hair-donation program called Beautiful Lengths eight years ago. This cause encourages youth, adults and even celebrities to grow, cut and donate their healthy hair to help provide free wigs to women in need. Pantene funds the creation of these wigs for cancer patients, and through their partnership with the American Cancer Society, distributes them free of charge to female cancer patients. To date, the program has collected 550,000 ponytail donations, helping distribute more than 34,000 real-hair wigs across the U.S. and in Canada, Australia and Israel in partnership with local cancer associations.

### Habitat for Humanity

Over the course of the year, P&G teams with Habitat for Humanity have built or cleaned more than 30 homes around the world. The impact of that work comes to life when we meet the people who live in those homes.

One person we met this year was Mr. Jaras, who lived in the Prachinburi Province of Thailand. His community still had not recovered from the brutal flooding that ripped through scores of homes two years earlier. And the rainy season was on its way again. Mr. Jaras, 50, was partially paralyzed from a recent motorcycle accident and could not repair the gaping holes in his roof, floor and walls.

In partnership with Habitat for Humanity, P&G employees came together to build a new home for Mr. Jaras, with a solid floor, strong roof and

a wheelchair. P&G teams also brought their traditional "welcome home" gift basket full of P&G brands like Gillette, Safeguard, OralB, and Pantene, to provide additional comforts of home.

*"He never stopped smiling. As difficult as life was for him, he remained optimistic,"* said P&G Corporate Contributions Senior Manager Brian Sasson. *"We hope it changed his life. We know it did ours."*

10 yrs

Partnership with  
Habitat for Humanity

+50

Projects we've been  
a part of around  
the world

3,000

P&G employees have  
worked to build and  
clean homes



## 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

Since 2010, we have established 14 goals to help us reach our long-term vision. This year, we've added four new goals and revised one of our existing goals. Our 18 goals and progress are outlined here.

GOAL	PROGRESS
<b>Conservation of Resources</b>	
<ul style="list-style-type: none"> <li>• Reduce energy use at P&amp;G facilities and total CO<sub>2</sub> (Scope 1 and Scope 2) by 20% per unit of production by 2020.*</li> <li>• Ensure 70% of all washing machine loads are washed in cold water.</li> <li>• Reduce truck transportation kilometers by 20% per unit of production.*</li> <li>• Reduce packaging by 20% per consumer use.*</li> <li>• Reduce water use in manufacturing facilities by 20% per unit of production, with conservation efforts focused on water-stressed regions.*</li> <li>• Provide 1 billion people access to water-efficient products.</li> <li>• Double use of recycled resin in plastic packaging.*</li> <li>• Ensure 90% of product packaging is either recyclable or programs are in place to create the ability to recycle it.</li> </ul>	<ul style="list-style-type: none"> <li>• Since 2010, we have reduced our energy usage by about 7% and our total CO<sub>2</sub> emissions (Scope 1 and Scope 2) by about 14% per unit of production.</li> <li>• Since FY10/11, our data indicates the percentage of global washing machine loads washed in cold water increased from 38% to 53%.</li> <li>• We continue to make progress by optimizing distribution routes and increasing the use of multi-modal transportation to reduce our truck-based kilometers per unit of production.</li> <li>• Since 2010, we have reduced packaging by about 7% per consumer use.</li> <li>• New goal announced October 13, 2014; we will report progress next year.</li> <li>• New goal announced October 13, 2014; we will report progress next year.</li> <li>• New goal announced October 13, 2014; we will report progress next year.</li> <li>• New goal announced October 13, 2014; we will report progress next year.</li> </ul>
<b>Renewable Resources</b>	
<ul style="list-style-type: none"> <li>• Ensure plants are powered by 30% renewable energy.</li> <li>• Create technologies by 2020 to substitute top petroleum-derived raw materials with renewable materials, as cost and scale permit.</li> <li>• Ensure traceability of palm oil and palm kernel oil to our supplier mills by December 31, 2015, and to plantations by 2020 to ensure zero deforestation in our palm oil supply chain, with a commitment to working with small farmers.</li> <li>• Have 100% of the virgin wood fiber used in our tissue/towel and absorbent hygiene products be third-party certified by 2015.</li> <li>• Have 40% of the virgin wood fiber used in our tissue/towel products be Forest Stewardship Council® certified by 2015.</li> <li>• Have 100% of our paper packaging contain either recycled or third-party-certified virgin content by 2020.</li> </ul>	<ul style="list-style-type: none"> <li>• Our use of renewable energy is about 8%. We continue to evaluate and expand our portfolio of energy sources.</li> <li>• Revised goal announced October 13, 2014; we will report progress next year.</li> <li>• We continue making progress against our goals for full traceability in our palm oil supply chain. Please view details of our progress on pg.com/sustainability</li> <li>• About 99% of our virgin wood fiber was third-party certified.</li> <li>• 54% of the virgin wood fiber used in our tissue/towel products was FSC® certified – exceeding our 2015 goal one year ahead of schedule.</li> <li>• 96% of materials surveyed this year were either recycled or third-party-certified virgin content.</li> </ul>
<b>Worth From Waste</b>	
<ul style="list-style-type: none"> <li>• Conduct pilot studies in both the developed and developing world to understand how to eliminate landfilled/dumped solid waste.</li> <li>• Reduce manufacturing waste to landfill to less than 0.5% of input materials.</li> </ul>	<ul style="list-style-type: none"> <li>• Feasibility studies have been completed for the lead pilot city for the Waste to Worth project in the Philippines. This year, P&amp;G also became a founding member of the Closed Loop Fund, which will provide low- to no-interest loans to support projects intended to increase recycling in the U.S.</li> <li>• We reduced the manufacturing waste to landfill to 0.4% – exceeding our 2020 goal six years ahead of schedule.</li> </ul>
<b>Social Programs</b>	
<ul style="list-style-type: none"> <li>• Improve the lives of 50 million people each year through our social sustainability programs.</li> <li>• Save one life every hour by 2020.</li> </ul>	<ul style="list-style-type: none"> <li>• P&amp;G has exceeded this goal for 2013/14, with a focus on providing programs and daily essential products when and where they are needed most and perform at their best.</li> <li>• The P&amp;G Children's Safe Drinking Water Program delivered 1.4 billion liters of clean water this year and is on track to meet our goal by providing 2 billion liters of drinking water each year by 2020.</li> </ul>

\* vs 2010 baseline

# P&G Profile

**P&G serves nearly 5 billion people around the world with its brands.**

The Company has one of the strongest portfolios of trusted, quality, leadership brands, including Always,® Ambi Pur,® Ariel,® Bounty,® Charmin,® Crest,® Dawn,® Downy,® Duracell,® Fairy,® Febreze,® Gain,® Gillette,® Head & Shoulders,® Lenor,® Olay,® Oral-B,® Pampers,® Pantene,® SK-II,® Tide,® Vicks,® Wella® and Whisper.®

Our products are sold in more than 180 countries and territories around the world primarily through mass

merchants, grocery stores, membership club stores, drug stores, department stores, salons, e-commerce and high-frequency stores. The P&G community includes operations in approximately 70 countries worldwide and approximately 118,000 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 deliver 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 the 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 Values

Integrity  
Leadership  
Ownership  
Passion for Winning  
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 has 23 brands with annual sales of \$1 billion to more than \$10 billion, and 14 with sales of \$500 million to \$1 billion—many of those with billion-dollar potential. Nearly all of our 23 billion-dollar brands and the vast majority of our \$500 million to \$1 billion brands hold the number one or two position in their category or segment, and they all have significant growth and value creation potential.

Baby, Feminine and Family Care



Beauty



Fabric and Home Care



Health and Grooming



## P&G at a Glance

### Financial Highlights (unaudited)

Amounts in millions, except per share amounts	2014	2013	2012	2011	2010
Net Sales	\$83,062	\$82,581	\$82,006	\$79,385	\$75,785
Operating Income	15,288	14,330	13,035	15,233	15,306
Net Earnings Attributable to Procter & Gamble	11,643	11,312	10,756	11,797	12,736
Net Earnings Margin from Continuing Operations	14.1%	13.7%	11.2%	14.5%	14.0%
Diluted Net Earnings per Common Share from Continuing Operations <sup>(1)</sup>	\$ 3.98	\$ 3.83	\$ 3.06	\$ 3.80	\$ 3.38
Diluted Net Earnings per Common Share <sup>(1)</sup>	4.01	3.86	3.66	3.93	4.11
Dividends per Common Share	2.45	2.29	2.14	1.97	1.80

(1) Diluted net earnings per share are calculated on net earnings attributable to Procter & Gamble.

Reportable Segment	% of Net Sales*	% of Net Earnings*	GBUs (Categories)	Billion-Dollar Brands
BEAUTY	24%	23%	Beauty Care (Antiperspirant and Deodorant, Cosmetics, Personal Cleansing, Skin Care); Hair Care and Color; Prestige; Salon Professional	Head & Shoulders, Olay, Pantene, SK-II, Wella
GROOMING	10%	17%	Shave Care (Electronic Hair Removal, Female Blades and Razors, Pre- and Post-Shave Products, Other Shave Care)	Fusion, Gillette, Mach3, Prestobarba
HEALTH CARE	9%	9%	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
FABRIC AND HOME CARE	32%	26%	Fabric Care (Laundry Additives, Fabric Enhancers, Laundry Detergents); Home Care (Air Care, Dish Care, P&G Professional, Surface Care); Personal Power (Batteries)	Ariel, Dawn, Downy, Duracell, Febreze, Gain, Tide
BABY, FEMININE AND FAMILY CARE	25%	25%	Baby Care (Baby Wipes, Diapers and Pants); Feminine Care (Adult Incontinence, Feminine Care); Family Care (Paper Towels, Tissues, Toilet Paper)	Always, Bounty, Charmin, Pampers

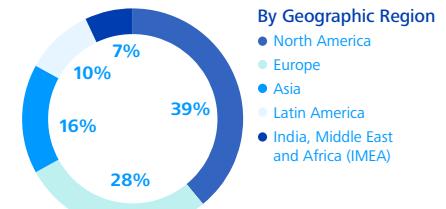
\*Percent of net sales and net earnings from continuing operations for the year ended June 30, 2014 (excluding results held in Corporate).

### 2014 Net Sales



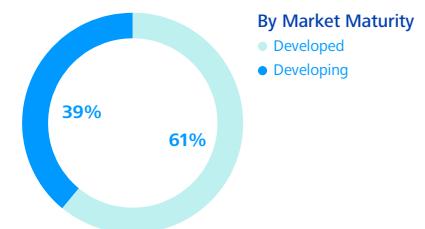
By Business Segment<sup>(2)</sup>

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



By Geographic Region

- North America
- Europe
- Asia
- Latin America
- India, Middle East and Africa (IMEA)



(2) These results exclude net sales in Corporate.

For more financial details, please see P&G's 2014 Annual Report, available at:

[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.

## Acquisitions

Acquisition activity was not material in 2014. Acquisitions used \$1.1 billion of cash in 2013 primarily for the acquisition of our partner's interest in a joint venture in Iberia.

## Proceeds from Asset Sales

Proceeds from asset sales contributed to \$570 million in cash in 2014 due to minor brand divestitures, including MDVIP, the Pert business in Latin America and the bleach business in CEEMEA and Latin America. Proceeds from asset sales contributed \$584 million in cash in 2013 mainly due to the divestitures of our bleach business in Italy and the Braun household appliances business.

## Global Purchases

Total external spend was approximately \$58 billion in FY 13/14, up slightly from the \$56 billion we reported last year. This is spent with over 80,000 business partners worldwide and offers a significant opportunity to drive sustainable supply in every region and across multiple industries.

We continue to leverage the use of our External Business Partner Sustainability Scorecard across a broad range of partners. Specific partner results are a key component of the Company's external business partner performance management process.

We are working with our critical and innovative suppliers and agencies to develop bio-alternative materials for use in our products, develop alternative energy solutions to fuel our plants, and provide sustainable alternatives to packaging, transportation, storage and operations. Our external business partners are fully committed to collaborate and innovate with Procter & Gamble to improve our products, supply chains and operations in a sustainable way.

## Economic Development

Innovation is a fundamental driver of P&G's growth. We invest about \$2 billion a year in research and development. 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, sale, 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

As of June 30, 2014, there were approximately 2,372,000 common stock shareowners, including shareholders 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.

### 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.computershare.com/pg](http://www.computershare.com/pg)
- Email: [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)
- Financial information request line (24 hours):  
1-800-742-6253

## Organizational Structure

We have made P&G's organization structure an important part of our capability to grow. It combines global-scale benefits with a local focus to win with consumers and retail customers in each country where P&G products are sold.

P&G's four industry-based sectors are focused on common consumer benefits, share common technologies and face common competitors.

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

We've changed the name of our go-to-market organizations from Market Development Organizations to Selling and Market Operations (SMOs). This is more than a name change. It clarifies the work SMOs need to do and the work they do best—superior, effective and efficient selling, distribution, shelving, pricing execution and merchandising—every day, every week, in every store. The SMOs are focused on

the consumers, channels, customers and markets we serve:

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

Global Business Services (GBS) utilizes P&G talent and expert partners to provide best-in-class business support services at the lowest possible costs to leverage P&G's scale for a winning advantage.

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 over 130 manufacturing facilities in over 40 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, 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. 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.



To ensure that our products deliver superior value, our manufacturing facilities must provide the most efficient option for the Company.

## P&G Plant Locations

Fiscal Year 13-14

COUNTRY	CITY	PLANT NAME
Argentina	Pilar	Pilar
Argentina	Villa Mercedes	Villa Mercedes
Belgium	Aarschot	Aarschot
Belgium	Mechelen	Mechelen
Brazil	São Paulo	Anchieta
Brazil	Louveira	Louveira
Brazil	Manaus	Manaus
Brazil	Rio De Janeiro	Rio
Canada	Belleville	Belleville
Canada	Brockville	Brockville
Chile	Santiago	Santiago
China	Beijing	Beijing
China	Chengdu	Chengdu
China	Dongguan	Dong Guan
China	Guangzhou	Huangpu
China	Luogang	Luogang
China	Minhang	Minhang
China	Shanghai	Shanghai
China	Taicang City	Taicang
China	Tianjin	Tianjin
China	Tianjin	Xiqing
Colombia	Medellín	Medellín
Czech Republic	Rakovník	Rakona
Egypt	Cairo	Cairo

COUNTRY	CITY	PLANT NAME
France	Amiens	Amiens
France	Blois	Blois
France	Sarreguemines	Sarreguemines
Germany	Berlin	Berlin
Germany	Cologne	Cologne
Germany	Crailsheim	Crailsheim
Germany	Euskirchen	Euskirchen
Germany	Gross-Gerau	Gross-Gerau
Germany	Hünfeld	Huenfeld
Germany	Kronberg	Kronberg
Germany	Marktheidenfeld	Marktheidenfeld
Germany	Rothenkirchen	Rothenkirchen
Germany	Walldürn	Walduern
Germany	Worms	Worms
Guatemala	Escuintla	Escuintla
Hungary	Csömör	Budapest
Hungary	Fgyonygos	Gyongyos
India	District Solan	Baddi
India	Baddi	Baddi B&R
India	Bhiwadi	Bhiwadi
India	Ponda	Goa
India	Hyderabad	Hyderabad TS
India	Bhopal	Mandideep
Indonesia	Jakarta	Jakarta

COUNTRY	CITY	PLANT NAME
Ireland	Nenagh	Nenagh
Ireland	Newbridge	Newbridge
Italy	Gattatico	Gattatico
Italy	Pescara	Pescara
Italy	Rome	Pomezia
Japan	Akashi	Akashi
Japan	Yasu	Shiga
Japan	Takasaki	Takasaki
Malaysia	Kuantan	Kuantan
Mexico	Naucalpan	Alce Blanco
Mexico	Apizaco	Apizaco
Mexico	Apaseo El Grande	Mariscal
Mexico	Irapuato	Milenio
Mexico	Naucalpan	Naucalpan
Mexico	Mexico City	Talisman
Mexico	Tepeji	Tepeji
Mexico	Mexico City	Vallejo
Morocco	Casablanca	Casablanca
Morocco	Mohammedia	Mohammedia
Netherlands	Coevorden	Coevorden
Nigeria	Ibadan	Ibadan
Nigeria	Lagos	Lagos
Pakistan	Karachi	Hub
Pakistan	Karachi	Port Qasim
Peru	Lima	Materiales

COUNTRY	CITY	PLANT NAME
Philippines	Cabuyao	Cabuyao
Poland	Aleksandrow Lodzki	Aleksandrow
Poland	Lodz	Lodz-LMC (Jozefow Street)
Poland	Lodz	Lodz-PLMC (Wodna Street)
Poland	Warsaw	Targowek
Puerto Rico	Cayey	Cayey
Romania	Timișoara	Timișoara
Romania	Urlați	Urlați
Russia	Dzerzhinsk	Capella
Russia	Novomoskovsk	Novomoskovsk
Russia	St. Petersburg	St. Petersburg
Saudi Arabia	Dammam	Dammam
Saudi Arabia	Jeddah	Jeddah
Singapore	Singapore	Singapore Pioneer
South Africa	Johannesburg	Johannesburg
South Korea	Ch'onan	Ch'onan
Spain	Jijona	Jijona
Spain	Mataró	Mataró
Spain	Mequinenza	Mequinenza
Spain	Montornès del Vallès	Montornès
Thailand	Bangkok	Bangkok
Turkey	Gebze	Gebze
Ukraine	Boryspil	Boryspil
Ukraine	Ordzhonikidze	Ordzhonikidze
United Arab Emirates	Dubai	Dubai

COUNTRY	CITY	PLANT NAME
United Kingdom	London	London
United Kingdom	Manchester	Manchester
United Kingdom	Reading	Reading
United Kingdom	Whitley Bay	Seaton Delaval
United States	Albany	Albany
United States	Pineville	Alexandria
United States	Andover	Andover
United States	Auburn	Auburn
United States	Augusta	Augusta
United States	Aurora	Aurora
United States	Avenel	Avenel
United States	Boston	Boston
United States	Bear River City	Box Elder
United States	Jackson	Cape Girardeau
United States	Cincinnati	Cincinnati
United States	Cleveland	Cleveland
United States	Dover	Dover
United States	Fremont	Fremont
United States	Green Bay	Green Bay
United States	Greensboro	Greensboro
United States	Henderson	Henderson
United States	Cockeysville	Hunt Valley
United States	Iowa City	Iowa City
United States	Iowa City	Iowa City (Oral Care)

COUNTRY	CITY	PLANT NAME
United States	Kansas City	Kansas City F&HC
United States	LaGrange	LaGrange
United States	Lancaster	Lancaster
United States	Leipsic	Leipsic
United States	Lima	Lima
United States	Mehoopany	Mehoopany
United States	North Chicago	North Chicago
United States	Oxnard	Oxnard
United States	Russellville	Russellville
United States	Sacramento	Sacramento
United States	St. Louis	St. Louis
Venezuela	Barquisimeto	Barquisimeto
Venezuela	Guatire	Guatire
Vietnam	Tan Uyen District	Ben Cat
Vietnam	Binh Duong	Binh Duong

## 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 management 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.

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)

### 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 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

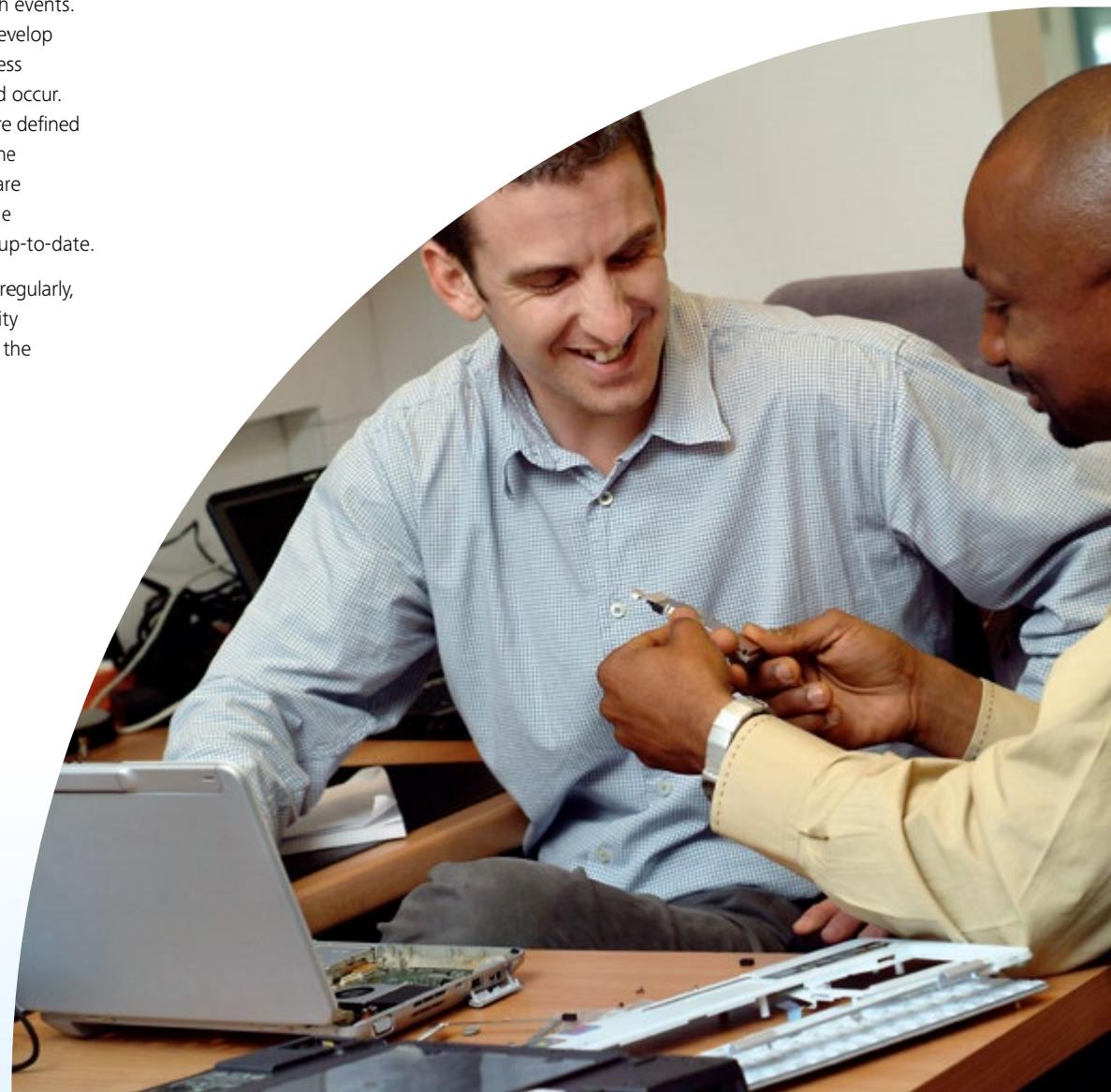
P&G holds membership in many industry, business and environmental associations whose activities are related to the Company's. These include the associations listed in the following link: [Associations List](#)

## 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 annually 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 ~ 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 also work to help you to feel safe by openly sharing information about ingredients where you may have questions or would like more details, including our updated product safety section on [www.pg.com](http://www.pg.com).

## Ingredient Use Update

We would like to share two ingredient use updates that reflect decisions P&G made several years ago—to phase out the use of the phthalates (DEP) and triclosan in our products.

- While the only phthalate we use in our product formulations is safe (diethyl phthalate, or DEP), we also know that there is the potential for people to confuse this ingredient with other phthalates that are banned from certain product types. We want people to feel safe about our products and not have any misperceptions about the product ingredients we use. So we decided to remove DEP from our formulated products and our goal is to eliminate it from our products by the end of 2014.
- Triclosan is also known to be safe through numerous studies and regulatory reviews. However, there are ongoing discussions about how effective it is for reducing bacteria compared to regular soap. Since we have limited use of triclosan, our goal is to eliminate it from our products by the end of 2014.

For more information on these ingredients and P&G's approach for ingredient-related decisions, please visit the following section of pg.com, which also includes a two-minute video designed to inform the public about the safety of our product ingredients: [www.pg.com/en\\_US/sustainability/safety/ingredients/index.shtml](http://www.pg.com/en_US/sustainability/safety/ingredients/index.shtml)



# 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 efforts to advance our environmental sustainability efforts across three core focus areas: Conservation of Resources, Renewable Resources and Worth from Waste.

THREE CORE FOCUS AREAS:

**Conservation of Resources**

**Renewable Resources**

**Worth from Waste**



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



## Conservation of Resources

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.

### Cold-Water Washing

Getting consumers to wash their clothes in low temperatures represents a significant opportunity to reduce energy consumption and associated greenhouse gas emissions. This is why we have established a goal that by 2020, we want to have 70% of all machine wash loads done in cold water.

Our current data indicates the percentage of global washing machine loads washed in cold water increased from 38% to 53% between 2010 and 2014. That trend is encouraging, and we are also seeing other relevant trends in consumer habits such as an accelerating shift to more sustainable high-efficiency washing machines with low-energy cycles. As both trends contribute to the objective of reducing energy consumption during machine washing, we have started to track not only cold cycles, but also high-efficiency, low-energy cycles. Accordingly

in 2014, our data indicate a global average of 56% if we account for both cold water and high-efficiency, low-energy cycles.

We consider this great progress, and while other stakeholders clearly played a role in helping drive this result, we believe our intense consumer education efforts on cold-water washing and our continuous focus on ensuring great product performance in cold water have made a significant contribution to this result.

Progress to date has been mainly driven by an increase of cold-water washing in Western Europe, where we launched strong communication programs. All versions of Ariel, our leading laundry detergent in Europe, carry a "30°C" icon to encourage consumers to wash in cold. We have partnered with suppliers such as Novozymes and DuPont to design



technologies that provide greater performance in cold, and we talk to consumers about them. We have worked with AISE, a detergents trade association in Europe, on a major industry consumer education campaign called "I prefer 30°C" to drive low-temperature washing.

We also continue to partner with washing machine manufacturers on three key areas: 1) place information about the benefits of cold-water washing on new washing machines reaching millions of consumers, 2) encouraging the use of quick cycles where time saving is a great consumer motivator to switch to this cycle and 3) design detergents that perform at their best in the new high-efficiency machines in North America.

In the coming fiscal year, we will maintain our communication efforts globally, leveraging many media channels, including TV, and on-pack. We will continue our partnership with washing machine manufacturers to further drive the use of cold-water, high-efficiency and quick cycle machines. We will also maintain our focus on R&D efforts to continue to further extend product performance in cold-water and high-efficiency cycles.



## Packaging Reduction

We continue to make good progress on designing and shipping more efficient packaging, having achieved a total reduction of approximately 7% per consumer use since 2010. Consumers moving to more efficient products and packages, reductions in packaging used to ship product, and new innovative materials and designs have all contributed to reducing our packaging use. Fabric Care PODS continue to be a major contributor to our packaging reduction goal as more consumers move to this very efficient product and package. Designing products and packages that delight the consumer AND help deliver on our sustainability goals will continue to lead to large environmental impacts.

Moving forward, we will need to continue to focus on innovation and breakthrough technologies that will continue to deliver

against our packaging reduction goal. Every year it becomes a bigger challenge to identify optimization opportunities as more brands and packages achieve very efficient designs. Packaging has many important functions, including, but not limited to, protecting the product, delivering the product to the consumer and communicating the benefits to the consumer. Our packaging needs to continue to deliver these benefits while becoming more efficient. Innovations in materials and forms will be critical in the future to make this happen. We will continue to focus on the biggest brands and categories where very small changes in efficiency deliver big benefits for the environment while delighting our consumers.

## Expanding Our Commitment to Packaging Stewardship

As shared earlier in this report, P&G announced two new packaging goals in October 2014:

1. Double our use of recycled resin in our plastic packaging by 2020
2. Ensure 90% of our packaging is either recyclable or programs are in place to develop the ability to recycle it.

While we have a long history of working on source reduction, recycled content and recyclability, our new packaging goals will drive our progress even further. We plan to report progress on all three goals in next year's report.



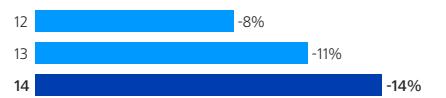
## Energy and CO<sub>2</sub>

In 2010 we established a goal to reduce total energy use and total CO<sub>2</sub> emissions (Scope 1 and Scope 2) at P&G facilities by 20% per unit of production by 2020. Our current program focuses on three elements:

1. Conservation—eliminating defects, systematic reapplication, and daily management
2. Cogeneration—using on-site generation to make efficient use of waste heat
3. Renewable energy—moving away from fuels that create Scope 1 and Scope 2 emissions

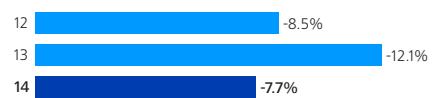
### Total Greenhouse Gas Charts

**Total Greenhouse Gas Emissions**  
(Percent reduction versus FY09/10, per unit of production)



### Scope 1 Greenhouse Gas Charts

**Scope 1 Greenhouse Gas Emissions\***  
(Percent reduction versus FY09/10, per unit of production)



\* CO<sub>2</sub> from fuel combustion sources.

### Scope 2 Greenhouse Gas Charts

**Scope 2 Greenhouse Gas Emissions**  
(Percent reduction versus FY09/10, per unit of production)



### CO<sub>2</sub>

We continue to exceed our glidepath on CO<sub>2</sub> with an additional reduction of 3% per unit of production this year. Overall, we have reduced our CO<sub>2</sub> emissions by approximately 14% versus 2010 and are aggressively working to achieve our goal well ahead of schedule. In addition to meeting the production normalized targets, our conservation and improvement efforts have also allowed P&G to decrease our absolute CO<sub>2</sub> emissions since 2010 as well.

This year, in accordance with WRI/WBCSD Green House Gas accounting protocol, we are reporting biogenic CO<sub>2</sub> separately from Scope 1 and Scope 2 emissions. During FY 13/14, P&G had 257,352 metric tons of biogenic CO<sub>2</sub> emissions across the company.

### Energy

Overall, we achieved an approximate 7% reduction in energy per unit of production, which is slightly below our current glidepath of 8% (2% per year). The main driver was the startup of our new cogeneration systems in Methoopany, Pa., and Pescara, Italy. While these systems are more efficient overall (and lead to reduced CO<sub>2</sub> emissions), when P&G switches from direct purchased electricity to onsite generation, the efficiency losses related to generation moves inside our footprint, thus increasing our overall on-site energy consumption.

To learn more about our efforts on climate change, please see [www.pg.com/en\\_US/sustainability/policies\\_practices/climate.shtml](http://www.pg.com/en_US/sustainability/policies_practices/climate.shtml)

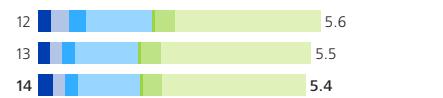
## Combined Heat and Power

During fiscal year 13-14, our Methoopany plant completed installation of a Rolls Royce Trent 60 Gas Turbine and Heat Recovery Steam Generator. This state-of-the-art power plant uses one of the most efficient aeroderivative gas turbines in the world (essentially the same family of engines found on an Airbus A380 aircraft). This new unit, along with the plant's existing combined heat and power unit, enables Methoopany to self-generate 100% of the site's electrical needs in addition to a significant amount of steam and hot air that is used to dry our Bounty and Charmin products. This project, which was three years in the making, allows P&G's largest facility to move from purchased electricity (that comes from a utility supply heavily dependent on coal) to substantially cleaner electricity produced from natural gas. This project helped reduce CO<sub>2</sub> emissions by over 120,000 metric tons per year.

Rolls Royce Trent 60 Turbine



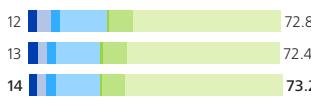
**Total Greenhouse Gas Emissions by GBU**  
(Millions of metric tons)



**Reduction in Energy Consumption**  
(Percent reduction versus FY09/10, per unit of production)



**Energy Consumption by GBU**  
(Millions of gigajoules)

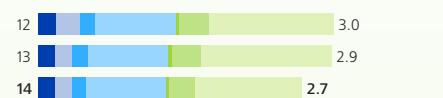


- Technical Centers
- Distribution Centers
- Health Care
- Beauty
- Grooming
- Baby, Feminine and Family Care
- Fabric and Home Care

**Scope 1 Greenhouse Gas Emissions\***  
(Millions of metric tons)



**Scope 2 Greenhouse Gas Emissions**  
(Millions of metric tons)



## Truck Transportation

Our 2020 goal is to reduce truck transportation kilometers by 20% per unit of production versus our 2010 baseline. We continue to make progress against this goal, with a major focus on optimizing distribution routes and driving increased use of multi-modal transportation.

One example of this is our raw pack material (RPM) optimization project being piloted in Europe. Typically, P&G's primary focus is on the efficiency of our finished product (FP) shipments while the distribution system for incoming raw materials is left to the discretion of our suppliers. Within a typical transportation lane, finished product may be traveling in one direction while RPM materials are traveling in the opposite direction. Historically, we have looked for optimization opportunities between FP and RPM shipments, but typically on a limited lane-by-lane basis. This new project takes a more holistic approach, utilizing P&G's modeling and simulation tools to analyze both FP and RPM shipments not only for specific lanes, but across a geographic region. This approach allowed the team to partner with trucking and intermodal companies, along with our material suppliers to help eliminate empty truck miles and improve vehicle fill rates. This benefited the trucking companies with more round-trip lanes while driving transportation efficiencies for P&G and our material suppliers. Last year, this pilot project was able to reduce empty truck miles in the region by approximately 5%, reducing CO<sub>2</sub> and congestion in our communities while also delivering tangible transportation savings.

## Natural-Gas Trucking

In addition to optimizing our networks, last year P&G announced an ambitious goal to work across our transportation carriers to convert up to 20% of our North America truck loads to natural gas vehicles. One year into the journey, we are making solid progress with approximately 12% of our NA trucking volume being awarded to natural-gas carriers. Most of the loads are actively being hauled today using compressed natural gas (CNG) trucks, with the remaining trucks to be online in late December 2014 when the final equipment is in place. This 12% conversion represents over 5.8 million diesel gallon equivalents being converted to natural-gas per year, reducing overall CO<sub>2</sub> and particulate emissions.

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 also leaning in by strategically installing onsite CNG filling stations at some of our high-volume sites or, in other cases, working with external CNG companies as an anchor tenant for new stations along key shipping lanes.

## Mehoopany Onsite CNG Filling Station

P&G has begun construction of a new over-the-road compressed natural gas (CNG) filling station at our Mehoopany, Pa., facility. This onsite filling station will enable over 60 trucks per day to utilize lower-emission natural gas to deliver Bounty, Charmin, Pampers and other P&G products to the Northeast market. This work, combined with strategic CNG lanes across the Midwest and Southeast, have enabled P&G to award approximately 12% of our North American transportation business to carriers with natural gas-operated trucks.



Mehoopany, Pa.,  
CNG filling station,  
progress as of 10/24/14

## Water

P&G is committed to sustainable water management. Our corporate water strategy focuses on two key areas where we believe we can have most immediate impact: water used by consumers when using our products and water used in our manufacturing processes.

As referenced in the introduction of this report, P&G recently announced two new water goals:

### **1. Provide 1 billion consumers with access to water-efficient products by 2020**

For several of our product categories, the overall Life Cycle Analysis shows that the consumer use phase is often the most important in terms of water consumption. Therefore, providing consumers with products that allow them to achieve the same or better performance while using less water, can have a major impact. To achieve our goal, we will continue efforts to develop water efficient products that enable reduced water usage without any tradeoffs for our consumers. We will place an initial focus on categories that require the most water in the use phase, such as Fabric Care, Dish Care and Personal Care.

We will also seek to leverage partnerships to help drive progress. For example, we are already working with the CONSENSUS Research Program in Ireland to study the impact of water-efficient hair and personal care products on household water consumption. The outcome will help inform where our product development efforts can best contribute to more sustainable water consumption patterns.

### **2. Reduce water used in P&G manufacturing facilities by 20% per unit of production by 2020, with a specific focus on conservation efforts at facilities located in water-stressed regions.**

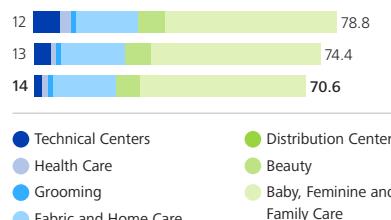
Water conservation at our global facilities has been a focus for many years, and we have achieved significant water savings as a result. We have combined R&D, Engineering and Manufacturing teams to develop water-saving innovations around both cleaning/sanitization and filtration/reuse. In addition, we have implemented programs such as rigorous benchmarking and reapplication to ensure good ideas and successes are traveling across the globe and that our new sites are built with the best available water-efficiency technologies.

We also continue our water reuse efforts with the multi-disciplinary E4Water consortium. This partnership across academia and a wide range of industries has been a key enabler for qualifying new membrane technology to recycle treated washwater back into our manufacturing process. Initial testing was very successful, and the first industrial-scale units are being built for installation in summer 2015. To learn more about the E4Water consortium, please visit:

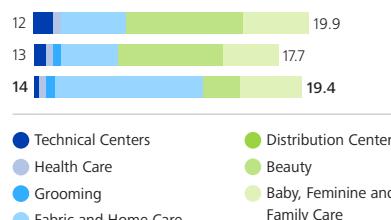
[www.e4water.eu/](http://www.e4water.eu/)

Our new water goal will help us drive further progress on reducing water consumption within operations. To encourage filtration, recycling and reuse, the scope of our goal will focus on fresh water intake, which includes tap water, ground water from site wells and surface water (e.g., from rivers, creeks, lakes).

#### Water Consumption by GBU (Millions of cubic meters)



#### Wastewater COD\* Disposed by GBU (Thousands of metric tons)



\*Chemical oxygen demand.

P&G's Taicang Plant was designed to include some of our most advanced water recycling and reuse technologies



## Water Risk Assessments

Because water is a local issue, we have developed a Tiered Water Risk Assessment process to help us focus our efforts in areas where it matters most. This process was built on methodologies and data developed by global experts, including the World Resource Institute (WRI) and the World Wildlife Fund (WWF). We have already put the methodology into practice and are on track to complete the Tier 1 assessment by January 2015. Using results from the Tier 1 process, we will prioritize future analysis on high-risk sites.

## Stakeholder Engagement

Partnerships have been and will continue to be a critical element in driving progress against our goals. As mentioned before, we engage with expert organizations such as E4Water, CEFIC (EU Chemical Industry), Water Matters, WBCSD (World Business Council for Sustainable Development), WRI (member since 2010) and WWF. Both WRI and WWF have been key partners in helping us develop our water risk assessment process.

While our new goals will drive continued focus on water conservation related to our plants and products, our P&G Children's Safe Drinking Water Program continues to be one of our major social responsibility programs. You can read more about that effort on [page 45](#) of this report.

To learn more about our Water Policy, please see [www.pg.com/en\\_US/sustainability/policies\\_practices/water.shtml](http://www.pg.com/en_US/sustainability/policies_practices/water.shtml)

## P&G Water Risk Assessment Framework

# 1

### Water Risk Screening

Identify risk level of sites based on:

- Baseline Water Stress Score – 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



# 2

### P&G Tailored Site Questionnaire

Prioritize sites based on outcome of responses



PRIORITY SITES FROM 1



# 3

### In-depth Site Water Analysis

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

- GEMI Local Water tool or equivalent



PRIORITY SITES FROM 2

## Renewable Resources

A key component of making our business sustainable is ensuring that we have the right materials and energy supply to continue our operations in the long term. This is why we focus on renewable resources—because they can be sustainably replenished over time.

### 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 four years, we have implemented:

- Five onsite solar PV projects
- An onsite wind project
- An offsite wind purchase

Most recently, P&G is proud to announce that in collaboration with our utility partners in Poland, we are now powering all four of our plants in that country with 100% renewable electricity

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

At the end of FY 13/14, our renewable energy use was approximately 8%. While we are proud of that progress, we recognize those results are below our glidepath target of 12% (3% per year). Several factors contributed to this, including long lead times for key projects in our portfolio and the fact that historically low natural-gas prices impacted the economic feasibility of advancing some projects. However, we continue to build strong partnerships with leading companies and university experts to prioritize technologies and projects that are both economically and environmentally sustainable. Going forward, we anticipate having a diverse mix of renewable energy sources, both onsite and offsite, that will help deliver progress against our goal.

## Partnering to Power Progress

We continue to look to leverage partnerships as much as we can to drive progress efficiently and effectively. With that in mind, we joined forces with the World Wildlife Fund, the World Resource Institute and several other leading companies to launch the Renewable Energy Buyers Principles. The intent of these principles is to open up new opportunities for collaboration with utilities and energy suppliers to increase the overall use of renewable energy. We view these principles as a powerful tool to unleash additional onsite and offsite renewable energy partnership, accelerating P&G's journey toward powering our sites with 100% renewable energy. You can read more about this work at the following website: [www.worldwildlife.org/pages/powering-businesses-on-renewable-energy](http://www.worldwildlife.org/pages/powering-businesses-on-renewable-energy)



## Renewable Materials

Four years ago we announced a goal of replacing 25% of our petroleum-derived raw materials with renewable materials. We implemented development programs and worked with external partners, resulting in some innovative packaging breakthroughs, including making some Gillette packaging from bamboo and some Pantene bottles from sugarcane. While we are proud of our efforts to date, one major challenge to commercializing large volumes of renewable material replacements has been the ability to find cost-effective replacements at the scale we need.

In October 2014 we revised our renewable material goal to provide greater clarity and transparency on the need for renewable technologies to be economically viable and scalable. Our commitment to develop technologies to replace our top petroleum-based raw materials with renewable materials has not changed—we are simply acknowledging that we can only integrate these materials into our supply chain as cost and scale permit.

Ultimately, our core work continues—we will have our teams, in collaboration with our external partners, work to find ways to substitute our top petroleum-based raw materials with renewable materials by 2020. Then, we will work to implement them in fiscally responsible ways—providing updates on our progress each year via our annual Sustainability Report.

We also remain committed to ensuring renewable materials are carefully assessed to ensure they are sourced and used in an environmentally sustainable way. Similar to the last four years, we will continue to work with our supply chain partners and external experts in evaluating potential renewable material replacements.

## Bioplastic Feedstock Alliance

P&G has joined with seven other consumer brand companies and the World Wildlife Fund to form the Bioplastic Feedstock Alliance (BFA) to support the responsible development of plastics made from plant material. The primary focus of BFA will be on guiding the responsible selection and harvesting of feedstocks—such as sugarcane, corn, bulrush and switchgrass—used to make plastics. To learn more about BFA, please go to [www.bioplasticfeedstockalliance.org](http://www.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 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 pages. Ultimately, however, all of these programs are tied to our commitment to ensuring the sustainability of the world's forests.

## A Dedication and Commitment Spanning 45 Years

Over 45 years ago, P&G opened its first pulp mill to support its growing bath tissue and paper towel businesses. That also is when we began employing registered foresters and actively managing forest resources. These were building blocks to the company's responsible fiber sourcing journey. While we sold our stand-alone pulp mills in 1992 and shut down our sulfite pulp mill at

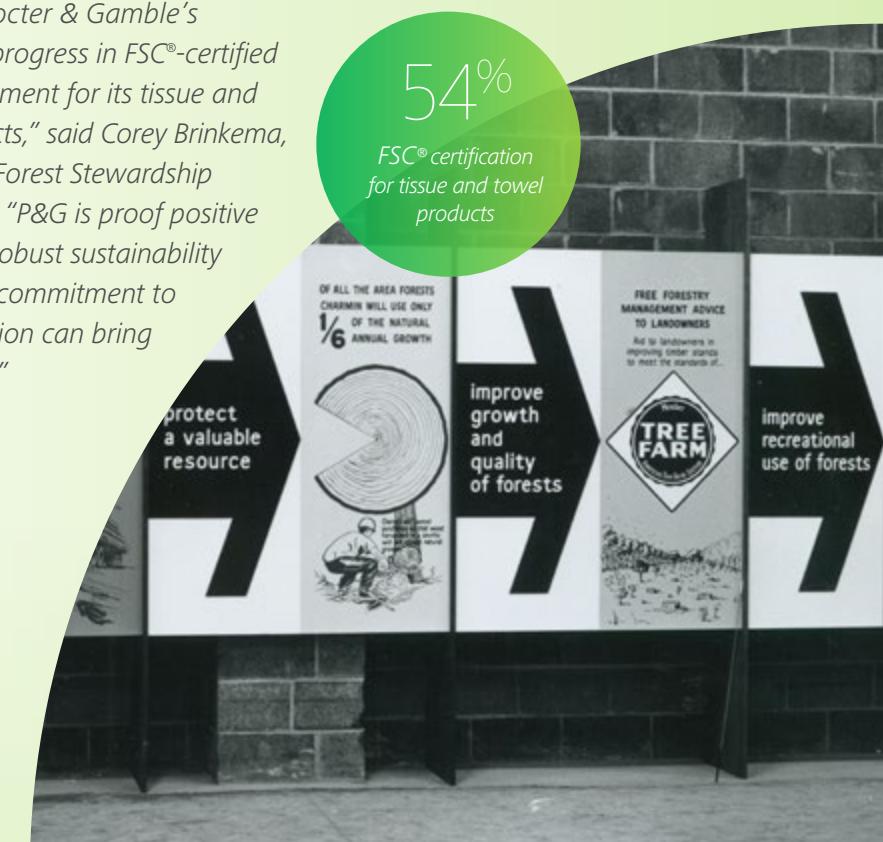
*"WWF commends Procter & Gamble for exceeding its FSC goal for tissue and towel products," said Linda Walker of WWF, who is director of GFTN-NA. "Action by companies to increase the volumes of FSC®-certified and recycled material in their supply chains plays an integral role in ensuring the world's forests are managed sustainably. By meeting and exceeding its goal a year ahead of its commitment, Procter & Gamble is demonstrating its ongoing dedication to the advancement of sustainable forestry."*



Sustainable forestry wall display at the Methoopany, Pa., plant in the 1970s.

our Methoopany, Pa., manufacturing site in 1999, sustainable forestry remains a key component of our pulp procurement commitments. To ensure that we remain a leader in our commitments, we joined World Wildlife Fund's Global Forest & Trade Network-North America program (GFTN-NA) in 2008. We adopted a preference for Forest Stewardship Council (FSC®)-certified fiber in 2009,

*"The Forest Stewardship Council applauds Procter & Gamble's remarkable progress in FSC®-certified fiber procurement for its tissue and towel products," said Corey Brinkema, President of Forest Stewardship Council - US. "P&G is proof positive that setting robust sustainability goals and a commitment to implementation can bring great results."*



and in 2012 worked with GFTN to announce a target of having at least 40% FSC®-certified fiber in our tissue and towel products by 2015. With the release of this Sustainability Report, we are pleased to announce that we have exceeded our 2015 goal one year ahead of schedule by achieving 54% FSC® certification for the virgin fiber used in our tissue/towel products.

## Responsible Forest Management in Our Wood Pulp Supply Chains

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

- Forest Stewardship Council (FSC®—global)
- 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)

We give preference to pulp from Forest Stewardship Council (FSC®)-certified forests when it is available and meets product performance requirements and competitive market conditions. FSC has the world's most widely recognized forest certification scheme and is supported by internationally recognized environmental nongovernmental organizations (NGOs).

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. In 2012 we set two goals related to our use of wood pulp:

- By 2015, 100% of the virgin wood fiber used in our tissue/towel and absorbent hygiene products will be third party certified to one of the aforementioned standards.
- By 2015, 40% of the virgin wood fiber used in our tissue/towel products will be FSC® certified.

We will 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 an FSC® Controlled Wood Risk Assessment.

This year, P&G exceeded our FSC® target one year ahead of schedule by achieving 54% FSC® certification for the virgin wood fiber used in our tissue/towel products. We also achieved an overall third-party certification level of 99% across our tissue/towel and absorbent hygiene products and are on target to hit our 2015 goal of 100% third-party certification. Additional details on our pulp sourcing can be found in the following tables at right.

### Pulp Sources

In FY 13/14, P&G bought approximately 1.66 million air-dried metric tons of pulp for use in our tissue/towel, diaper and feminine hygiene products. The pulp was sourced from the following regions:

Source Region/Country	FY13/14
Latin America	34%
Canada	30%
United States	36%
<b>Total</b>	<b>100%</b>

The third-party-certified fiber used as a percent of supply are:

### Tissue/Towel and Absorbent Hygiene Products (1.66 million metric tons)

Third-Party Certification System	% of Total
Forest Stewardship Council (FSC)	36
Sustainable Forestry Initiative (SFI)	61
Program for the Endorsement of Forest Certification (PEFC, includes CSA and CERFLOR)	2
FSC-Controlled Wood	1
<b>Total</b>	<b>100</b>

### Tissue/Towel Products (1.13 million metric tons)

Third-Party Certification System	% of Total
Forest Stewardship Council (FSC)	54
Sustainable Forestry Initiative (SFI)	43
Program for the Endorsement of Forest Certification (PEFC, includes CSA and CERFLOR)	3
<b>Total</b>	<b>100</b>

For more information on FSC® Controlled Wood Assessments and their role in sustainable forestry, visit: [www.fsc.org](http://www.fsc.org)

For more information on World Wildlife Fund's Global Forest & Trade Network-North America program please visit: [www.worldwildlife.org/gftn-na](http://www.worldwildlife.org/gftn-na)

Our policy on Wood Pulp Procurement can be found at the following link: [www.pg.com/en\\_US/sustainability/policies\\_practices/woodpulp.shtml](http://www.pg.com/en_US/sustainability/policies_practices/woodpulp.shtml)

## 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 requirements and competitive market conditions.

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 our suppliers to assess progress against this goal, and more important, to develop action plans to close any gaps. This year, we have received data from over 90 major suppliers that represent approximately 90% of our global paper packaging spend. This data, which were self-reported by our suppliers, are summarized in the following tables:



Total Metric Tons Reported by Paper Packaging Suppliers surveyed in FY 13/14: ~ 990,000

% Recycled	% Virgin	% of Virgin Fiber That Was Third-Party Certified	% of Total Paper Packaging That Was Recycled or Third-Party-Certified Virgin
77	23	82	96

Third-Party-Certified Virgin Fiber	% of Total*
Sustainable Forestry Initiative (SFI)	58
Forest Stewardship Council (FSC)	33
Program for the Endorsement of Forest Certification (PEFC, includes CSA and CERFLOR)	10

\*Approximate values—may not add to 100 due to rounding.

Over the course of the next year, we plan to focus our efforts in the following areas:

- Close gaps for virgin fiber that was not third-party certified. This year, 96% of the volume reported by our suppliers was either recycled or third-party-certified virgin content. That means 4% of the reported volume was virgin material that was not third-party certified. We will place a focus on closing that gap.
- Continue to expand data collection efforts to cover a greater percentage of our total packaging volume. The data we collected this year covered materials procured directly by P&G. Next year, we will begin to expand coverage to include contract manufacturing and custom packaging operations.



## Palm Oil

Palm oil 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 palm oil production has threatened environmentally sensitive areas of tropical forests and peat lands and has resulted in some incidents where the rights of workers and indigenous peoples have been infringed.

P&G uses relatively little palm oil, but we do use a byproduct of palm oil production called palm kernel oil. We are committed to ensuring that our sourcing of palm oil, palm kernel oil and derivatives does not contribute to deforestation and respects the rights of workers and indigenous peoples. P&G is a member of the Roundtable on Sustainable Palm Oil (RSPO), and we continue to support RSPO standards as a key mechanism to drive responsible palm practices across the industry. Given the continued pressure on tropical forests and peat lands, 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 (HCV) areas and high carbon stock (HCS) forests.
  - No new development of peat lands regardless of depth.
  - No burning to clear land for new development or replanting.
  - Compliance with P&G's existing Sustainability Guidelines for External Business Partners.
  - Respect for human and labor rights.
  - Respect for land tenure rights, including rights of indigenous and local communities to give or withhold their free, prior and informed consent for development of land they own legally, communally or by custom.

3. Work with suppliers, industry peers, NGOs, academic experts and other stakeholders to promote consistent industry standards and practices in palm oil sourcing with the aim of achieving full traceability and eliminating deforestation.

### Our Actions:

#### 1. Palm Oil and Palm Oil Fractions

The following actions will apply to our purchases of palm oil and palm oil fractions:

- Establish traceability to palm oil mills by December 31, 2015.
- Require suppliers to submit plans by December 31, 2015, to demonstrate how they will 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 palm oil.

#### 2. Palm Kernel Oil

The following actions will apply to our purchase of palm kernel oil:

- Establish traceability to palm kernel oil mills by December 31, 2015.
- Invest in and work with palm kernel oil 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. Palm Oil Derivatives and Palm Kernel Oil Derivatives

- Require suppliers to put forward time-bound plans by end of 2016 to demonstrate how they will ensure no deforestation in their supply chains.

### Update on Progress

PKO represents our largest and most complex supply chain. We have achieved 80% of our palm kernel oil volume being sourced from known palm kernel crushing mills in our supply chain network. Ultimately, we want to trace back to the source plantations, including the thousands of small farmers in our palm

kernel oil supply chain. To help advance progress, during FY 13/14, we announced a collaboration with the Malaysia Institute for Supply Chain Innovation (MISI—part of the MIT Supply Chain and Logistics Excellence Network) to establish a project to improve the practices, productivity and livelihoods of the small farmers in our palm kernel oil supply chain. The initial focus of this project will be to map our largest PKO supply chain and develop a model that will ultimately enable RSPO certification and supply chain practice improvements. To help guide this effort, early in FY 14/15, we convened an expert panel consisting of representatives from NGOs, academia and the palm oil supply chain to evaluate and refine our project plans. We will continue to report progress on this effort throughout FY 14/15.

In addition to the MISI project, we will continue our ongoing efforts with our broader supply chain to drive progress against our new commitments. This included a supplier summit early in FY 14/15 to ensure key suppliers understood our new commitments and supply chain expectations.

We also continue to drive progress on RSPO certification. During FY 13/14, 100% of our palm oil and palm oil fractions were RSPO certified via the purchase of Green Palm Certificates. 37% of our Palm Kernel Oil was RSPO certified via a mix of Green Palm Certificates and Mass Balance Oil. 37% of derivatives (palm oil and palm kernel oil) was RSPO certified via Green Palm Certificates. During FY 14/15 we will continue to maintain 100% RSPO certification for palm oil and palm oil fractions and will seek to increase the percentage of palm oil, palm oil fractions, PKO and derivatives that are RSPO physically certified oil.

### Tonnage of Palm Oil and Palm Kernel Oil Purchased in FY 13/14:

Material Type	Volume (metric tons)	% of Total
Palm Oil and PO Fractions	85,581	16
Palm Kernel Oil	318,068	60
PO and PKO Derivatives	128,945	24
Total	532,594	100

To learn more about our efforts on palm oil, 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.



### Manufacturing Waste

We continue to make excellent progress toward our manufacturing waste reduction goals, to the point that we have exceeded our target well ahead of schedule. Our 2020 goal is to ensure manufacturing waste to landfill is less than 0.5% of input materials. In FY 13/14, we reduced manufacturing waste to 0.4% of input materials, meaning 99.6% of all input materials were beneficially used in products or via recycling, reuse or energy conversion of waste materials. This phenomenal progress is a direct result of the internal and external partnerships being lead by our Global Asset Recovery & Purchases team (GARP), our manufacturing plants, our distribution centers and our recycling vendors, which all continue to find new, innovative and cost-effective solutions for our manufacturing waste. As we look to the future, we will continue to look for stretching ways to challenge our internal teams.

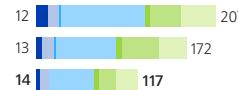
### Waste Disposed

(Percent reduction versus 2010, per unit of production)



### Disposed Waste by GBU

(Thousands of metric tons)



● Technical Centers

● Health Care

● Grooming

● Fabric and Home Care

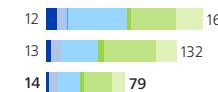
● Distribution Centers

● Beauty

● Baby, Feminine and Family Care

### Non-Hazardous Waste by GBU

(Thousands of metric tons)



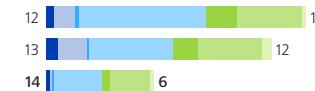
● Distribution Centers

● Beauty

● Baby, Feminine and Family Care

### Hazardous Waste by GBU

(Thousands of metric tons)



● Technical Centers

● Health Care

● Grooming

● Fabric and Home Care

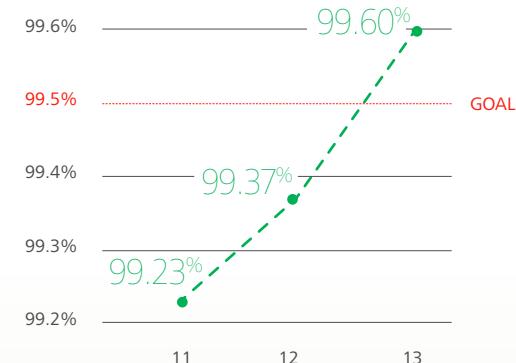
● Distribution Centers

● Beauty

● Baby, Feminine and Family Care

### Incoming Material Utilization

(% Beneficially Used)



0.4% of input materials

In FY 13/14, we reduced manufacturing waste to landfill to 0.4% of input materials—exceeding our 2020 goal six years ahead of schedule

## Zero Manufacturing Waste to Landfill

Over the past three years, P&G has increased the number of zero manufacturing waste to landfill (ZMWTL) sites from 10% to nearly 50% of manufacturing sites globally. We now have over 70 sites that have achieved ZMWTL criteria. During the last fiscal year, we also reached several country/regional milestones, with all facilities in Germany and Poland 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.

One example of innovative thinking to drive progress is reuse of scrap absorbent materials from our Feminine Care plant in Belleville, Canada. One of our external partners blends our high-tech absorbents with other raw materials that make up emergency spill containment and control products. Last year, the plant was called upon to help provide additional material above and beyond our typical supply to help the local community with emergency response and oil cleanup after the Lac-Mégantic train disaster.

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



## Consumer Waste

We continue to evaluate consumer waste reduction pilot opportunities in both developed and developing regions. 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. In partnership with the Asian Development Bank, our recommended owner/operator (SURE Global W2Wi) has completed base feasibility studies in the lead pilot city and begun negotiations with municipal officials to construct a treatment facility there. We have further initiated feasibility studies for a second site in which a private landfill in the Philippines (currently receiving waste from 14 cities) would convert to a Waste to Worth facility. Given strong support from the national government, the National Solid Waste Management Commission and the private investment community, the Waste to Worth model is already beginning to replicate beyond the initial pilots with feasibility studies initiated at sites encompassing waste from eight additional cities.

## Closed Loop Fund

As highlighted earlier in this report [page 8](#), during FY 13/14 P&G also became a founding member of the Closed Loop Fund. The Closed Loop Fund has been formed to provide municipalities and private firms engaged in public-private partnerships access to capital at below-market rates in order to spur investments in municipal recycling programs. The goal of the Fund is to divert valuable raw materials from landfill by helping to provide 100% of U.S. consumers access to recycling where and when they need it. In turn, this should help drive the following outcomes:

- Create economic value for cities by reducing landfill disposal fees and increasing revenue from the sale of recyclable commodities.
- Create local jobs and community engagement.
- Increase supply and use of affordable post-consumer recycled (PCR) materials in consumer goods.
- Preserve our natural resources.
- Facilitate innovative private sector investment to support recycling.

To learn more about the Closed Loop Fund, please go to:  
[www.closedloopfund.com](http://www.closedloopfund.com)

C L O S E D  
L O O P fund



## Resource and Waste Summary Table

The table below reports environmental statistics for Manufacturing Operations in the Global Business Units, Technical Centers and Distribution Centers.

	Totals (absolute units x 1,000)			2014 Global Business Unit Detail <sup>(1)</sup> (absolute units x 1,000)						
	2014	2013	2012	Baby, Feminine and Family Care	Beauty	Fabric and Home Care	Grooming	Health Care	Technical Centers	Distribution Centers
<b>Production</b> (metric tons)										
Product Shipped <sup>(2)</sup>	<b>28,331</b>	26,570	25,618	5,399	2,023	19,075	806	1,028	N/A	N/A
Raw Materials from Recycled Sources <sup>(3)</sup>	<b>859</b>	592	618							
<b>Waste</b> (metric tons)										
Generated Waste	<b>909</b>	933	977	351	115	290	40	72	13	29
Percent Recycled/Reused Waste	<b>87%</b>	82%	79%	93%	73%	87%	97%	86%	69%	83%
<b>Disposed Waste</b> (metric tons)										
Waste Disposed	<b>117</b>	172	207	24.70	20.19	52.01	1.08	10.02	4.09	4.77
Solid Waste—Non-Hazardous	<b>79</b>	132	161	13.08	16.22	33.53	0.16	9.14	2.92	4.35
Solid Waste—Hazardous	<b>6</b>	12	14	0.20	0.74	3.84	0.06	0.06	0.24	0.41
Effluents (excluding water) <sup>(4)</sup>	<b>19</b>	18	20	4.45	2.72	10.66	0.58	0.53	0.41	N/A
Air Emissions <sup>(5)</sup>	<b>13</b>	11	12	6.97	0.51	3.97	0.28	0.29	0.51	N/A
<b>Other</b>										
Energy Consumption (gigajoules)	<b>73,177</b>	72,406	72,762	45,300	3,786	15,663	2,621	2,669	2,577	563
Direct Greenhouse Gas Emissions (metric tons)	<b>2,685</b>	2,521	2,576	1,806	115	471	69	79	128	18
Total Greenhouse Gas Emissions (metric tons)	<b>5,353</b>	5,503	5,574	2,890	386	1,269	214	248	295	52
Water Consumption (cubic meters)	<b>70,610</b>	74,417	78,760	43,020	6,160	16,439	1,355	1,480	2,156	N/A
SARA Releases (metric tons) <sup>(6)</sup>	<b>3.67</b>	2.37	2.19	0.008	0.020	3.294	0.346	0.001	N/A	N/A

Numbers listed in italics have been updated since the 2013 report was issued. Updates were generally minor corrections based on updated totals. For reference, the data that was originally reported in 2013 can be accessed via our 2013 sustainability report which is available at [www.pg.com/sustainability](http://www.pg.com/sustainability).

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

(1) For 2014, 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 each of the 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) Releases defined in the U.S. Superfund Amendments and Reauthorization Act (SARA) by the U.S. Environmental Protection Agency

# 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

Over the course of the year, P&G teams with Habitat for Humanity have built or cleaned more than 30 homes around the world. The impact of that work comes to life when we meet the people who live in those homes.

One person we met this year was Mr. Jaras, who lived in the Prachinburi Province of Thailand. His community still had not recovered from the brutal flooding that ripped through scores of homes two years earlier, and the rainy season was on its way again. Mr. Jaras, 50, was partially paralyzed from a recent motorcycle accident and could not repair the gaping holes in his roof, floor and walls.

In partnership with Habitat for Humanity, P&G employees came together to build a new home for Mr. Jaras, with a solid floor, strong roof and wheelchair. P&G teams also brought their traditional "welcome home" gift basket full of P&G brands such as Gillette, Safeguard, Oral-B and Pantene to provide additional comforts of home.

***"He never stopped smiling. As difficult as life was for him, he remained optimistic," said P&G Corporate Contributions Senior Manager Brian Sasson. "We hope it changed his life. We know it did ours."***

.....  
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

In November 2013, when the strongest storm ever to hit land whipped across the Philippines, P&G teams around the globe responded. Pampers, Safeguard, Duracell, Pantene and more than a dozen other brands joined together to help the 16 million people impacted and 4 million people left homeless. Together, P&G employees and our brands sent more than \$3 million in personal care supplies, cash and P&G Purifier of Water packets to help.

P&G also sent products and cash donations to help with more than 20 major disasters, including massive flooding in the Balkans; devastating tornadoes, flash floods and mudslides in the U.S.; wildfires in Chile; and earthquakes in Pakistan.



**Here is a look at just some of the work P&G did to improve lives in times of disaster:**

**July 2013:** In India, thousands of people were impacted and homes devastated by flooding that hit with fury in summer 2013. P&G responded by providing P&G Purifier of Water packets and products such as Whisper, Oral-B, Tide and Pantene.

**September 2013:** When flash flooding hit Boulder, Colo., and surrounding areas, P&G distributed more than 4,000 personal care kits along with products such as Charmin, Bounty, Pampers and Dawn. Tide Loads of Hope also helped by providing clean laundry for hundreds of families.

**October 2013:** When floods also hit Mexico, P&G sent 2.5 million P&G Purifier of Water packets and 6,000 disaster relief products kits.

**May 2014:** Deadly flooding in the Balkans impacted 1.6 million people in Bosnia alone. P&G helped with product donations totaling \$80,000 and a grant to rebuild 10 homes and a school.

## Health and Hygiene

### Children's Safe Drinking Water

This year, the P&G Children's Safe Drinking Water 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** reached an additional 300,000 girls through its Protecting Futures Program, providing girls age 12-14 with education on good personal hygiene, puberty, menstruation and personal care. The program, started in 2006, is aimed at helping girls attend classes during their periods, and thus stay in school. The program has expanded from Africa to the Middle East.

**Pampers**—as part of its commitment to happy, healthy development of babies—created the Pampers Mobile Clinic Program, providing free basic health checks, health talks and products to mothers and their babies. This year, the clinics mark their 10th anniversary, reaching more than 1.8 million mothers and children in Nigeria, Kenya, Uganda and Pakistan. Also, the Pampers UNICEF vaccine program marked another year of working to eliminate neonatal tetanus, a preventable disease that claims the life of 58,000 babies in developing countries each year. The campaign, 1 pack = 1 vaccine, has donated more than 300 million vaccines and helped to eliminate the disease in 15 countries.

### Safeguard's Clean Hands Healthy Kids

Campaign marked its 15th year of teaching hygiene to prevent childhood illness, absenteeism and even death. The program was launched in China based on global research that soap and water washing can prevent nearly 4 million children a year from dying before their 5th birthday. Today, the program is in schools across China, the Philippines, Pakistan and Mexico, reaching 4.5 million students a year. In many locations, the brand has helped build hand-washing and sanitation stations for children.

**Pantene** launched a hair-donation program called Beautiful Lengths eight years ago. This cause encourages youths, adults and even celebrities to grow, cut and donate their healthy hair to help provide free wigs to women in need. Pantene funds the creation of these wigs for cancer patients, and through their partnership with the American Cancer Society, distributes them free of charge to female cancer patients. To date, the program has collected 550,000 ponytail donations, helping make more than 34,000 real-hair wigs across the U.S. and in Canada, Australia and Israel in partnership with local cancer associations.

### CSDW by the Numbers

+140

Global partners

+7.5 billion

Liters to date



# 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.

## Policies and Practices

- Human Rights
- Human Resources
- Diversity & Inclusion
- Global Medical
- Worldwide Health, Safety and Environment Systems
- Compliance with Laws and Regulations
- Notices of Violation (NOVs)
- SARA 313 Releases

- Stakeholder Engagement
- Advertising and Promoting to Consumers Appropriately
- Eliminating Research Involving Animals—Our Latest Contributions
- Sustainability Guidelines for External Business Partners
- Supplier Diversity
- Personal Information Privacy



## Human Rights

Last year, we obtained top management approval to deploy our Human Rights Policy Statement. Our Statement demonstrates our support for the U.N. Guiding Principles for Business and Human Rights, which respects and honors the principles of internationally recognized human rights consisting of those rights expressed in the International Bill of Human Rights (i.e., Universal Declaration of Human Rights and the International Covenants on Economic, Social and Cultural Rights and Civil & Political Rights) and the principles concerning fundamental rights as set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Respect for human rights is implemented through our Policies, Practices and Due Diligence Systems (e.g., 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). For example, this past year, we renewed Sustainability Guidelines for External Business Partners to emphasize our respect for human rights by establishing clear expectations to respect internationally recognized human rights, comply with all applicable laws, and conduct business ethically and responsibly. Because P&G's external business partners are expected to conduct their business with P&G in a way that respects the Human Rights Policy Statement, should P&G become aware of an adverse human rights impact from a external business partner's operation, we would be able to effectively engage to be part of the solution to

address the issue or dilemma, including seeking to prevent or mitigate the adverse impact.

We will continue to update our risk-based auditing process of our external business partners, as needed, using third-party risk-management tools (e.g., Maplecroft human rights map) to enable the identification of in-scope external business partners and remediation of non-compliance in a timely manner. We will also continue to raise awareness of our Human Rights Policy Statement through internal training programs.

P&G has continued its involvement in a number of human rights and other related social responsibility initiatives:

1. Continued to monitor the work of the U.N. Working Group on Business and Human Rights.
2. Member of U.N. Global Corporate Community of Practice.
3. Member of U.S. Council for International Business.
4. Participated in the annual Human Rights seminar, sponsored by The Coca-Cola Company.
5. 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

Procter & Gamble 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 where 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 and 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 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), 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 & 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	2014	2013	2012
<i>% Female</i>			
Management	43.9	43.6	43.0
All Other Employees <sup>(1)</sup>	35.7	35.9	36.9

The percentages of minority and female employees in the United States are shown in the following table:

U.S. Enrollment	2014	2013	2012
<i>% Minorities</i>			
Management	24.2	24.0	23.9
Non-Management <sup>(1)</sup>	18.4	18.0	18.1
<i>% Female</i>			
Management	42.0	42.0	41.7
Non-Management <sup>(1)</sup>	35.9	36.0	38.3

<sup>(1)</sup>Administrative, Technical and Plant Technicians

## 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.

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

For the fourth consecutive year, the National Association for Female Executives recognized P&G as one of the Top 10 Companies for Executive Women.

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

For additional information on our Diversity & Inclusion efforts, please see our Diversity & Inclusion Annual Report, available at: [www.pg.com/en\\_US/company/purpose\\_people/diversity\\_inclusion.shtml](http://www.pg.com/en_US/company/purpose_people/diversity_inclusion.shtml)

## 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 employees. Our 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 share this expectation with all of our business partners.
- A culture of health and actively involve employees in protecting and promoting their own health and wellness by providing high-quality health services and programs such as Vibrant Living.
- WorkLife Solutions and Employee Assistance Programs (EAP) 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 sites worldwide had over 373,000 visits by employees in the past fiscal year. Over the last four years, we have seen an annual increase in employee visits to our Health Centers sites. Many of these employee visits are proactive, including use of preventive health services such as travel health consultations, influenza immunizations, and personal health and wellness consultations.

### Vibrant Living Health Center Visits



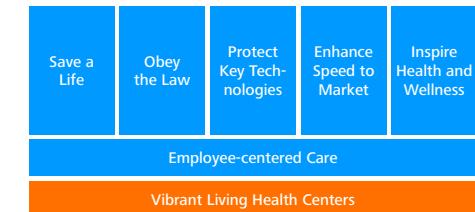
Employees who utilized Health Services or onsite Health Programs reported better personal well-being scores of 12 percentage points or higher compared to those not using these services and programs as measured by the 2014 P&G Employee Survey. Also, employees who utilized WorkLife Solutions and Employee Assistance Programs had personal well-being scores of 13 percentage points higher than those who did not use these services.

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 EAP Programs)

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. Last year, we renewed and updated all standard operating procedures and added standards and requirements to build strong customer focus into our services. This year, successful deployment of the new HSKE audit tool was delivered through a comprehensive training platform, which included global, regional and site trainings; monthly global newsletter updates addressing just in time questions; and the first medical qualification program of 30 auditors, who then conducted over 200 globally calibrated audits.

### GLOBAL MEDICAL SYSTEMS



## P&G Vibrant Living

In 2014, 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.

In April, we had a global celebration of health with over 50% of our sites joining in our first Global Vibrant Living Awareness Day.

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*—emphasizes 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 like Corporate Athlete. We have expanded the reach of WorkLife Solutions/EAP to over 84% of our employees globally to strengthen the foundation for the launch of our newest Vibrant Living program, Managing Stress and Building Resilience.

*Employee Engaged Health Care*—provides greater understanding of local health care resources and enables informed individual health choices.

### Highlights of our progress include:

Vibrant Living branded programs have been rolled out to 204 P&G sites in 55 countries (see map for Vibrant Living program countries).

Over 334 Vibrant Living Health Coaches (nurses and physicians) and Champions have been trained and qualified across all five regions (Asia, IMEA, Latin America, North America and Europe).

The Vibrant Living Site Certification Program has quickly expanded globally to 58 sites, and more applications are currently 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.

#### Sites with Vibrant Living Branded Programs

11	126
12	168
13	198
14	204

#### Vibrant Living Health Coaches and Champions

11	80
12	152
13	259
14	334

#### Vibrant Living Certified Sites

11	2
12	11
13	33
14	58



# 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 longstanding part of Company culture, reflecting the belief that our employees are our most important asset.
- Construct our facilities so as not to compromise on 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. This year, 1,731 full-time equivalents (FTEs) were involved in HS&E activities. This is down 3% from 1,776 FTEs last year and reflects the reorganization of P&G HS&E systems into a more focused support structure.

HS&E total costs for existing sites, which includes costs for personnel, operations and contractor expenses for HS&E activities in fiscal year 13-14, were ~ \$129 million. Efforts to reduce the amount of waste disposed have increased our overall quantity of recycling, and revenue generated from these recycling activities was ~ \$44 million.

There are three major components to a site's HS&E organization: Environmental, Technical Safety and Industrial Hygiene & Safety leaders; Fire Protection Systems leaders; 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 followup 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. The following data is based on criteria established by P&G for use at all sites, including acquisitions, plants and technical centers. This year's TIR was lower versus last year, at 0.31 versus 0.34 incidents per 100 employees, while the lost workday rate was down to 0.16 versus 0.19 cases per 100 employees one year ago. Both are lower than industry averages.

### 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 66 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 100%.

### Sites Conducting Annual Audits (Percentage)



## Top 5 sites with highest number of safe working hours

### Manufacturing Sites

Site	Safe Hours*	GBU	Region
Boston	14,400,000	Grooming	NA
Ibadan	10,800,000	Fabric and Home Care	IMEA
Auburn	7,800,000	Feminine Care	NA
Rakona	7,800,000	Fabric and Home Care	Europe
Shiga	6,100,000	Beauty	Asia

\*Rounded down to the nearest 100,000

### Technical Centers

Site	Safe Hours*	GBU	Region
Kobe Innovation Center	19,800,000	Technical Centers	Asia
Sharon Woods Technical Center	17,800,000	Technical Centers	NA
Beijing Innovation Center	9,900,000	Technical Centers	Asia
Winton Hill Business Center	9,100,000	Technical Centers	NA
Fabric and Home Care Innovation Center	6,700,000	Technical Centers	NA

## 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 returned to over 75% 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, 66% 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. Since 2012, we have seen a decrease in the number of qualified leaders due to acquisitions and normal attrition. Short-term gaps are covered via corporate resources while we accelerate training plans. The additional training has been a success over the last year, with the number of sites that have qualified HS&E leaders climbing from 65% to 76% and the number of qualified fire protection leaders climbing from 76% to 85%. This training and qualification program applies to all sites, including Technical Centers and acquisitions.

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 (NOVs)

In 2013, we saw an increase in total penalties. This was primarily due to a single penalty received for a third-party vendor improperly handling our waste products. Using what we learned from this incident, we have put additional focus on evaluating how third parties are handling our waste materials. We continue to strive for zero notices or penalties, and this year we saw a meaningful reduction in both.

	2014	2013	2012
Number	34	43	34
Fines	\$95,460	\$709,061	\$93,760

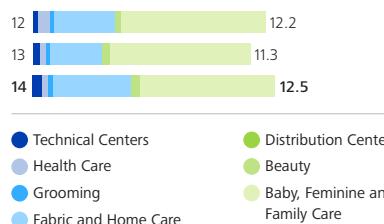
A breakdown of Notices of Violations (NOVs) is provided below:

	Number of NOVs	Fines
Water-based	8	\$80,060
Air-based	4	\$2,667
Solid waste-based	4	\$1,660
Paperwork	2	\$170
Transportation-based	4	\$1,693
Other	2	\$0
Worker safety	10	\$9,210
<b>Total</b>	<b>34</b>	<b>\$95,460</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>). Overall, the total air emissions remained relatively flat over the last few years.

Air Waste by GBU  
(Thousands of metric tons)

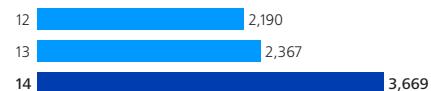


## SARA 313 Releases (United States only)

Within the United States, P&G plants report annually on the release of toxic chemicals into the air, water and land. These releases are defined in the U.S. Superfund Amendments and Reauthorization Act (SARA) by the U.S. Environmental Protection Agency. The purpose of this documentation (referred to as section 313) is to publicly report the releases and transfers of hazardous chemicals as defined by the agency.

This year we experienced an increase in overall SARA emissions, primarily due to the startup of a new high-speed battery production line. The additional scrap from commissioning activities counts toward our overall SARA results; however, most of the materials were able to be beneficially recycled.

**SARA 313 U.S.**  
(Total metric tons released or transferred)



\*The 11/12 and 11/13 data previously reported in the 2013 Sustainability Report have been updated to reflect actuals.

## 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 & 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 nongovernmental organizations (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, 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 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

P&G strongly believes that ending animal testing is the right thing to do. Our goal is to stop animal testing completely. We are fully committed and passionate about our goal and believe the only way to stop animal testing is to develop alternatives to animal testing. Alternatives help us to innovate more ethically and are often cheaper, faster and more effective means to assess ingredient safety. We are proud of the work that we have led in finding alternatives. We have developed more than 50 non-animal testing methods and invested more than \$350 million in research and development in finding these alternatives. We've also published our results so that others can benefit from our research. We attended and top-sponsored the scientific World Congress on Alternatives, where top scientists from around the world come together to discuss latest progress in alternatives development.

In 2013/14, the first ever non-animal alternative to skin allergy tests was officially approved by European authorities. This test, known as DPRA (Direct Peptide Reactivity Assay), was invented by P&G scientists. Skin allergy is a complex process and an important safety question for almost all ingredients. As a result, this alternative marks a milestone in overcoming the need for animal testing.

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. Today, we do not test on animals unless required by law, where no accepted alternatives are available yet.

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.
- We attended and top-sponsored the scientific World Congress on Alternatives.
- 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 invented the first non-animal alternative to skin allergy testing, which was officially approved by key regulatory authorities.
- We collaborate with universities, scientists from other companies, governments and scientifically engaged animal welfare groups to develop and promote acceptance of alternative test methods and to change regulations that still require testing with animals.

For additional information on the non-animal alternative to skin allergy tests, please go to: [www.cosmeticsdesign-europe.com/Formulation-Science/P-G-develops-first-approved-non-animal-alternative-for-skin-allergy-testing](http://www.cosmeticsdesign-europe.com/Formulation-Science/P-G-develops-first-approved-non-animal-alternative-for-skin-allergy-testing)

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)

Or visit: [pgbeautyscience.com/animal-testing-alternatives.php](http://pgbeautyscience.com/animal-testing-alternatives.php)



## Sustainability Guidelines for External Business Partners

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.

During the past year, we launched a renewal of our guidelines and end-to-end auditing process. Our renewed 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. By using third-party risk-management tools (e.g., Maplecroft human rights maps), we have refined our end-to-end auditing process in selecting external business partners for third-party auditing. Our risk-based auditing process provides us with a more succinct list of in-scope external business partners, which enables the review and remediation of non-compliance in a timely manner.

### 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 (EBP) can be downloaded at: [www.pgsupplier.com/en/pg-values/sustainability.shtml](http://www.pgsupplier.com/en/pg-values/sustainability.shtml)

## Supplier Diversity

Supplier diversity is a business strategy for P&G that we have focused on since the mid-1970s. When we invest with diverse suppliers, we not only strengthen our innovation and go-to-market capabilities, but also touch and improve the lives of the women and men who work in these companies—and through them, their families and the communities in which they live and work. This is an important way we fulfill P&G's Purpose.

P&G makes a significant and ongoing investment in supplier diversity, spending more than \$2 billion with minority- and women-owned suppliers in fiscal year 13-14. This is the seventh consecutive year we have exceeded \$2 billion in supplier diversity spending. P&G is one of just 20 corporations on the Billion Dollar Roundtable, an exclusive group of companies that invest a billion dollars a year or more with minority- and women-owned agencies, suppliers or external businesses.

## Personal Information Privacy

Advances in computer technology have made it possible for detailed information to be compiled and shared more efficiently than ever around the globe. That can be good news for society as a whole and for individual consumers.

At the same time, as personal information becomes more accessible, each of us—companies, associations, government agencies, consumers—must take precautions against misuse of that information. Several countries already have laws protecting consumers from misuse of their personal information, and many others are following suit.

P&G places high priority on safeguarding people's personal information. Even in countries without privacy legislation, we still adhere to our privacy policy. We want to have the trust of consumers and all others who do business with us, including employees, shareholders, retail customers and recruitment candidates.

P&G's robust privacy program is managed by a Global Privacy Council. Our first objective is to protect an individual's personally identifiable information as if it were our own. All outside companies handling data on our behalf are required to abide by our privacy principles.

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 online marketing statement available in 45 languages.

For more information on P&G's global privacy principles, please visit: [www.pg.com/en\\_US/company/privacy/](http://www.pg.com/en_US/company/privacy/)

P&G adheres to U.S./European Union Safe Harbor principles and participates in the Better Business Bureau's EU Safe Harbor Program. For more information, visit: [www.bbb.org/council/eusafeharbor/bbb-eu-safe-harbor-dispute-resolution-program/](http://www.bbb.org/council/eusafeharbor/bbb-eu-safe-harbor-dispute-resolution-program/)

In the United States, 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)

Third-party companies can access our privacy and security guidelines on: [www.pgsupplier.com](http://www.pgsupplier.com)

## Policies and Management Systems

### Reporting Boundaries

Our Sustainability Report provides HS&E data for 137 manufacturing sites and 26 distribution centers, 20 R&D facilities and 8 of our largest offices, over which we have operational control. 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 some of our 2020 Goal Measurement Systems to help ensure clarity and transparency on the data we are reporting:

### 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, Fem 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 1 year in arrears, so data reported represents progress through June 20, 2013.

### 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.

### 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 and covered over 90% of our global spend.

## GRI Index

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Report Profile					
3.1	Reporting period.	2	4.1	Governance structure of the organization.	23
3.2	Date of most recent previous report (if any).	FY12/13	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	4, 23
3.3	Reporting cycle (annual, biennial, etc.).	Annual	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 available at <a href="http://www.pginvestor.com">www.pginvestor.com</a></i>	23
3.4	Contact point for questions regarding the report or its contents.	<a href="mailto:sustainrep.im@pg.com">sustainrep.im@pg.com</a>	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
Report Scope and Boundary					
3.5	Process for defining report content.	2, 5–11	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance. <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>Proxy Statement available at <a href="http://www.pginvestor.com">www.pginvestor.com</a></i>	23
3.6	Boundary of the report.	2, 60	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>	23
3.7	State any specific limitations on the scope or boundary of the report.	60	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>	23
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 between organizations.	42, 60	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.	13–14, 23–60
3.9	Data measurement techniques and the bases of calculations.	60			
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	60			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	17, 60			
GRI Content Index					
3.12	Table identifying the location of the Standard Disclosures in the report.	61–67			
Assurance					
3.13	Policy and current practice with regard to seeking external assurance for the report.	2			

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>	23
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>	23
<b>Commitments to External Initiatives</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	25
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	36, 47, 52
4.13	Memberships in associations.	24
<b>Stakeholder Engagement</b>		
4.14	List of stakeholder groups engaged by the organization.	24, 56
4.15	Basis for identification and selection of stakeholders with whom to engage.	56
4.16	Approaches to stakeholder engagement.	24, 56
4.17	Key topics and concerns that have been raised through stakeholder engagement.	7-10, 31-38, 41, 43-45, 47, 56, 57-59

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)	27-38, 44-45
EC3	Coverage of the organization's defined benefit plan obligations. (Core)	47
EC4	Significant financial assistance received from government. (Core) <i>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)	47
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. (Core)	17, 19, 59
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. (Core)	47-49
<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)	43-45
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts. (Additional) <i>See financial report available at <a href="http://www.pginvestor.com">www.pginvestor.com</a></i>	43-45

GRI Indicator	Description	Page(s)	GRI Indicator	Description	Page(s)
<b>6. ENVIRONMENTAL</b>					
Materials			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
EN1	Materials used by weight or volume. (Core)	42	EN16	Total direct and indirect greenhouse gas emissions by weight. (Core)	29, 42
EN2	Percentage of materials used that are recycled input materials. (Core)	11, 37, 42	EN17	Other relevant indirect greenhouse gas emissions by weight. (Core)	29, 42
Energy			EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved. (Additional)	11, 27, 29, 30, 33–42
EN3	Direct energy consumption by primary energy source. (Core)	29, 33, 42	EN19	Emissions of ozone-depleting substances by weight. (Core)	42, 55
EN4	Indirect energy consumption by primary source. (Core)	29, 33, 42	EN20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight. (Core)	42, 55
EN5	Energy saved due to conservation and efficiency improvements. (Additional)	11, 29, 33	EN21	Total water discharge by quality and destination. (Core)	31, 42
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)	11, 27	EN22	Total weight of waste by type and disposal method. (Core)	39, 42
EN7	Initiatives to reduce indirect energy consumption and reductions achieved. (Additional)	11, 27, 28, 29, 30, 33, 42	EN23	Total number and volume of significant spills. (Core)	55
Water			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)	39–42
EN8	Total water withdrawal by source. (Core)	31, 42	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
EN9	Water sources significantly affected by withdrawal of water. (Additional)	N/A	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. (Core)	5–8, 11, 26–41
EN10	Percentage and total volume of water recycled and reused. (Additional)	N/A	EN27	Percentage of products sold and their packaging materials that are reclaimed by category. (Core)	39–42
Biodiversity			EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations. (Core)	55
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	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)	30
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)	34–38	EN30	Total environmental protection expenditures and investments by type. (Additional)	52
EN13	Habitats protected or restored. (Additional)	31			
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity. (Additional)	34–38			
Also see <a href="http://www.pg.com/productsafety/downloads/Environmental_Quality_Policy.pdf">www.pg.com/productsafety/downloads/Environmental_Quality_Policy.pdf</a>					

GRI Indicator	Description	Page(s)	GRI Indicator	Description	Page(s)
<b>7. LABOR PRACTICES AND DECENT WORK</b>					
Employment					
LA1	Total workforce by employment type, employment contract, and region. (Core)	12, 49	LA10	Average hours of training per year per employee-by-employee category. (Core)	51, 54
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	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. (Additional)	47, 51
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. (Additional)	N/A	LA12	Percentage of employees receiving regular performance and career development reviews. (Additional)	47
Labor/Management Relations					
LA4	Percentage of employees covered by collective bargaining agreements. (Core)	N/A	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 available at <a href="http://www.pginvestor.com">www.pginvestor.com</a></i>	49
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	LA14	Ratio of basic salary of men to women by employee category. (Core)	47
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)	52–54	<b>8. HUMAN RIGHTS</b>		
LA7	Rates of injury, occupational diseases, lost day's, absenteeism and total number of work-related fatalities, by region. (Core)	53	Investment and Procurement Practices		
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. (Core)	50–51	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that underwent human rights screening. (Core)	47, 58
LA9	Health and safety topics covered in formal agreements with trade unions. (Additional)	52–54	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. (Core)	47, 58
Non-discrimination					
			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)	47
			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>	48–49

GRI Indicator	Description	Page(s)
<b>Freedom of Association and Collective Bargaining</b>		
<b>HR5</b>	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)	<b>58</b>
<b>Child Labor</b>		
<b>HR6</b>	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. (Core)	<b>58</b>
<b>Forced and Compulsory Labor</b>		
<b>HR7</b>	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)	<b>58</b>
<b>Security Practices</b>		
<b>HR8</b>	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>		
<b>HR9</b>	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>		
<b>SO1</b>	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)	<b>56</b>
<b>Corruption</b>		
<b>SO2</b>	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>	<b>20</b>
<b>SO3</b>	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>	<b>23</b>
<b>SO4</b>	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>	<b>23</b>

GRI Indicator	Description	Page(s)	GRI Indicator	Description	Page(s)
Public Policy			Product and Service Labeling		
SO5	Public policy positions and participation in public policy development and lobbying. (Core)	24	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. (Core)	25
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. (Additional)	24	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
Anti-Competitive Behavior			PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. (Additional)	56
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. (Additional)	N/A	Marketing Communications		
Compliance			PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. (Core)	57
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations. (Core)	55	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>10. PRODUCT RESPONSIBILITY</b>					
Consumer Health and Safety			Customer Privacy		
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)	25	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. (Additional)	N/A
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	Compliance		
			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

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