

# 2021 CITIZENSHIP REPORT

SUMMARY





#### **MESSAGE FROM THE CEO**

Dear Stakeholders,

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

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

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



Community Impact



Equality & Inclusion



Environmental Sustainability



Ethics & Corporate Responsibility



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

JON R. MOELLER President and Chief Executive Officer

#### MESSAGE FROM THE CEO

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

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

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

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

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

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

JON R. MOELLER **President and Chief Executive Officer** 

## **COVID-19 RESPONSE**

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



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

On the next two pages are just a few examples of how we stepped up as a force for good in this time of need.



#### COVID-19 RESPONSE BY GEOGRAPHIC LOCATION



#### **NORTH AMERICA**

In the U.S., we have worked with partners such as Matthew 25: Ministries, Feeding America, Hispanic Star and the United Way to get much-needed products and supplies to those requiring help as a result of the pandemic, and our focus has been on helping those communities disproportionally impacted by the virus.





of Red Cross and Red Crescent (IFRC) and helped fund temporary emergency medical Ramadan and Easter seasons.



#### LATIN AMERICA

We supported efforts through the United Way and national Red Cross Societies with donations of PPE. COVID-19 tests, virtual education and food. In Brazil, hospitals struggled to secure the oxygen needed to help patients. We funded hundreds of cylinders of oxygen as a short-term solution and then invested in a machine to transform oxygen from the air into medical-grade oxygen to provide a better long-term solution. This new machine created enough oxygen to meet the need for all ICU beds in the Santa Julia Hospital.



### INDIA

To help vaccinate more than 500,000 Indian citizens, we pledged funds in partnership with government and local authorities. We covered the cost of vaccinations for our 5000+ employee workforce and their immediate family members, as well as funded vaccinations for 100 Indians for every P&G employee we have in India.

### We joined forces with the International Federation National Societies to scale up health and hygiene interventions, vaccinations and economic support. We provided more than 13 million P&G products, centers and food baskets for the homeless during

#### **COVID-19 RESPONSE BY GEOGRAPHIC LOCATION**



#### CHINA

Hebei and Jilin provinces in China suffered another outbreak of COVID-19 at the start of 2021. Our Whisper and Discreet brands supported medical workers on the frontlines through the donation of Koala and adult incontinence products.



GLOBAL

We made and provided masks for people in Brazil, Egypt, France, Germany, India, Japan, Mexico, the Nordics, Philippines, Poland, Spain, Switzerland, UK and United Arab Emirates.

We have offered diverse tools to our employees to help them effectively manage the challenges of working and living during a pandemic. These include additional mental wellness and resilience resources, seminars and apps—and more flexible policies to support caregiving at home and create the right balance between work and personal priorities.



#### PHILIPPINES

P&G Philippines stepped up to promote health and hygiene through its partnership with the Philippines Department of Health and USAID. The nationwide program promoted safe handwashing and shared education lessons about home and personal hygiene practices. We also donated face masks and cleaning products, including Safeguard soaps, Ariel laundry detergent, Joy dishwashing liquid and Head & Shoulders shampoo as part of the 70,000 family home kits distributed to those in need.





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

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

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







Donating products and cash in times of need

Working with our partners to provide clean drinking water

Taking care of our neighbors after a disaster





Working through our brands to make a positive difference

#### **COMMUNITY IMPACT HIGHLIGHTS**



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

### TWO MILLION+

COVID-19 vaccines globally.



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

Offering Tide Loads of Hope and other laundry services

Partnering with Matthew 25: Ministries

Providing clean drinking water

Helping displaced families

Donating products, cash and more







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



#### **COMMUNITY IMPACT HIGHLIGHTS**



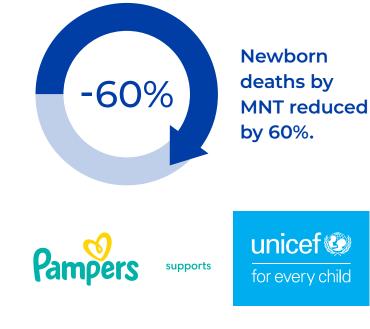
### 19 BILLION LITERS<sup>1</sup>

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





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



UNICEF does not endorse any company, brand, product or service



to the United Way of Greater Cincinnati.



<sup>1</sup>As of October 2021

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

# \$11,000,000

# **HELPING DURING COVID-19**

In May, we partnered with Global Citizen on their <u>VAX LIVE</u> a event to encourage vaccination against COVID-19 and to help make sure vaccines are available to everyone, everywhere to help end the pandemic. During this event, we announced a \$5 million donation to COVAX, a fund established and co-led by <u>GAVI</u> a, the Global Vaccine Alliance, to help ensure equitable access to vaccines in more than 90 countries throughout Africa, Asia, Europe and Latin America. With a matching contribution from GAVI, these funds will provide more than two million vaccines around the world.



As part of the VAX LIVE event, Tommy Montoya, HR and Product Supply leader from our Box Elder plant in Utah, U.S. explained how plant employees at more than 100 manufacturing sites around the globe have stepped up as a force for good serving consumers as frontline workers over the past year. He shared what getting vaccinated means for the future in this **30-second clip** *n*.

# **DISASTER RELIEF**

During fiscal year 20–21, we stepped up to help in the aftermath of more than 30 emergencies including:

• Providing free laundry through the Tide Loads of Hope program to those in difficult circumstances, such as residents effected by flooding or tornadoes, or suffering from the impact of severe, unprecedented winter weather



Providing clean drinking water and products to those impacted by hurricanes Eta and lota in Central America

- Partnering with Matthew 25: Ministries to assist with the recovery efforts from the La Soufrière volcano eruption on the island of St. Vincent
- Helping families displaced by Typhoon Goni in the Philippines
- Offering products and laundry service to those impacted by the earthquake in Turkey
- Stepping up with more than 1.2 million liters of water through our Children's Safe Drinking Water Program, in-kind donations of Safeguard, Ariel and Rejoice and cash to help those impacted by the cyclones that hit central Vietnam

# A P&G INNOVATION THAT CONTINUES TO TRANSFORM LIVES



While the world focused on the pandemic, many preexisting challenges remained for communities around the world, including the shortage of clean drinking water for nearly a billion people who struggle each day to have this basic necessity. In 2004, we created the Children's Safe Drinking Water (CSDW) Program which uses a simple technology that cleans 10 liters of dirty, potentially deadly water in just 30 minutes using a bucket, a spoon, a cloth and a P&G Purifier of Water packet.

Our program has provided more than 19 billion liters<sup>2</sup> of clean water in more than 90 countries working closely with our 150+ partners around the world.

CSDW helped Mahia and her family in Honduras recover from the devastating effects of hurricane Eta, and thanks to our partner Water Mission, the entire family had access to clean water in the aftermath of the hurricane.

<sup>2</sup>As of October 2021

# A UNIQUE PARTNERSHIP FOCUSED ON HELPING MOMS AND BABIES



Pampers and UNICEF began their partnership 15 years ago to eliminate Maternal and Neonatal Tetanus (MNT) and help make every baby's world better. MNT is a fatal disease affecting mothers and babies that can be prevented through immunization and hygienic birth practices. The partnership journey began with a promise that every time a pack of Pampers featuring the UNICEF logo was purchased, funding for one vaccine would be donated to UNICEF.

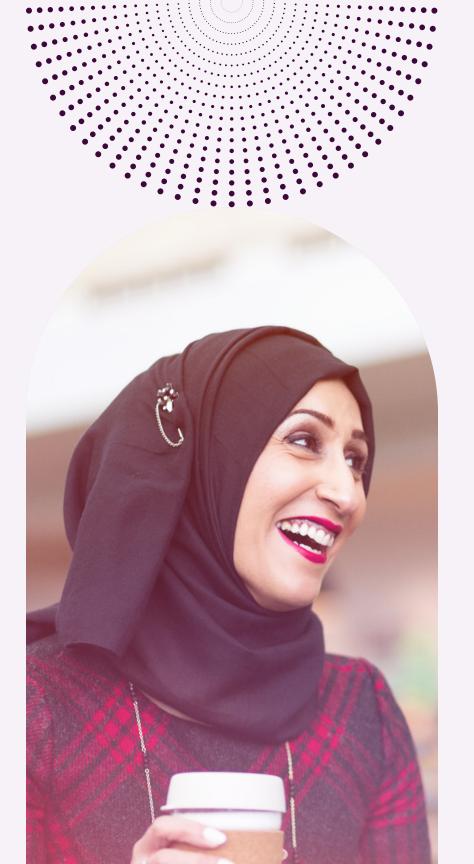
During this time, the partnership has eliminated MNT in 26 countries through the purchase and donation of more than 300 million MNT vaccines. This effort is estimated to have saved one million newborn lives and protected 100 million women and their babies, reducing the number of newborn deaths from MNT by 60%.

# **UNITED IS THE WAY**



P&G has a long history of giving back to communities and people in need, and that idea of being part of our local community also remains strong in our hometown of Cincinnati, Ohio. In response to the COVID-19 pandemic, our employees and retirees stepped up to support the Greater Cincinnati annual United Way campaign and surpassed our goal by donating more than \$11 million. These dollars help solve systemic inequities and support signature programs like Success by 6, Project Lift, Black Empowerment Works, 211 and many others.

In addition to monetary contributions, P&G people also stepped up to volunteer their time and effort through P&G Give Back Days. We created more than 1,600 Notes of Encouragement for older adults across the region and contributed more than 4,000 items, including school and art supplies, personal hygiene items, shelf-stable food and more.



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

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

#### **OUR COMMITMENT IN ADVERTISING**

Our commitment to accurately portraying ALL people in our advertising means ensuring representation, but more importantly, never stereotyping, never diminishing, never misappropriating and always trying to reflect unique and relevant insights to tell authentic stories.

**Progressing Diversity in Our Workforce** 





#### **EQUALITY & INCLUSION HIGHLIGHTS**

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

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

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

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

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



whisper Secret.



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

# 25 MILLION

blind or visually impaired people.

#### **EQUALITY & INCLUSION HIGHLIGHTS**



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

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

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



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

**PANTENE** 



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





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

### **ACCELERATING OUR COMMITMENT TO #CHOOSEEQUAL AT THE GENERATION EQUALITY FORUM**



During the Generation Equality Forum 20217, we shared three commitments to accelerate progress toward gender equality at home, at work and in society.

- We committed to spending \$10 billion with women-owned and womenled businesses through 2025. It is our ambition to grow our spending with these businesses to 10% of our purchasing dollars (10x the industry average). We're partnering with many organizations to advance women's economic equality through our global value chain.
- P&G and its brands have been leveraging their voices in advertising and media to shift the narrative around men's role in caregiving and domestic work. This year, we announced a three-year partnership with Promundo, a global leader in advancing gender equality by engaging men and boys. Working with Promundo and others, P&G will continue advocating for and supporting working families through equality-based policies and programs that enable all genders to play an equal role at home, while still enjoying a full and rewarding career.

- For years, P&G and its brands have championed the accurate portrayal of women and girls in advertising and media. P&G, Always/Whisper and Secret shared their latest commitments to the accurate portrayal of women and girls in sports-related campaigns during this Olympic year.
  - Always' "#KeepHerPlaying" campaign, which included Nobel Prize winner Malala Yousafzai, showcased the unexpected ways sports can transform a girl's future.
  - Secret deodorant's "Just #WatchMe" campaign encouraged viewers to support girl athletes from a young age, and the "Just #WatchMe" fund will support the Women Sports Foundation to create safe, inclusive and open spaces to play and practice across the U.S.

Learn more about our commitments at the Generation Equality Forum here **7**.



# MAKING OUR ADS ACCESSIBLE FOR PEOPLE WITH DISABILITIES

There are more than 250 million people globally with low or no vision and even more people with hearing loss. These people are often ignored when it comes to television advertising. P&G has introduced audio description<sup>3</sup> across the majority of our advertising in the UK, U.S. and Spain—opening them up to more than 25 million blind or visually impaired people.



Last year, P&G Beauty Europe launched its first ever fully accessible TV commercial in France with Head & Shoulders. In Spain, Olay launched its first fully accessible TV commercial behind the brand's #FaceAnything campaign.

<sup>3</sup>Audio description is a separate audio track which includes a description of the visual aspects of a video to enable a blind person to 'see' the information being displayed. Here *z* is an example of an ad with audio description. To raise awareness of audio description, P&G together with Channel 4 and other advertisers in the UK created a tailored ad break, which demonstrates what it is like for blind people to watch TV with audio description and provides guidance on how to turn on the service via the television settings. We also introduced captioning in many of our European countries raising the importance of inclusive and accessible advertising. In the U.S., we launched the audio-described Super Bowl advertisement with our Tide brand. In partnership with the Royal National Institute of Blind People (RNIB), we created 'AD Ad Break' takeover to demonstrate the importance of audio description (AD) during the Paralympic Games.

These important milestones have opened the possibility for other advertisers to adapt and broadcast with audio description. We have worked with the industry to enable the necessary technicalities to allow people with vision and hearing loss to enjoy the stories and information in an inclusive and equal way. For more info on accessible advertising and audio-description, **click here 7**.

# WIDEN THE SCREEN

This year, we introduced Widen The Screen, a broad creative and partnership platform to increase inclusion of Black creators in the advertising, film, television and media industries, broadening the spectrum of the images we see, the voices we hear and the stories we tell. Widen The Screen includes new films and initiatives that feature more diverse storytellers, combats bias against all people fueled by misrepresentation, increases investment in Black-owned and operated media and employs more diverse creators in a way that improves their trajectory for long-term success.

The anthem film, also titled "Widen The Screen," premiered during the 2021 NAACP Image Awards with a call to action to portray a more holistic view of Black life—one that is layered, beautiful and dynamic—not one that simply reinforces commonly told stereotypes. This film challenges the biased expectations viewers have about the stories and characters often played by Black actors—fueled by the narrow view of Black life on screen. View the film and learn more about disparities in the creative and media industries **here**.

The program includes The Queen Collective, our signature multicultural talent development initiative. This partnership with Queen Latifah,

Flavor Unit Entertainment and Tribeca Studios, opens doors for emerging Black women directors and their crews through mentorship, production support and distribution. In three years, we have produced eight documentary-style productions.

We also created a platform for more experienced Black creatives and filmmakers in partnership with SATURDAY MORNING, our partners on "The Look." Along with Tribeca, we created four short, scripted films told in 8 minutes and 46 seconds, reclaiming the time it took to take a Black man's life, through life-affirming stories of joy, beauty, love and resilience.



We started with a commitment to use our voice as a force for good and a force for growth by accurately portraying ALL people in our advertising. We are working to accomplish this goal by building a more equal and inclusive creative and media ecosystem to address the systemic bias and inequality in the advertising, film, television and media industries.

# **ACCELERATING LGBTQ+ REPRESENTATION**

We are committed to using our voice to drive acceptance, equality and inclusion for all people. In partnership with GLAAD, we launched The Visibility Project to bring together the world's top brands and ad agencies working to advance LGBTQ+ inclusion in ads by providing tools, techniques and resources for industry executives. Through our commitment of \$1 million over the next three years, The Project will act as a roadmap for greater LGBTQ+ inclusion in mainstream advertising, leveraging insights from GLAAD and P&G's 2021 **"Accelerating LGBTQ Representation in Advertising"** study and collaborating with the Association of National Advertisers' Alliance for Inclusive and Multicultural Marketing (AIMM).



This past year, more of our brands leveraged their voices to accurately and authentically drive LGBTQ+ visibility. We have been consistently recognized externally for this work including Pantene, who continued their LGBTQ+ journey with **#HairHasNoGender**, in Europe and Canada, **BeautifuLGBTQ+**, in North America, and #PrideHair in Japan. We were humbled to have our efforts recognized by the leading LGBTQ+ equality organization, Out & Equal, as the 2020 LGBTQ+ Marketer of the Year.

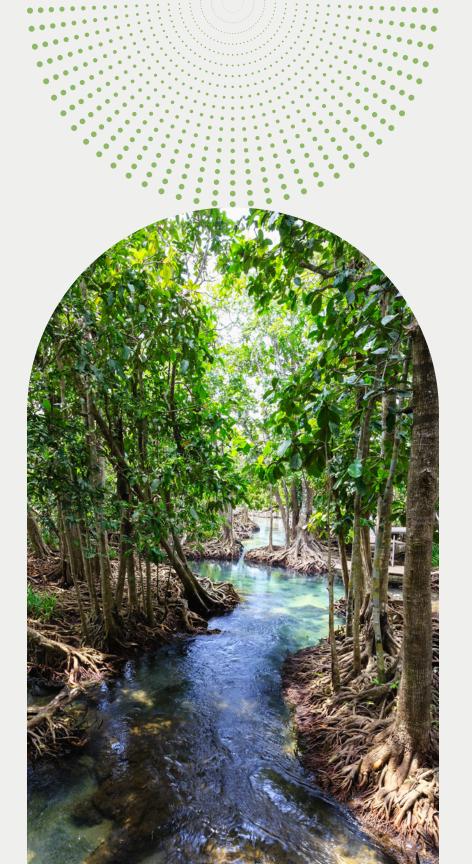
# **CAN'T CANCEL PRIDE 2021**



Pride had a different look this year, featuring fewer masks and more in-person celebrations. However, even in the absence of a global pandemic, the LGBTQ+ community faces complex and significant obstacles every day. On June 4, P&G and iHeartRadio once again joined forces for the return of "Can't Cancel Pride," a virtual relief benefit for the LGBTQ+ community featuring performances and appearances from influential LGBTQ+ voices and allies in culture and entertainment.

Hosted by iHeartMedia on-air personality Elvis Duran and singer-songwriter Bebe Rexha, the virtual relief benefit included performances and appearances by Demi Lovato, JoJo Siwa, Lil Nas X, Dolly Parton, Ricky Martin, Troye Sivan, Elton John, P!NK, Gus Kenworthy, Nina West and many more. Livestreamed across iHeartRadio's social channels, Revry and PrideRadio.com, the event drew in 6.3 million viewers and listeners and surpassed its goal to raise more than \$4.2 million to support the LGBTQ+ organizations including, GLAAD, SAGE, The Trevor Project, the National Black Justice Coalition, CenterLink and OutRight Action International.

Click here 7 to learn more about the virtual relief benefit.





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

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

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







Climate

Forestry

Water



Packaging

# **OUR PROGRESS**

#### **CLIMATE**

In September 2021, we **announced a new ambition** to achieve net zero greenhouse gas emissions across our operations and supply chain, from raw material to retailer, by 2040, as well as interim 2030 goals to make meaningful progress this decade. We also published a comprehensive Climate Transition Action Plan 7, which outlines our approach to accelerating climate action and the key challenges ahead.

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

Our updated 2030 targets build on our **Ambition 2030 goals** to reduce greenhouse gas emissions and include:

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

Reducing emissions across our supply chain by 40%<sup>5</sup> by 2030.

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

Increasing transportation efficiency of upstream finished products by 50%<sup>4</sup>.

G SOLUTIONS

le thermal energy

carbon, recycle ured carbon



#### View Full Net Zero Roadmap Here 7

# **OUR PROGRESS**

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

#### FORESTRY

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

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

#### WATER

We are doing our part to conserve and restore water for people and nature. In 2020, we kicked off a partnership with the Bonneville Environmental Foundation (BEF) Business for Water Stewardship (BWS) program through which we are funding six projects in California's Sacramento River and American River basins that aim to have a long-term positive impact on freshwater ecosystems and water supply for communities and businesses. These projects, combined, expect to restore more than three billion liters of water to people and nature. We have also increased water efficiency in our operations by 25%<sup>6</sup> per unit of production and sourced 3.1 billion liters of water from circular sources. Mapping Our Impact 7

# We are partnering to restore an anticipated



people and nature.

#### PACKAGING

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





We continue to works toward

100%

recyclable or reusable packaging.

#### **ENVIRONMENTAL SUSTAINABILITY HIGHLIGHTS**



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



76%

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





71%

of people want to do more to be sustainable at home.

Reinventing the future of water with the 50L Home Coalition that aims to make

of daily water use per person feel like 500.



# 50 LITERS

#### **ENVIRONMENTAL SUSTAINABILITY HIGHLIGHTS**

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

15 MILLION

metric tons of carbon dioxide.



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



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







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

# IT'S OUR HOME: HOW SMALL ACTIONS AT HOME CAN MAKE A BIG DIFFERENCE FOR OUR PLANET

During our Earth Week celebration in April, we launched the <u>**It's Our</u> Home campaign** to show how small actions at home can make a world of difference for our planet. Through this global campaign, P&G and our brands are committing to using our voice, reach, innovation and expertise to make sustainability irresistible for all.</u>

Most people want to do more to protect the planet, but they are not always sure where to start. According to a study conducted in multiple markets around the world, nearly 76% of people want the brands they buy to help them be more environmentally conscious and 71% want to do more to be sustainable at home.<sup>7</sup>

Among the 28 sectors of global greenhouse gas (GHG) emissions, "homes" are in the top three and as big a source as road transportation.<sup>8</sup> Heating water is the second biggest source of energy consumption at home, behind heating and cooling. Small changes we make—such as using cold water for laundry, taking shorter showers or turning off the tap while brushing our teeth or shaving and recycling more—can make a big impact.



And the change agents inspiring these simple choices at home are not celebrities, politicians or scientists. In fact, nearly 82% of parents reported that they are most likely to be influenced by their children to be more sustainable at home. This insight inspired **P&G's short film7**, "It's Our Home," in which Luisa helps her family make simple daily choices to protect our planet.

We believe sustainability can be a driver of superiority, and innovation can make responsible consumption irresistible. Our brands—through product formulation and packaging that uses less, refills easily or recycles more—are making it easier for households to be more sustainable without trade-offs in product performance or convenience. Together, we can protect our planet, our home, now and for generations to come.

 <sup>7</sup> "It's Our Home" Study, conducted by P&G hosted on Toluna, surveying 5371 people, February 2021 Global average (Canada, France, Germany, U.K., U.S.)
<sup>8</sup> Climate Watch, WRI 220

### **ENVIRONMENTAL SUSTAINABILITY 50 LITER HOME COALITION**



We saw an opportunity to address two of the world's most pressing challenges water security and climate change—and in collaboration with the World Business Council for Sustainable Development (WBCSD), World Economic Forum (WEF), and the 2030 Water Resources Group (2030WRG), we jointly launched the 50L Home Coalition 7 in October 2020.

The Coalition is a global, action-oriented, multistakeholder platform which brings together leaders from the private, nonprofit and public sectors to reinvent the future of urban water use through innovations that reduce carbon emissions and promote water security. This unprecedented collaborative effort aims to reinvent the future of water by making 50 liters of daily water use per person feel like 500. By doing so, the 50L Home will also support global climate mitigation objectives, given that the second biggest source of operational carbon emissions in residential buildings is related to heating water.

Spearheaded and co-chaired by P&G, the Coalition is led by a pioneering group of private sector, public sector and civil society representatives.

With an average per capita household use of water as high as 500 liters per day in some parts of the world, there is a huge opportunity to drive citizen-led actions. The 50L Home Coalition focuses on four main objectives to enable system-change transformations at scale:

- 1. Innovation collaborations to enable water efficiency, recycling and reuse in the home and within the wider urban water system.
- 2. Education campaigns in reshaping people's relationship with water to inspire and enable daily behavioral lifestyle changes.
- 3. Policy and regulation dialogues advancing policy, regulatory and industry framework changes as needed in the space.
- 4. Implementation of new solutions via scalable pilot projects in cities, mobilizing local actors to learn and inform the path to global scale/replication.

Together, we can transform the way we use water and energy and create a more resilient. low-carbon water future for our communities and planet.



# **REINVENTING CLEAN ON A JOURNEY TO DECARBONIZE LAUNDRY**

Since 2015, P&G brands Tide and Ariel have helped consumers increase their use of low-energy laundry cycles to avoid roughly 15 million metric tons of carbon dioxide. We have leveraged innovation and sustained consumer education to help reduce the largest portion of our carbon footprint—the energy needed to heat water during product use.

This year, Tide and Ariel announced a set of broad-reaching sustainability and purpose-driven commitments, focusing on decarbonizing laundry at every step—from design, manufacturing and distribution to consumer use and end of life, while maintaining superior cleaning performance.

With more than two-thirds of all greenhouse gas emissions in the laundry lifecycle resulting from the consumer-use phase, Tide and Ariel continue to

drive greater use of cold-water washing through new education campaigns to convince consumers to shift to cold water washing by 2030 and help avoid more than 27 million tons of carbon emissions.<sup>9</sup> Their ambition is to make cold-water washing the industry standard.



Together, we can transform the way we use water and energy and create a more resilient, low-carbon water future for our communities and planet.

<sup>9</sup>Based on expected cumulative GHG emissions from 2020 through 2030.

# REINVENTING CLEAN ON A JOURNEY TO DECARBONIZE LAUNDRY TIDE: "TURN TO COLD"



Tide has brought two of the coldest icons in pop culture, Ice-T and Stone Cold Steve Austin, on board to help convince everyone to **#TurnToCold**, as switching from hot to cold water in a HE top load washer reduces energy use in the wash phase by up to 90% and can save U.S. consumers up to \$74 a year.<sup>10</sup>

For <u>Tide</u>, the goal is to have three out of four loads of laundry in the U.S. and Canada washed in cold instead of hot by 2030. This has the potential to reduce GHG emissions by 4.25 million metric tons (MT), which is the same as removing about one million cars from the road for a year.<sup>11</sup>

<sup>10</sup>Based on an electricity rate of 11c/kWh and 8 loads per week.
<sup>11</sup> vs 2020

### REINVENTING CLEAN ON A JOURNEY TO DECARBONIZE LAUNDRY

# ARIEL: "EVERY DEGREE MAKES A DIFFERENCE"



Ariel's pan-European <u>consumer engagement campaign</u> a ims to achieve a five degree drop in average wash temperatures in Europe by 2025. They have partnered with National Geographic CreativeWorks on a campaign to highlight the impact of global warming on the Arctic regions.

If European consumers turned down their washing temperatures to 30°C or below, the carbon dioxide saved would equal removing two million cars from the roads in Europe. **Click here** 7 for more tips for cold-wash laundry.

# **SHARING OUR JOURNEY**



Given increasing stakeholder interest in social issues, climate change and the risks and opportunities they may present for companies, we launched the **ESG Portal** *A* to provide additional perspective on the actions we are taking in Environmental, Social and Governance areas. In this portal, you can find out more about our goals, efforts and progress on water, waste, climate, forestry, equality and inclusion and governance, among others. As an additional measure of transparency, we have provided more details on our commitment to the responsible management of forests in our supply chain.

We also launched a <u>Mapping Our Impact</u><sup>a</sup> section on our public website. This interactive map details our activities on how we are helping make our home better across forestry, plastic packaging, water and climate.



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

It is equally true that for our Citizenship work to be credible and impactful, it must be firmly rooted in our Purpose, Values and Principles (PVPs) 7. Most critical though, is that our PVPs and standards come to life, by forming the basis through which our employees do their work to improve consumers' lives each and every day.

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

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

Click here to learn more 7

# BRANDS AS A FORCE FOR GROWTH AND GOOD

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

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



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

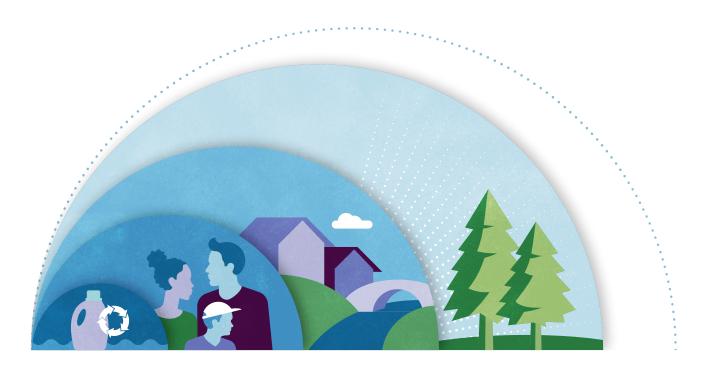




# BRANDS AS A FORCE FOR GROWTH AND GOOD

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

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



Meaningful goals set

Strategy integration

On track for all goals Significant progress

3



#### CLICK BELOW TO LEARN ABOUT SOME OF OUR BRANDS' EFFORTS



# ACTS OF GOOD

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

In another challenging year, there have also been brighter moments that remind us of the importance of community and how we can overcome challenges if we come together to create more of these moments. Throughout the year, we invited consumers to join us at **PGGoodEveryDay.com**7, PGGoodEveryDay.ca 7, wirGemeinsamStaerker.de 7, PGBonus.ru 7 and other online platforms where consumers help us to do more good.



As our 'Emotions' video 7 shows, we are born with eight emotions, and the most important of them is love.

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

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

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

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

# **RECOGNITIONS AND AWARDS**

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



Environmental **Sustainability** 



2021

MEMBER OF Dow Jones Sustainability Indices In collaboration with 6 years in a row



**Ethics & Corporate** Responsibility

	u
The 川	
The IIIIIIIII	
Company <sub>™</sub>	

Named to the 2021 Global RepTrak<sup>®</sup> 100



Ranked in Top 20

Named to Fortune 2021 Most Admired **Companies list** 

# **ABOUT OUR CITIZENSHIP** REPORT

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

Explore more at www.pg.com/citizenship 7.

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

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