FOREST PERSPECTIVE

Forests play a critical role in the life of the planet that is our home. We seek to do our part to ensure the protection of forests and other natural ecosystems in maintaining biodiversity, combating climate change, and sustaining livelihoods for the local communities that rely on them.

Our efforts are based on a commitment to the responsible management of forests and respect for human rights. Although we do not own or manage commercial forests, many of our products and packages depend on raw materials from forest-related supply chains such as wood pulp and palm oil. Therefore, we recognize the role we play through our procurement and manufacturing practices to ensure the sustainability of forests. P&G goes beyond responsible sourcing and manufacturing to support restoration and reforestation efforts. We will continue to partner with others as appropriate to help further accelerate positive impact and remain committed to transparently communicating our challenges and progress.

POLICY SCOPE

This policy applies to P&G and our direct suppliers of forest-related commodities, including palm oils and pulp & paper. We expect our direct suppliers to communicate these expectations to their supply chain partners linked to P&G sourcing.
PURPOSE AND ACTIONS

The purpose of this policy is to share P&G’s requirements on responsible sourcing of forest commodities, including wood pulp and palm oil.

P&G is committed to no deforestation and no exploitation in our forest supply chains, as defined in further detail below. We do this by:

1. Setting stewardship expectations for sustainable forestry practices and respect for human rights
2. Enabling identification and remediation of non-compliance through effective grievance processes and governance mechanisms
3. Ensuring transparent information sharing and reporting
4. Investing in forest restoration and reforestation programs

P&G requires our suppliers to operate in compliance with all applicable laws and regulations.

STEWARDSHIP

FORESTRY

P&G policies require our direct suppliers to commit to no deforestation, meaning:

- No loss of a natural forest for non-forest or agricultural use. Where applicable, the High Carbon Stock Approach Toolkit should be applied to identify and conserve High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas.
- No conversion of a natural forest ecosystem to another land use, including plantations
- No use of illegally sourced forest commodities or conflict timber
- No new development of peatlands, regardless of depth
- No burning to clear land for new development or replanting
- The cutoff dates after which deforestation is non-compliant are as follows:
  - Wood Pulp: November 1, 1994
  - Palm Oil: December 31, 2015

P&G requires our suppliers to operate in compliance with all applicable laws and regulations.
RESPECTING HUMAN RIGHTS

Respect for human rights is fundamental to the way we manage our business. Our Human Rights Policy Statement communicates P&G’s support for the U.N. Guiding Principles for Business and Human Rights. Suppliers are expected to have in place the necessary policies and procedures to follow P&G’s Responsible Sourcing Guidelines for External Business Partners. These Guidelines provide detail on our explicit expectations for suppliers’ support for human rights, including no child labor; no forced labor; freedom of association; no discrimination, coercion, or harassment; and a commitment to health and safety in their business operations.

P&G respects the rights and protections of land, environmental, and human rights defenders to be free to express grievances and free from retaliation.

P&G supports the United Nations Declaration on the Rights of Indigenous Peoples. P&G respects the rights of Indigenous Peoples to give or withhold their free, prior, and informed consent (FPIC) for development of land they own legally, communally, or by customary rights. Suppliers should have the necessary mechanisms to respect, protect, and promote FPIC. The FPIC processes should be done in a culturally appropriate manner and follow credible methodologies.

EFFICIENT USE OF RESOURCES

P&G believes that we should use and invest our forest-related resources efficiently and will partner with suppliers to do so.
**COMPLIANCE**

P&G conducts due diligence in our forestry commodity supply chains. We approach this effort by assessing risk, identifying appropriate actions, tracking and monitoring progress, and communicating with stakeholders.

**P&G MONITORING**

P&G monitors and engages with our suppliers to ensure they provide us with forest commodities that follow our policies. We proactively assess for compliance through mechanisms that may include 24/7 conduct helplines, field assessments, satellite monitoring, deskside audits, risk management software platforms, supplier sustainability meetings, and stakeholder engagements.

These evaluations may include reviews of harvesting origin, deforestation, High Carbon Stock (HCS) forests, High Conservation Value (HCV) areas, fire hot spots, biodiversity, and human rights. P&G may consult with other relevant third parties to assist in supplier evaluations because forest commodity sourcing has shared responsibility across businesses & landowners, local community, government, and civil society organizations.

We encourage direct suppliers to adopt similar approaches to monitor responsible forestry practices.

**3rd PARTY CERTIFICATION**

P&G uses third-party certification systems to provide additional verification that social and environmental criteria are upheld. These certification systems require regular independent audits. By sourcing certified materials, we are helping to promote responsible forestry practices that respect the environment, vulnerable species, and communities that depend on them.

We use third-party certifications most relevant to each commodity.

Wood Pulp: P&G requires that all suppliers providing wood pulp related commodities maintain one of the following third-party certifications:

- Forest Stewardship Council® (FSC®)
- Sustainable Forestry Initiative® (SFI®)
- Programme for the Endorsement of Forest Certification® (PEFC®)

We give preference to FSC-certified materials in our brands where certified supply is available. We encourage suppliers to certify their forests and supply chains to the FSC Forest Management Standard.

Palm Oil: We require direct palm suppliers to be RSPO Members and have the necessary policies and procedures in place to comply with [RSPO Principles & Criteria](#). We give preference to RSPO-certified materials in our brands where certified supply is available.
GRIEVANCE PROCESS

We hold ourselves and those in our supply chain accountable for operating within our policies. We are committed to creating an atmosphere that fosters open communication and supports the rights of stakeholders to share concerns of potential violations of the law or P&G policies. When we receive a grievance, P&G will follow our Forestry Grievance Process, which has:

- A three-phase process of: 1) Receive + Evaluate, 2) Investigate, and 3) Remediate
- Scale, scope, and irremediability of the issue as factors to guide our potential actions to remediate
- Potential actions for substantiated cases that include engagement with, suspension of, or termination of the supplier.

P&G may choose to engage with relevant stakeholders to assist in the process. As required, we will maintain the confidentiality of anonymous grievance submitters and proprietary information. Our direct suppliers are expected to participate in investigations. Retaliation against anyone raising a concern in good faith is not tolerated.

TRANSPARENCY

Supply chain transparency plays a key role in verification and engagement. P&G communicates transparently with stakeholders about efforts and progress via P&G ESG Investor Portal and annual P&G Citizenship Report.

For our forest commodities, this transparency includes:

- Sharing our Forestry Commodities Policy, Forestry Grievance Process, and Forest Grievance Trackers (Wood Pulp, Palm).
- Publishing annual data on procured volumes, commodity type, certification status, and sourcing origins, including concession maps where relevant
- Posting supplier lists (Palm, Paper Packaging), where appropriate, with regular updates
- Regularly updating our Forest Grievance Trackers, which summarize potential concerns

Direct suppliers should transparently share their sourcing policy, grievance mechanism, and grievance tracker.
FOREST PROGRAMS

Going beyond responsible sourcing compliance, we support projects to protect and restore natural ecosystems and improve livelihoods for individuals and communities. Our Mapping Our Impact shares how we are committed to people, biodiversity, and the planet. Our suppliers are encouraged to make similar investments and commitments.

GOVERNANCE

This policy, updated May 2023, has been issued by P&G’s Chief Sustainability Officer and reviewed by P&G’s ESG Executive Council and Company leadership. The commitments herein will be implemented through this document and other Company guidelines and policies. We seek to adapt to best practices and review this policy at least every two years.