

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

P&G operates through six industry-based Sector Business Units or SBUs: Fabric and Home Care, Baby and Feminine Care, Family Care and P&G Ventures, Beauty, Grooming, and Health Care. We manage our 10 product categories within these SBUs. Our 10 product categories are: Fabric Care, Home Care, Baby Care, Feminine Care, Family Care , Grooming, Oral Care, Personal Health Care, Hair Care , and Skin & Personal Care

The SBUs have sales, profit, cash and value creation responsibility for our largest and most profitable markets, called Focus Markets—accounting for about 80% of Company sales and 90% of after-tax profit. In each Focus Market, Market Operations works across the six SBUs on scaled market services and capabilities, including customer teams, transportation, warehousing, logistics and representing P&G externally. The rest of the world is organized into Enterprise Markets—a separate unit with sales, profit and value creation responsibility. The SBUs provide innovation plans, supply plans and operating frameworks for the Enterprise Markets to deliver these mutually agreed business goals. Enterprise Markets are important to the future of P&G because of their attractive market growth rates, and the intent is to accelerate this growth and value creation. Supporting the SBUs, Market Operations and Enterprise Markets are key corporate resources focused on scaled services, governance, stewardship and areas requiring high mastery. This structure enables a more empowered, agile and accountable organization to accelerate growth and value creation.

Additional details on our corporate structure are publicly available at <https://us.pg.com/structure-and-governance/corporate-structure/>

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	July 1 2019	June 30 2020

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Manufacturing	<Not Applicable>
Palm oil	Disclosing	Manufacturing	<Not Applicable>
Cattle products	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Soy	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Coffee	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Supply chain	Business activity	Fiber-based packaging is not included	Potential for forests-related risk, evaluated, but not disclosing to CDP	P&G is in process of finalizing risk evaluation for fiber-based packaging. We do not manufacture fiber-based packaging but do purchase from external suppliers to house and transport products in almost all business units. We are participating in the forest related disclosure for the first time this year and include palm oil and pulp. We expect to add fiber-based packaging to the disclosure in future years. Fiber-based packaging was 1-5% of P&G's global procurement spend in FY2019/20.

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Using as input into product manufacturing

Form of commodity

Pulp

Source

Contracted suppliers (processors)

Country/Area of origin

Argentina
Brazil
Canada
Sweden
United States of America

% of procurement spend

1-5%

Comment

Pulp is a large portion of procurement spend in Family Care, Baby Care, and Feminine Care but is low when including all P&G business units.

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

Crude palm kernel oil (CPKO)
Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

Source

Trader/broker/commodity market
Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Indonesia
Malaysia

% of procurement spend

1-5%

Comment

The surfactants in some of our P&G products are derived from palm.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	21-30%	To determine this value, we used the revenue generated in the Family Care, Feminine Care, and Baby care Business Units. In financial year, 2019/20 this was 26% as reporting in our financial statement filings. See general revenues information about P&G here: https://www.pginvestor.com/about-p-g/p-g-at-a-glance/default.aspx
Palm oil	51-60%	This is the sum of the revenue of Fabric and Home Care and Beauty Care. https://www.pginvestor.com/about-p-g/p-g-at-a-glance/default.aspx
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Palm oil

Data type

Consumption data

Volume

355997

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

Forest risk commodity

Timber products

Data type

Consumption data

Volume

1690364

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Misiones)

% of total production/consumption volume

0.4

Please explain

The percentage is determined from twice a year surveys to suppliers. Volumes are traceable specifically to pulp mill by invoices, transport, and/or customs documents.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Bahia, Espírito Santo, Mato Grosso do Sul, Minas Gerais, Paraná, Rio de Janeiro, Rio Grande do Sul, Santa Catarina, and São Paulo.)

% of total production/consumption volume

30

Please explain

The percentage is determined from twice a year surveys to suppliers. Volumes are traceable specifically to pulp mill by invoices, transport, and/or customs documents.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

69.6

Please explain

Additional sourcing from United States of America, Canada, and Sweden. The percentage is determined from twice a year surveys to suppliers. Volumes are traceable specifically to pulp mill by invoices, transport, and/or customs documents.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sumatra)

% of total production/consumption volume

21

Please explain

We work with our direct Oil suppliers (70% of our volume) to trace the materials back to the refinery and then Palm Oil Mill to identify the origin of the fruit. We then use the location of PO mill as the source region of oil which generally has a 50km radius supply shed for the Palm fruit. For the remainder 30%, which is Palm derivatives we work with our suppliers to identify the Palm Oil mill source only and use this location as the source of the feedstocks.(Used for risk assessment within the 50KM radius supply shed.)

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Kalimantan)

% of total production/consumption volume

12

Please explain

We work with our direct Oil suppliers (70% of our volume) to trace the materials back to the refinery and then Palm Oil Mill to identify the origin of the fruit. We then use the location of PO mill as the source region of oil which generally has a 50km radius supply shed for the Palm fruit. For the remainder 30%, which is Palm derivatives we work with our suppliers to identify the Palm Oil mill source only and use this location as the source of the feedstocks.(Used for risk assessment within the 50KM radius supply shed.)

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Peninsula Malaysia)

% of total production/consumption volume

50

Please explain

We work with our direct Oil suppliers (70% of our volume) to trace the materials back to the refinery and then Palm Oil Mill to identify the origin of the fruit. We then use the location of PO mill as the source region of oil which generally has a 50km radius supply shed for the Palm fruit. For the remainder 30%, which is Palm derivatives we work with our suppliers to identify the Palm Oil mill source only and use this location as the source of the feedstocks.(Used for risk assessment within the 50KM radius supply shed.)

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sabah/Sarawak)

% of total production/consumption volume

17

Please explain

We work with our direct Oil suppliers (70% of our volume) to trace the materials back to the refinery and then Palm Oil Mill to identify the origin of the fruit. We then use the location of PO mill as the source region of oil which generally has a 50km radius supply shed for the Palm fruit. For the remainder 30%, which is Palm derivatives we work with our suppliers to identify the Palm Oil mill source only and use this location as the source of the feedstocks.(Used for risk assessment within the 50KM radius supply shed.)

F1.5e

(F1.5e) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

<Not Applicable>

Volume produced/consumed

<Not Applicable>

Metric

<Not Applicable>

Country/Area of origin

<Not Applicable>

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

<Not Applicable>

Does the source of your organization's biofuel material come from smallholders?

<Not Applicable>

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Supply chain disruption

Description of impact

In 2008, P&G stopped sourcing wood pulp from Asia Pulp & Paper (APP). P&G has never sourced wood pulp from Asia Pacific Resources International Holdings Limited (APRIL). The disassociation of these companies from the Forest Stewardship Council does not allow these companies any type of FSC certification. As FSC is P&G's preferred certification system, pulp sourcing was shifted to other regions and suppliers.

Primary response

Greater due diligence

Total financial impact

2000000

Description of response

P&G has high standards for pulp procurement demonstrated by only purchasing 100% certified material. In 2008, due to limitations of obtaining FSC certified wood pulp in the region, P&G stopped sourcing wood pulp from these suppliers in the region. P&G does not source wood pulp from this market. Financial impact was determined by increased costs of moving sourcing to a region that is certified and complies with the Wood Sourcing policy.

Forest risk commodity

Palm oil

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Change in revenue mix and sources

Description of impact

Starting in 2014 we have been holding stakeholder dialogue with both suppliers, NGOs and industry experts to assess the palm landscape to sharpen our Palm sourcing policy and identify solution to address the key risks and drive our commitments forward. As a result we have updated our Responsible Sourcing Policy, on average every 2 years to reflect the updated strategy and timebound actions to minimize reputations risk for the company. This Responsible Sourcing Policy was last updated in major changes in March 2021 and is published in our ESG portal. <https://www.pginvestor.com/esg/environmental/forestry/palm-overview/default.aspx>

Primary response

Increased use of sustainably sourced materials

Total financial impact

28400000

Description of response

As a result of the latest stakeholder consultation in 2019, we committed to use 100% RSPO certification for all palm used in P&G brands by end 2022. We then advanced this to end 2021 to meet stakeholder expectation. We continue to enhance our Responsible Sourcing Policy and have added satellite monitoring and response measures for to identify and aggress potential non-compliance of no-deforestation policy. We reported the timebound target in the 2019 RSPO ACOP. The financial impact was calculated using 355k mT of material and an assumed average across all (oils and derivatives) RSPO Certified premiums of \$80/mT is \$28.4MM.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

Global Forest Watch Pro

NEPCon Sourcing Hub

FSC Global Forest Registry

Please explain

The Company's Board of Directors and its Audit Committee have oversight responsibilities for our Enterprise Risk Management (ERM) program. Sustainability issues are included in the ERM process, so the Audit Committee also considers forestry-related issues via their oversight of the ERM process. Additional perspective on this process includes: On a regular basis, potential risk factors are identified and assessed by a multi-functional team within the Company as part of our ERM program. Findings and recommendations made through the ERM program are reviewed with senior management in addition to the Company's Board of Directors and its Audit Committee. This process assesses significant factors that may adversely affect our business, operations, financial position or future financial performance and includes an assessment of environmental sustainability risk factors, including forestry. The Enterprise Risk Framework is designed to examine risk on a global level for current and potential sourcing locations. P&G relies on a variety of sources to assess risk related to environmental, social, and economic issues. P&G also uses an internal geographic information system mapping to overlay sourcing regions and forests to identify priority areas at risk for detrimental impacts like deforestation or degradation of high conservation value areas. The risk assessment framework is designed to cover a large time horizon including short term risks (<3 years) and long-term (>6 years). For example, new pulp mill and new plantation expansion is assessed with the WRI Aqueduct Water Risk Atlas to determine potential risks to water availability and quality. Country FSC Controlled Wood National Risk assessments are useful in determining risks related to deforestation, high conservation value areas, and Indigenous Groups rights. We also carry our Internal Control Audit conducted by an independent risk auditing department within the company to ensure that the published policies are being put into practice at the executional level. The ongoing results of the framework help guide procurement and sourcing decisions. This includes decisions on decreasing or increasing purchased volumes from a supplier or region, selection of suppliers sourcing from high risk areas, or product design from raw materials only available in high risk areas.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

Global Forest Watch Pro

Sustainability Policy Transparency Toolkit (SPOTT)

Please explain

The Company's Board of Directors and its Audit Committee have oversight responsibilities for our Enterprise Risk Management (ERM) program. Sustainability issues are included in the ERM process, so the Audit Committee also considers forestry-related issues via their oversight of the ERM process. Additional perspective on this process includes: On a regular basis, potential risk factors are identified and assessed by a multi-functional team within the Company as part of our ERM program. Findings and recommendations made through the ERM program are reviewed with senior management in addition to the Company's Board of Directors and its Audit Committee. This process assesses significant factors that may adversely affect our business, operations, financial position or future financial performance and includes an assessment of environmental sustainability risk factors, including forestry. The Enterprise Risk Framework is designed to examine risk on a global level for current and potential sourcing locations. P&G relies on a variety of sources to assess risk related to environmental, social, and economic issues. P&G also uses an internal geographic information system mapping to overlay sourcing regions and forests to identify priority areas at risk for detrimental impacts like deforestation or degradation of high conservation value areas. In addition to annual audit of RSPO certified supply chain to monitor compliance risk, we use a combination of World Resources Institute Global Forest Watch Pro and other preparatory tools to overlay the risk factors on the Palm Oil mill level assessment to understand areas of high risk in our supply chain. The ongoing results of the framework help guide procurement and sourcing decisions. This includes decisions on decreasing or increasing purchased volumes from a supplier or region, selection of suppliers sourcing from high risk areas. We also carry our Internal Control Audit conducted by an independent risk auditing department within the company to ensure that the published policies are being put into practice at the executional level.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

This is a key driver to maintain business continuity. We manage this risk by having multiple supply options to ensure continuity of supply and tools to monitor market trends. Pulp relies on several internal and external market intelligence reports on commodity availability. An external example is the RISI/FastMarkets pricing and long-term market reports. These provide context and guidance to challenges with availability in specific market. They also give insights on mergers and acquisitions and associated risks with new companies entering sectors or sourcing regions. P&G also monitors FSC's certificate database to monitor the status of current supplier's FSC availability and potential FSC sourcing locations. For Palm oil we monitor the certified oils market trend, availability using industry standard reports such as ACOP, RSPO Impact report and work with external consultants such as LMC to determine supply/demand models. We have also developed and use our own internal model to identify risks, trends to enable more efficient future planning. We also collaborate with our key direct suppliers to drive innovation that reduces risk and increases value for the company.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

We have specifications to ensure we maintain the quality of palm oils and its derivatives and pulp. P&G has scientists and engineers that monitor internal performance of commodities from our suppliers and final products. The primary tool used are called Certificates of Analysis. For example, pulp certificates cover many data variables such as density, fiber length, and moisture content. This ensures P&G maintains our product superiority in all markets we operate by evaluating the quality of the incoming forest commodity.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

Consistent with our responsible sourcing policy, we protect the environment and the people that depend on those ecosystems for their livelihood. P&G protects the High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests relies on the areas as identified by the approaches developed by the High Conservation Value Network (hcvcnetwork.org) and the High Carbon Stock Approach Steering Group (<http://highcarbonstock.org/>). Global Forest Watch provides data related to deforestation and Intact Forest Landscapes. This data helps P&G to determine risk levels in sourcing regions on reviews for new suppliers or species used in production. We work with our suppliers to maintain IFLs at a level to protect their conservation attributes.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

P&G endeavors to comply with all applicable regulations. We monitor national or federal data through our internal Government Relations department on regulations from all countries where we source a specific commodity. These departments monitor potential environmental regulation changes through internal company methods. We also rely on external tools that provide federal and state specific regulation proposals. For example, in the United States of America it is called the US Federal Register (www.federalregister.gov) and in Canada it is the Canada Gazette (<https://www.gazette.gc.ca/accueil-home-eng.html>). Any proposed and final changes in regulations are noted. This data is used to assess the risk on potential commodities environmental impacts, material availability, and/or price changes. Any changes in either can have substantial impact on P&G's business. This informs decisions on commodity sourcing regions, long-term strategies on potential alternative pulp fibers, and potential changes in commodity costs.

Climate change

Relevance & inclusion

Relevant, always included

Please explain

Climate change has the ability to impact our forest commodities in multiple ways (e.g. changes to tree species distribution over time, changes in insect ranges/infestations, fire risk, severe weather patterns such as flooding etc.). We assess information on latest and future climate change trends to understand relevant risks for our supply chain. For palm oil, increased risk of severe weather events (e.g. typhoons, Monsoon, El-Niño in key sourcing regions) represents a potential supply chain disruption risk. As a corporation we assess the climate impact of our forest commodities using Life Cycle Assessment (LCA) methodology to estimate the GHG emissions from sourcing to use in our finished product. This also identified the hot spots to mitigate and reduce the climate change impact. We have also identified through peer reviewed research that RSPO certified palm has on average 35% less GHG impact versus non RSPO certified palm. Similar research efforts are underway for FSC certified pulp compared to uncertified. We hope to have this data for next year's disclosure.

Impact on water security

Relevance & inclusion

Relevant, always included

Please explain

New pulp mills and production capacity expansions sometimes require sourcing from larger areas and the establishment of new plantations. These expanded sourcing areas and new plantations could impact water availability especially in Brazil. P&G uses the WRI Aqueduct Water Risk Atlas to identify potential risks to ensure our impacts do not negatively affect water quality or available quantity. However, palm grown in the equatorial belt relies on natural rainfall and does not impact the water security or availability for those living in the ecosystem. Our sourcing of RSPO certified palm materials ensures water security measures and strategy are implemented according to the RSPO standard.

Tariffs or price increases

Relevance & inclusion

Relevant, sometimes included

Please explain

P&G monitor national or federal data through our internal Government Relations department on regulations from all counties where we source a specific commodity. These departments monitor potential tariff changes through internal company methods. We also rely on external tools that provide federal and state specific regulation proposals. For example, in the United States of America it is called the US Federal Register (<https://www.federalregister.org>) and in Canada it is the Canada Gazette (<https://www.gazette.gc.ca/accueil-home-eng.html>). Any proposed and final changes in tariffs are noted. P&G also monitors various subscription services to monitor commodity prices (e.g. RISI/Fastmarkets) for current and future price changes. This data is used to assess the risk on potential price increases and decreases on commodities. A substantial portion of the end product's costs are related to the forest-related commodity price. This informs decisions on product make up of raw materials and manufacturing processes.

Loss of markets

Relevance & inclusion

Relevant, sometimes included

Please explain

P&G monitors potential loss of markets with our sales and government relations teams using internal processes. We work directly with retailers to primarily sell goods. The portion of this assessment is focused on regulations and laws related to selling of goods produced from forest-related commodities. We also rely on external tools that provide federal and state specific regulation proposals through our Government Relations department. For example, in the United States of America it is called the US Federal Register (<https://www.federalregister.org>) and in Canada it is the Canada Gazette (<https://www.gazette.gc.ca/accueil-home-eng.html>). This information is used to determine which markets we can legally operate in and how P&G could improve practices to respond to new requirements.

Leakage markets

Relevance & inclusion

Relevant, sometimes included

Please explain

P&G assesses potential leakage markets to lower the risk of capital or income being diverted to non-compliant activities using internal processes. P&G determines overall country level leakage market risk by using Transparency International's Corruptions Perceptions Index that is updated every year. The rankings provide unbiased information on which countries do not have effective laws and regulations in place or effective enforcement to lower the risk of leakage markets. Country specific FSC Controlled Wood National Risk Assessments are also used for pulp as they provide risk levels related to illegal logging. P&G also assesses individual suppliers and their business connections to other companies that might cause risk or reputational brand damage. The results guide potential sourcing decisions or greater review into current supply chains. The Palm Responsible Sourcing policy clearly states our compliance requirement at an enterprise wide level and we use external service provider to help us identify any potential non compliance and work with our direct suppliers to investigate, take action and remediate.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

P&G monitors websites, news articles, and press releases regarding potential brand damage. P&G also has a grievance mechanism where concerns can be raised. These sources provide context to important issues in the NGO community and the general public. P&G also uses the issues raised to review the strength of our sourcing policies and certification systems. We have stakeholder dialogue with Suppliers/NGOs/industry experts on a regular basis to share the latest forest commodity responsible sourcing strategy and plans and seek input to reduce risk for the brands. We also participate in Multi stakeholder forums such as RSPO Jurisdictional Working Group, to develop approaches and standards to pilot and scale up solutions on an industry wide basis.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

Managed via Third Party Risk Assessment of all palm oil vendors. This is an internal company process. P&G also determines overall country level corruption risk by using Transparency International's Corruptions Perceptions Index that is updated every year. The rankings provide unbiased information on which countries do not have effective laws and regulations in place or effective enforcement to lower the risk of corruption. These guide potential sourcing decisions or greater review into current supply chains.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

P&G requires and expects our suppliers to meet several social requirements through our sourcing policies. This includes respecting human rights noted in the International Bill of Human Rights, International Labor Organization Declaration on Fundamentals Principles and Rights at Work, and the United Nations Declaration on the Rights of Indigenous Peoples. Several tools are used to assess risk. For example, the pulp commodity relies on risk levels set in country specific FSC Controlled Wood National Risk Assessments. The Preferred By Nature sourcing hub also provides risks on social impacts from sourcing forest commodities. These risk levels guide sourcing decisions in terms of locations and volumes. The palm commodity is governed by the social requirements set by the RSPO Principle & Criteria and the P&G no-exploitation policy directly implemented with our suppliers. We also use data gathered from allegations raised to our sourcing policies and confirmed grievances to inform our risk levels. Increased reports of non-conformances in regions or specific supply chain require us to perform greater due diligence reviews.

Other, please specify

Relevance & inclusion

Please explain

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

P&G considers our retail customers and public consumers vital stakeholders. Part of P&G's purpose that guides all aspects of the business is 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. Many of our customers and consumers have sustainability among their top business and personal priorities as well. We must make sure we go beyond their expectations. We are engaged with our customers in terms of their expectations of sustainability efforts related to forestry including certification levels. These include meetings with retailers through our sales teams and completing annual sustainability surveys from our customers. We use market research of consumers to determine what they want from a company like P&G. We use the results to get consumers interested in sustainability above and beyond the industry standard.

Employees

Relevance & inclusion

Relevant, always included

Please explain

Consistent with our purpose of providing branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come, we are equally committed to improving the lives of our employees. P&G Brands and P&G People are the foundation of our success. An important part of our commitment to our employees is our Employee Rights Policy which upholds our Purpose, Values, and Principles and respects International Labor Standards. P&G is committed to creating a work environment that fosters open communication and supports employees in reporting potential violations. Retaliation of any kind is inconsistent with our Values of Integrity and Trust and simply will not be tolerated. P&G annually surveys our employees for satisfaction with leadership, work environment, and appropriate work-life balance. The results of the assessments guide P&G leadership into finding gaps in employee expectations, P&G policies, and lead to a happier and more productive work force.

Investors

Relevance & inclusion

Relevant, always included

Please explain

Investors are key stakeholders who need to understand relevant risks and opportunities for the companies they invest in. We provide extensive data on our use of palm oil and wood pulp through our ESG for Investors website and our annual citizenship report. Meetings with investors also occurs on an ad hoc basis as they contact P&G for their priority sustainability issues. See our ESG investor portal here: <https://www.pginvestor.com/esg/esg-overview/default.aspx>

Local communities

Relevance & inclusion

Relevant, always included

Please explain

P&G Sourcing of forest commodities may co-exist with local community and Indigenous Peoples traditional lands and rural areas. Our responsible sourcing policies clearly states that suppliers must seek and achieve Free Prior Informed Consent (FPIC) prior to any development for palm oil. The FPIC engagement process must be ongoing in pulp. This ensures protection of rights for the indigenous communities and helps develop economic and social well being for those that rely on forests and eco system services for their livelihood. We have made it clear through our responsible sourcing policies that our direct suppliers are responsible and accountable to engage with any potential impacted communities following the FPIC procedure. P&G will meet directly with relevant Indigenous Peoples and local communities to understand their perspective on FPIC during biennial wood pulp supplier forest field assessments. This includes direct meetings where and when culturally appropriate. Engagement does become more frequent as P&G works directly with local communities on projects such as improving smallholder practices or certification levels.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

P&G works with the World Wildlife Fund, Conservation International, Forest Stewardship Council, Roundtable on Sustainable Palm Oil, The Nature Conservancy, Arbor Day Foundation, and the American Forest Foundation and others on P&G's forest commodity sustainability efforts and commitments to transparency. These organizations push P&G on continued improvement of our commitments and inform us on emerging risks. We meet regularly with key stakeholder NGOs and ad hoc with others. We have also worked with our suppliers to consult with the same appropriate NGOs for further perspective from the NGO community.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

P&G is part of the diverse forest-related commodity industry in our wood pulp and palm oil sourcing. P&G and other producers are working to increase certification efforts and direct our influence on increasing FSC and RSPO supply. In key regions, the lumber industry has a larger role in increasing sustainable forestry and FSC certification. We work with NGOs to increase their awareness of the benefits of certification and, specifically, FSC. These efforts are direct engagement with the suppliers and campaigns like the One Simple Action with FSC. One Simple Action is a consumer facing campaign encourages the public to look and ask for the FSC label on products. This overall Forest Positive approach to increase overall FSC certified areas goes beyond our own supply chain. Including this work in the sector supports lowering risk of deforestation and other risks as only small portions of the overall supply chain are certified. For example, only 10% of all forests are certified to any standard globally. In Palm, we work within the RSPO Shared Responsibility Group to help drive uptake of certified RSPO Palm Oils globally. They do this by setting targets for % increase of RSPO usage year on year for all RSPO members, particularly manufacturers and retailers, which consequently will drive more RSPO certified supply.

Regulators

Relevance & inclusion

Relevant, always included

Please explain

P&G works with regulators through our Government Relations office in several countries and states. They are included in our risk assessments because these governments and agencies provide oversight and regulation on forests and their associated commodities. Engagements with lawmakers and regulators are in-person and virtual. They take place ad hoc as issues arise.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

P&G suppliers are included in risk assessments. Suppliers must comply with our sourcing policies and support P&G in meeting our sustainability commitments. We assess the risk that our suppliers can meet proposed changes to the requirements. P&G meets with tier 1 pulp suppliers on a quarterly basis and tier 1 palm suppliers twice a year for sustainability issues in-person and virtually. Commercial meetings take place much more regularly. The pulp commodity team hosts an annual Supplier Summit where P&G presents actions on sustainability goals, solicits suppliers input on how to meet those goals, has outside experts present on priority sustainability topics, and allows suppliers to detail their own company efforts.

Other stakeholders, please specify

Relevance & inclusion

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

As part of our Enterprise Risk Management process, the significance of potential risks are assessed based on several factors, including potential financial impacts, impacts to corporate reputation, impacts on customer demand, potential for business disruption, impacts on employee and staffing needs, and legal or regulatory risk. Within each of these dimensions, impacts are characterized as low, medium, or high (or, for financial impacts, very high), and the extent of low, medium, high and very high impacts across these dimensions is then used to assess overall enterprise risks. The thresholds for very high/high/med/low for financial impacts are assigned dollar levels: (1) impacts below \$10 million or between \$10 million-\$50million are low; (2) \$50 million-\$125 million are medium; (3) \$125 million-\$300 million or \$300 million-\$650 million are high; and (4) \$650 million -\$1 billion or greater than \$1 billion are very high. The thresholds for high/medium/low for remaining impact areas are qualitative descriptors.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased cost of certified sustainable material

Primary potential impact

Increased operating costs

Company-specific description

Part of P&G's Ambition 2030 is an increase in FSC fiber availability, and will work towards 100% pulp certified to the Forest Stewardship Council before 2030. Becoming FSC certified or further updates to the FSC could increase operating costs for suppliers and forest landowners. The new FSC Canada forest management standard has increased the requirements for caribou management and Free Prior Informed Consent (FPIC) process with Indigenous Peoples and local communities. The FSC US standard is undergoing revision now to conform with FSC International requirements. This includes the updated requirement that certificate holders have at least 10% of the land in a Conservation Area Network where economic interests cannot be the main driver of management decisions. This could lower the supply of available timber.

Timeframe

4-6 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

34000000

Potential financial impact figure - maximum (currency)

169000000

Explanation of financial

The potential financial impact is based on the assumed average increase in FSC premiums as a result of the tightness and limited supply. These rates can vary region to region based upon availability of FSC material in the area. For example, FSC material is available in Brazil and not readily available in the United States. Price premiums could be higher in areas with lower availability. The range provided is the potential price premiums averaged across all sourcing regions using P&G's FY 19/20 purchasing amount of 1.6 million ADMT. With the breadth and diversity of our operations, it is not feasible to provide an estimate of the potential impact that would represent all scenarios under the various risk areas. We have used various assumptions and modelling to arrive at the figures represented below, with more detailed explanations provided as appropriate. Actual results in any specific instance could vary from these figures depending on a number of factors.

Primary response to risk

Engagement with suppliers

Description of response

P&G is working with suppliers, landowners, and certification systems to support increased certified forests. P&G is partnering with The Nature Conservancy as part of the Working Woodlands Project to develop management plans for smallholders and get FSC certification. Read me about the Working Woodlands Project here: <https://www.nature.org/en-us/about-us/where-we-work/united-states/working-woodlands/> P&G continues to partner with Domtar to support the Four States Timberland Association in the United States. This project provided smallholders access to foresters and other natural resource professionals. This has resulted in 256,208 hectares of smallholder forest becoming FSC certified. Read more about the initiative here: <https://fourstatetimberlandowners.com/> P&G funded a pilot study to ensure the updated FSC Canada Forest Management standard was feasible for pulp suppliers. The response is being implemented now and is ongoing. P&G does not expect these efforts to have an end date. P&G's preference for FSC means we must continually monitor standard changes to determine impacts on P&G. We have seen success in working with smallholders in the United States. The responses to support Canada suppliers on the updated FSC standard is ongoing. Some suppliers have successfully completed a full audit to the new requirements while others have only been partially audited.

Cost of response

1000000

Explanation of cost of response

Costs include P&G's direct financial contribution to these efforts and in-kind use of P&G employee time. The \$1 million estimate represents a cumulative investment over the last decade.

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Availability of certified sustainable material

Primary potential impact

Brand damage

Company-specific description

Our Commitment is to use 100% RSPO Certified Palm derived materials for all P&G Brands by end 2021. The majority of our palm usage is Palm Kernel Oil (PKO) and Palm Kernel Oil derivatives (PKOD). The supply of RSPO Certified PKO and PKOD is limited in the market place due to high demand created by all the other major branded manufacturers making the same commitment to use sustainable certified PKO. This market tightness has caused an escalation in pricing and the RSPO premiums have doubled or even tripled in some cases over the last 12 months.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

20000000

Potential financial impact figure - maximum (currency)

40000000

Explanation of financial

The potential financial impact is based on the assumed average increase in RSPO Premiums as a result of the tightness and limited supply of certified Sustainable PKO. The PKO and PKOD consumed in P&G Brands is 208k mT and the estimated range of potential increase is between \$100/mt (min) and \$200/mt (max). With the breadth and diversity of our operations, it is not feasible to provide an estimate of the potential impact that would represent all scenarios under the various risk areas. We have used various assumptions and modelling to arrive at the figures represented below, with more detailed explanations provided as appropriate. Actual results in any specific instance could vary from these figures depending on a number of factors.

Primary response to risk

Engagement in multi-stakeholder initiatives

Description of response

We're working with an independent consultants LMC and the RSPO to understand the barriers and opportunities to grow the sustainable PKO supply - once we have the finding and recommendations we will have multi stakeholder dialogues to execute those recommendations

Cost of response

0

Explanation of cost of response

The cost will be defined based on the response of the LMC study and the feedback from the multi stakeholder group on how to increase supply of certified sustainable PKO.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Improved community relations

Company-specific description & strategy to realize opportunity

P&G sources from locations that have presence of Indigenous Groups. These Indigenous Groups are employed by our direct suppliers or are Indigenous Group majority owned forest management companies who are 2nd tier suppliers in P&G supply chains. P&G partners with our suppliers to ensure culturally appropriate economic development opportunities.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

500000

Potential financial impact figure – maximum (currency)

2000000

Explanation of financial impact figure

The estimated range provided is a cost impact to P&G due to potential impacts of sourcing pulp through the supplier chain from Indigenous Group held forests. These Indigenous Groups are 2nd tier suppliers and the higher costs would be passed on to P&G. With the breadth and diversity of our operations, it is not feasible to provide an estimate of the potential impact that would represent all scenarios under the various risk areas. We have used various assumptions and modelling to arrive at the figures represented below, with more detailed explanations provided as appropriate. Actual results in any specific instance could vary from these figures depending on a number of factors.

Forest risk commodity

Palm oil

Type of opportunity

Resilience

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Improved supply chain engagement

Company-specific description & strategy to realize opportunity

As part of our Ambition 2030, we've committed to work with Palm Smallholders to improve their livelihoods through improvement in yield and lead to RSPO Independent Smallholders Scheme (RISS) Certification in Johor Malaysia . Our Ambition is to create 250 learning farms who which will be used as a training ground to diffuse good agricultural practices to ~8000 smallholders to help them improve yield through yield making and yield taking. The plan is also to take ~600 smallholder through the RISS certification process over the next 2 yrs. This will create additional yield in the range of 30-50% improvement to get the smallholders in our program to the Malaysian national average - potentially reduce deforestation as smallholders improve their income and create a legacy for their family.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

900000

Potential financial impact figure – maximum (currency)

1000000

Explanation of financial impact figure

This scenario assumes 4mt/year Fresh Fruit (FFB) improvement per year per hectare, the average holding is about 2 hectares per smallholder so each smallholder is expecting to see an improvement of 8 mt of FFB/year. The current average Fresh Fruit Bunch pricing is in the range of \$180-\$200/mt. This equates to an increase of 25% in between \$1500 - \$1600 /year per farmer. This will go directly to the farmer and not to P&G and is significant for the farmer. If 600 smallholders benefit from this program, the total benefit to all 600 smallholders will be in the range of \$900M - \$1MM over a two-year period of time. With the breadth and diversity of our operations, it is not feasible to provide an estimate of the potential impact that would represent all scenarios under the various risk areas. We have used various assumptions and modelling to arrive at the figures represented below, with more detailed explanations provided as appropriate. Actual results in any specific instance could vary from these figures depending on a number of factors.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board-level committee	The Governance and Public Responsibility Committee of the Board of Directors, per its charter, has oversight of the Company's commitment to and efforts regarding environmental sustainability, including corporate efforts related to forestry. This committee consists of a Committee Chair and 5 members. On a regular basis, members of the committee are provided an update on overall progress of our sustainability program and goals. Board members have broad visibility to overall corporate strategy and objectives and can provide strategic guidance, hence they are well positioned to have oversight of our citizenship efforts. The committee also reports back to the full Board regarding these issues. An example of a decision made by the Governance and Public Responsibility Committee was its alignment to our recently published forestry report.
Board-level committee	The Company's Board of Directors and its Audit Committee have oversight responsibilities for our Enterprise Risk Management (ERM) program. Sustainability issues are included in the ERM process, so the Audit Committee also considers these issues via their oversight of the ERM process. On a regular basis, potential risk factors are identified and assessed by a multi-functional team within the Company. Findings and recommendations are reviewed with senior management in addition to the Company's Board of Directors and its Audit Committee. This process assesses significant factors that may adversely affect our business, operations, financial position or future financial performance and includes an assessment of environmental sustainability risk factors. An example of a decision made by the Audit Committee would be its approval of the Company's Risk Factors for including in the Company's 10K filing, which included appropriate descriptions sustainability-related risk.
Chief Executive Officer (CEO)	The Chairman and CEO, is a member of our Sustainability Leadership Council (SLC) - a C-Suite management committee that has oversight of our sustainability efforts, including forests. The SLC provides strategic direction, alignment to goals and objectives, and alignment on budget needs and regularly reviews progress vs. goals. The SLC has oversight responsibilities for our sustainability efforts, including forests, because they are senior leaders who have a deep understanding of our business and have the authority, influence, and resources to act on forest-related risks and opportunities.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1 Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	The Governance and Public Responsibility Committee of the Board of Directors, per its charter, has oversight of the Company's commitment to and efforts regarding environmental sustainability, including corporate efforts related to forestry. On a regular basis, members of the committee are provided an update on overall progress of our sustainability program and goals, including efforts on forestry. Committee members are available to review and provide guidance on forest strategy, action plans, and performance vs. objectives. Discussions on specific elements of forest strategy, action plans, and implementation of performance objectives can be brought forward to this committee on an as-needed basis. Board members have broad visibility to overall corporate strategy and objectives and can provide strategic guidance to ensure appropriate effort and focus, hence they are well positioned to have oversight of our environmental sustainability efforts. The committee also reports back to the full Board regarding these issues.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	Quarterly	Our CSO has regular meetings with the CEO and Chairman of the Board to discuss matters related to our environmental sustainability efforts, including forestry. While forestry may not be an agenda topic for every meeting, we have the opportunity to bring forward forestry related topics via these meetings. The CSO reports directly to the CEO and the Board of Directors.
Other C-Suite Officer, please specify (Sustainability Leadership Council)	Other, please specify	Quarterly	The CEO and the Chairman is part of our Sustainability Leadership Council which meets quarterly. This meeting provides an opportunity to discuss all sustainability related topics including forestry. While forestry may not be on every agenda, we are provided the opportunity on a quarterly basis to discuss all relevant matters, including forestry.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Chief Sustainability Officer (CSO)	Achievement of commitments and targets	Our Chief Sustainability Officer is accountable for overall sustainability program and performance vs. objectives and goals. This includes all forestry related aspects of our sustainability program. Within Procter & Gamble, annual performance reviews impact overall compensation levels. As our CSO's performance review is influenced by corporate performance vs. key goals and objectives, this influences their compensation.
Non-monetary reward	Other, please specify (All P&G employees including C-Suite level)	Other, please specify (Any sustainability effort)	P&G's Power of You program is designed to provide flexible, simple, and consistent recognition of employees by offering formal acknowledgement via an e-Card that can be sent to any employee recognizing a job well done. These are non-monetary recognitions but the individual's direct manager is notified to ensure the recognition is factored into relevant performance appraisals.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

PG-2020-Annual-Report.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain

	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to remediation, restoration and/or compensation of past harms</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural habitats</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound milestones and targets</p> <p>Description of forests-related standards for procurement</p>	<p>Individual commodity policies are publicly available for palm oil and pulp. Policies are reviewed as needed to address emerging concerns. But at a minimum, the policy is reviewed annually. Though we do not own or directly manage forests or forest-related commodities, we have a responsibility through our procurement practices to ensure the sustainability of the world's forest resources. As such, we are committed to understanding our sources, increasing transparency in sourcing, and ensuring that sustainable management practices are used and our Responsible Sourcing Policy is implemented. The policy informs our business by guiding purchasing teams which suppliers can meet the policy. It also provides guideline on how perspective suppliers can improve their practices to sell products to P&G. Our efforts are based on our commitment to ensure the responsible management of the world's forests and our conscientious use of forest products. Although we do not own or manage commercial forests, many of our products and packages are dependent on raw materials from the forest-based supply chains. Therefore, we recognize the key role we must play through our procurement and manufacturing practices to ensure the sustainability of the world's forest resources.</p>

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

Do you have a commodity specific sustainability policy?	Scope	Content	Please explain

Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to remediation, restoration and/or compensation of past harms Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and engagement Recognition of the overall importance of forests and other natural ecosystems Description of business dependency on forests Recognition of potential business impact on forests and other natural ecosystems Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related standards for procurement	P&G's Wood Sourcing Policy covers all pulp sourced company wide in all regions. The policy is updated to address emerging priority issues in pulp but is at least updated annually. The content of the policy is determined to ensure P&G sourcing is conducted sustainably. We have a responsibility to ensure we have a positive effect on the forests we source from and the communities that rely on them. The policy helps guide potential sourcing regions or suppliers. It also provides guidance to other companies on what updates would need to take place in order to have P&G as a customer. Read more about P&G's pulp Wood Sourcing Policy here: https://www.pginvestor.com/esg/environmental/forestry/pulp/default.aspx P&G's pulp commitments can be viewed on the pulp section of the ESG portal: https://www.pginvestor.com/esg/environmental/forestry/pulp/default.aspx

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Palm oil	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to remediation, restoration and/or compensation of past harms Commitment to protect rights and livelihoods of local communities Commitment to transparency Commitment to stakeholder awareness and engagement Recognition of the overall importance of forests and other natural ecosystems List of timebound commitments and targets Description of forests-related performance standards for direct operations Description of forests-related standards for procurement	P&G is committed to responsibly sourcing of palm from suppliers and via supply chains that protect eco-systems from conversion and deforestation, respect human and labor rights, and respect land tenure rights. As such, our direct suppliers are expected to be RSPO Members and have the necessary policies and procedures in place to follow P&G's Responsible Sourcing Guidelines for External Business Partners (https://pgsupplier.com/guidelines/pg-guidelines-for-suppliers) and the 2018 RSPO Principles and Criteria (P&C) (https://rspo.org/principles-and-criteria-review), which include the following standards: <ul style="list-style-type: none"> •High-conservation-value ("HCV") areas and high-carbon-stock ("HCS") forests are protected** •No new development of peat lands regardless of depth •No burning to clear land for new development or replanting •Respect for human and labor rights •Protect and support human rights, land rights and environmental defenders •Respect of land tenure rights, including rights of indigenous and local communities to give or withhold their free, prior, and informed consent (FPIC) for development of land they own legally, communally or by customary rights For P&G brands, we expect to achieve 100% RSPO certification Mass Balance (at a minimum) in our supply chain by the end of 2021 and will publicly report RSPO certification status on an annual basis. We further strive to achieve RSPO certification Segregated for palm oil and palm oil derivative purchases *The High Carbon Stock Approach ("HCSA") Toolkit should be applied to identify and conserve HCS forest. ** These provisions prohibit the conversion of Intact Forest Landscapes (defined by the IFL Mapping Team) for Oil Palm Production RSPO CERTIFICATION Read more about P&G Palm Oil policy here https://www.pginvestor.com/esg/environmental/forestry/responsible-sourcing/#expectations
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

New York Declaration on Forests
Tropical Forest Alliance 2020

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
No conversion of High Conservation Value areas

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2008

Commitment target date

<2017

Please explain

P&G aims to have zero gross deforestation in our pulp supply chain. This includes no conversion of natural ecosystems, no new development on peat regardless of depth, and no harvesting in High Conservation Value areas with third party certification in place. The commitment applies to all of our supply chain and sourcing regions. The cutoff date adopted is December 31, 2008. Our criteria of no conversion of natural ecosystems, zero gross deforestation, no new development on peat regardless of depth, and no conversion of High Conservation Value areas is met by only sourcing 100% certified material. Certification systems have annual audits to ensure forestry operations are limiting deforestation. Due diligence systems are also required to quantify and monitor risk levels of deforestation throughout the supply chain. See more about our commitments here on P&G's ESG portal including the Wood Sourcing Policy: <https://www.pginvestor.com/esg/environmental/forestry/pulp/default.aspx> P&G has a grievance tracker and a public mechanism to report allegations of deforestation and other Wood Sourcing Policy violations in our supply chain. Grievances can be submitted by anyone inside or outside P&G: <https://secure.ethicpoint.com/domain/media/en/gui/73321/index.html>

Forest risk commodity

Palm oil

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
Best management practices for existing cultivation on peat
Restoration and compensation to address past deforestation and conversion
Avoidance of negative impacts on threatened and protected species and habitats
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
Promotion of gender equality and women's empowerment
Adoption of the UN International Labour Organization principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
No sourcing of illegally produced and/or traded forest risk commodities
Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2015

Commitment target date

2021-25

Please explain

Our Policy commits all suppliers of palm in P&G brands to meet RSPO Principles and Criteria (P&C) 2018 and the compliance verification is the RSPO certification - where we're expecting to use 100% RSPO certified Palm for all P&G brands by end 2021. P&G requires direct suppliers to remediate non-compliance when they are confirmed to have caused or contributed to deforestation or conversion after December 31, 2015, or, if supplier maintains an earlier cut-off date, by such earlier cut-off date. You can read more of P&G Palm Oil program here <https://www.pginvestor.com/esg/environmental/forestry/palm-overview/default.aspx>

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	Forest-related issues are included in P&G's long-term business plans and strategies. Our products and success are dependent on these forest-related commodities that affect the environment and those communities that rely on them. We have a responsibility to ensure we contribute positively to these areas. This includes deforestation commitments, preserve or increasing Indigenous Groups rights, increasing certification commitments, and many others. P&G has been in business for over 180 years. Environmental sustainability is embedded in how we do our business. Our success is dependent on forest-related products and taking the long-term view in developing business objectives. P&G set a goal for all of our pulp to come from 100% FSC certified sources as part of Ambition 2030. For Palm, we've committed to use 100% RSPO certified Palm for all P&G brands by end 2021. This goal, along with many other sustainability related goals, was announced more than a decade before the time commitment. We recognize our impact on the environment and want to be good stewards to the land. We have a responsibility to make the world better. Overall strategy and plans apply to all commodities. The specific goals are dependent on the commodity. Pulp has commitments related to FSC and palm oil has commitments to RSPO.
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	Forest-related issues are included in P&G's long-term business plans and strategies. Our products and success are dependent on these forest-related commodities that affect the environment and those communities that rely on them. We have a responsibility to ensure we contribute positively to these areas. This includes deforestation commitments, preserve or increasing Indigenous Groups rights, increasing certification commitments, and many others. P&G has been in business for over 180 years. Environmental sustainability is embedded in how we do our business. Our strategy is to work directly within our supply chain to support forest owners and license holders in getting FSC certified. This includes working with Crown tenure holders in Canada and smallholders in the United States. We also work with certification systems themselves (e.g RSPO) to ensure the standard continues to evolve with environmental priorities but does not become burdensome especially for smallholders and Indigenous Groups. Overall strategy and plans apply to all commodities. The specific strategies are dependent on the commodity. Pulp and palm oil frequently work with the same NGOs but will work with different suppliers, landowners, and smallholders as the sourcing regions rarely overlap.
Financial planning	Yes, forests-related issues are integrated	11-15	Forest-related issues are included in P&G's long-term business plans and strategies. Our products and success are dependent on these forest-related commodities that affect the environment and those communities that rely on them. P&G has been in business for over 180 years. Environmental sustainability is embedded in how we do our business. Our success is dependent on forest-related products and taking the long-term view in developing objectives. Our financial planning strategy is guided by long-term trends on forest-related commodities. Potential laws and regulation changes could reduce the available of land open to harvesting reducing supply and impacting costs. The government of Canada is planning to protect at least 30% of Crown forests by 2030. This could limit the amount of harvestable land in turn lower the amount of pulp. We are also working with NGOs to increase the preference for certified material inside and outside our industry. Increasing the demand of certified forest-related products will lower the financial costs to procure these commodities. Overall financial planning applies to all forest-related commodities.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 2

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

All pulp sourced will be 100% certified

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Chain of Custody

FSC Controlled Wood

PEFC Chain of Custody

SFI Chain of Custody

Start year

2010

Target year

2013

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

Targets have been chosen to ensure P&G has positive impact on forests and communities that rely on them. Certification ensures that forests are being harvested sustainable, deforestation is not permitted, and Indigenous Peoples rights respected. We have been able to meet this requirement by partnering with suppliers that support forest certification and having this as a minimum requirement to conduct business with P&G within our Wood Sourcing Policy.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

All pulp sourced will be 100% FSC certified

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Chain of Custody

Start year

2008

Target year

2030

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

51

Please explain

FSC is one of the world's most trusted forest certifications and P&G maintains a preference for FSC certified fibers. With that said, the availability of FSC-certified pulp is insufficient to meet the demands of P&G at this time. P&G has been working directly with our supply chain and NGO partners to grow the supply of FSC certified materials and pulp in all sourcing regions. A large portion is trying to increase the demand in timber sectors that currently do not have large demand of FSC material, especially the lumber industry. These sectors have larger influence on the forest industry compared to the pulp sector and their demand of FSC material could greatly support P&G's ambitions. The 100% FSC goal is a portion of P&G's overall Ambition 2030 targets.

Target reference number

Target 1

Forest risk commodity

Palm oil

Type of target

Third-party certification

Description of target

We expect all palm derived materials used in P&G brands to be 100% RSPO Certified by end 2021. For Palm Oil and Palm Oil Derivatives - Our target is to get to 100% RSPO Segregated where supply chains permit otherwise RSPO MB for those small supply chains where segregated does not exist. For Palm Kernel Oil and Derivatives - our target is to get to 100% RSPO Mass Balance.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

RSPO Segregated

RSPO Mass Balance

Start year

2016

Target year

2021

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

59

Please explain

At the end of FY 19/20 - We had converted 59% of palm purchases used in P&G brands RSPO certified. This completed all the PO and PO derivatives and we're working to complete the PKO and PKO derivatives by end 2021.

Target reference number

Target 2

Forest risk commodity

Palm oil

Type of target

Traceability

Description of target

98% of our Palm Purchases.

Linked commitment

Zero net/gross deforestation

Traceability point

Mill

Third-party certification scheme

<Not Applicable>

Start year

2017

Target year

2019

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

98

% of target achieved

100

Please explain

We have traced >98% of our mills in our supply chain.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	P&G surveys pulp suppliers twice annually for harvesting origin on the state/province level. P&G also meets quarterly with direct suppliers and conducts biennial forest field assessments to monitor progress on goals. Suppliers report their systems in place to monitor origin and proof of legal harvesting. Responses are periodically audited by asking for documentation and evidences. Risk level of potential illegal origin is used to determine frequency of audits for specific suppliers and sourcing regions.	Not applicable	<Not Applicable>
Palm oil	Yes	Our commitment is to trace >98% of our palm purchases to Palm Oil Mills. Improving and promoting supply chain transparency is a key enabler to delivering our responsible sourcing expectations. We expect direct suppliers to trace palm kernel oil back to the original mill and palm oil back to the plantation of origin. We will publish our mill list and update it two times per year. We also expect direct suppliers to publish their concession maps and support industry efforts to develop a common approach for publishing these maps.	Not applicable	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	State or equivalent	100
Palm oil	Mill	98

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	100
Palm oil	Yes	59
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Chain of Custody

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

51

Form of commodity

Pulp

Volume of production/ consumption certified

861900

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

One hundred percent of pulp procured by P&G is from certified sources. Fifty one percent is certified to the Forest Stewardship Council under claims to the full Forest Management standard. P&G continues to work in sourcing regions to support the specific challenges to FSC certification. P&G is working with FSC Canada and suppliers to ensure all supplier forest operations are audited to the updated FSC Canada Forest Management Standard. P&G is partnering with The Nature Conservancy as part of the Working Woodlands Project to develop management plans for smallholders and get FSC certification in the United States. Read more about the Working Woodlands Project here: <https://www.nature.org/en-us/about-us/where-we-work/united-states/working-woodlands/> P&G is also part of the Carolinas Working Forest Conservation Collaborative to work with smallholders to sustainably manage their lands to protect and improve wildlife habitat. Part of this work is to provide a sustainable wood supply through FSC certification. Read more about the initiative here: <https://www.forestfoundation.org/carolinas-collaborative-project/> P&G continues to partner with Domtar to support the Four States Timberland Association in the United States. This project provided smallholders access to foresters and other natural resource professionals. This has resulted in 256,208 hectares of smallholder forest to be FSC certified. Read more about the initiative here: <https://fourstatetimberlandowners.com/> Portions of this also certified to the PEFC and SFI standards at the forest management unit level. We cannot use this second certified claim as wood and wood fiber-based certification schemes do not permit more than one certification standard to be used on chain-of-custody tracking documents.

Forest risk commodity

Timber products

Third-party certification scheme

SFI Chain of Custody

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

15

Form of commodity

Pulp

Volume of production/ consumption certified

253350

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

One hundred percent of pulp procured by P&G is from certified sources. Fifteen percent is certified to the Sustainable Forestry Initiative under claims to the full Forest Management standard. P&G supports SFI certification as meeting our minimum requirements in our Wood Sourcing Policy. We expect the SFI percent share to decrease as we work towards our Ambition 2030 goals.

Forest risk commodity

Timber products

Third-party certification scheme

PEFC Chain of Custody

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

15

Form of commodity

Pulp

Volume of production/ consumption certified

253500

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

One hundred percent of pulp procured by P&G is from certified sources. Fifteen percent is certified to the Programme for the Endorsement of Forest Certification under claims to the full Forest Management standard. P&G supports PEFC certification as meeting our minimum requirements in our Wood Sourcing Policy. We expect the PEFC percent share to decrease as we work towards our Ambition 2030 goals.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Controlled Wood

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

19

Form of commodity

Pulp

Volume of production/ consumption certified

321100

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

One hundred percent of pulp procured by P&G is from certified sources. Nineteen percent is certified to the Forest Stewardship Council Controlled Wood standard. P&G supports FSC Controlled Wood certification as meeting our minimum requirements in our Wood Sourcing Policy. We expect the FSC Controlled Wood percent share to decrease as we work towards our Ambition 2030 goals. Portions of this also certified to the PEFC and SFI standards at the forest management unit level. We cannot use this second certified claim as wood and wood fiber-based certification schemes do not permit more than one certification standard to be used on chain-of-custody tracking documents. P&G must have all inputs to FSC producing production facilities be a combination of FSC Controlled Wood or claims related to full FSC forest management certification. This value could fluctuate up or down depending on when the remaining P&G production facilities start labeling FSC products for their business unit or the use of fully certified FSC material increases.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

8.2

Form of commodity

Crude palm oil (CPO)

Volume of production/ consumption certified

29458

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain**Forest risk commodity**

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

50.4

Form of commodity

Crude palm kernel oil (CPKO)

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

180805

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Supply chain

Description of control systems

Third party certification, 2nd party assessment, grievance system

Monitoring and verification approach

Second-party verification

Third-party verification

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Retain & engage

Suspend & engage

Exclude

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

One hundred percent of pulp sourced by P&G is certified. Monitoring of this commitment is on a continuous basis. Incoming invoices are reviewed to ensure they must contain the certification claim. This is evidence the material received to P&G as deforestation free or sourced from areas designated as low risk for deforestation. P&G also monitors our grievance system that allows for anyone external or internal to submit allegations of deforestation in P&G's supply chain. P&G does recognize there is still very small incidental risk of wood from deforestation or natural ecosystem conversion. Chips to make pulp are mixed together before the pulp manufacturing process at our suppliers' factories. These chips are a combination of material certified to a full forest management certification system claim or FSC Controlled Wood. FSC Controlled Wood ensures low risk but it is not completely free from risk. The most common type of deforestation is conversion from coal mining, oil and gas, or other mineral extraction process outside control of our direct suppliers. This material is commonly taken to sawmills not controlled by our suppliers and chips produced as residuals from log processing are then taken to our supplier's pulp mills. The amount of this material in P&G's pulp supply chain is estimated to be low and fluctuates from 0% to less than 0.2% on a year to year basis. The CDP ranges for this response do not allow for differentiation between 99% and 100%.

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

Our compliance verification is based on RSPO Certification for all palm used in P&G brands. We also work with Earthqualizer to apply satellite imaging based technology to monitor compliance on our no deforestation and peat policy, and respond and manage violation with our grievance process.

Monitoring and verification approach

Geospatial monitoring tool

Third-party verification

% of total volume in compliance

51-60%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Retain & engage

Suspend & engage

Exclude

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Please explain

If there was a grievance or deviation from our policy, the issue is more likely than not in the 3rd party supplier to our direct Tier 1 suppliers. We expect the Tier 1 to engage and develop action with the responsible party. We expect the direct Tier 1 supplier to take market action (e.g suspend) should the responsible party does not follow the grievance procedure to address the violation. to engage and action plan to remediate. This is captured in our Responsible Sourcing Policy - click here for more details https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2021/Forestry/05/PG-ESG-FOREST-POSITIVE-PALM-SOURCING-POLICY-FINAL-rev-6-21.pdf

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from suppliers	<Not Applicable>
Palm oil	Yes, from suppliers	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6a

(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

P&G purchases only 100% certified material globally. The wood is harvested according to local laws including the Brazilian Forest Code and Argentina's Forest Law. Suppliers are also surveyed twice a year to get their confirmation of compliance with local laws. Samples of legality documents from the Argentina and Brazilian governments are periodically reviewed.

Country/Area of origin

Argentina
Brazil

Law and/or mandatory standard(s)

Forest Law - Argentina
Brazilian Forest Code

Comment

Palm oil

Procedure to ensure legal compliance

All the Tier 1 direct suppliers have agreed to meet our Responsible Sourcing Policy which requires compliance to National and local laws as stipulated in the RSPO Principles and Criteria (2018).

Country/Area of origin

Indonesia
Malaysia

Law and/or mandatory standard(s)

General assessment of legal compliance
Other, please specify (We expect our suppliers to meet our Supplier Guideline - see two guidelines below.)

Comment

We operate within the spirit and letter of the law, maintaining high ethical standards wherever we conduct business and we expect this of our External Business Partner (EBPs). EBPs and their employees must understand how these standards and the law apply to their work on behalf of P&G. No external business partner has the authority to require or request that any of their employees or anyone else to violate these standards or any law or regulation. More details can be found in the links below.
<https://pgsupplier.com/guidelines/pg-guidelines-for-suppliers>
[https://pgsupplier.com/assets/content/Documents/Supplier%20Sustainability/Responsible%20Sourcing%20Expectations%20for%20External%20Business%20Partners%20\(2020\)%20Final.pdf?v=03152021](https://pgsupplier.com/assets/content/Documents/Supplier%20Sustainability/Responsible%20Sourcing%20Expectations%20for%20External%20Business%20Partners%20(2020)%20Final.pdf?v=03152021)

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Yes, working with smallholders	Capacity building Financial and commercial incentives	Offering on-site technical assistance and extension services Disseminating technical materials Organizing capacity building events Investing in pilot projects Supporting smallholders to clarify and secure land tenure	350	P&G is partnering with The Nature Conservancy as part of the Working Woodlands Project to develop management plans for smallholders and get FSC certification in the United States. Read more about the Working Woodlands Project here: https://www.nature.org/en-us/about-us/where-we-work/united-states/working-woodlands/ P&G is also part of the Carolinas Working Forest Conservation Collaborative to work with smallholders to sustainably manage their lands to protect and improve wildlife habitat. Part of this work is to provide a sustainable wood supply through FSC certification. Read more about the initiative here: https://www.forestfoundation.org/carolinias-collaborative-project/ P&G continues to partner with Domtar to support the Four States Timberland Association. This project provided smallholders access to foresters and other natural resource professionals. This has resulted in 256,208 hectares of smallholder forest to be FSC certified. Read more about the initiative here: https://fourstatetimberlandowners.com/
Palm oil	Yes, working with smallholders	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site technical assistance and extension services Providing agricultural inputs Disseminating technical materials Organizing capacity building events Investing in pilot projects Supporting smallholders to clarify and secure land tenure		The P&G Independent Smallholders Program is focused on the smallholders within our oleo-chemicals supply chain in Malaysia. We are committed to achieve two strategic objectives: 1) transform their livelihoods through more efficient and sustainable farming practices, and yield increase, a key element of our Ambition 2030 program, 2) develop capability and capacity of independent smallholders to be sustainable suppliers meeting P&G Palm Responsible Sourcing Policy which is based on the RSPO RISS. Key highlight on our focus areas are: i) The Center for Sustainable Small-owners (P&G-CSS) established in 2019 in collaboration with the Malaysia Institute for Supply Chain Innovation (MISI) and University Tun Hussein Onn Malaysia (UTHM). It has been playing key leadership role and "one-stop shop" resource center with researchers, agronomists and field workers collaborating with supply chain teams to drive progress in the independent smallholder program on the ground. The Center for Sustainable Small-Owners aims to reach 8,000 Smallholders Farmers within 5 years. We want to help them drive up yields (+30-50%) to the Malaysian average, making a positive difference to people and communities and embedding sustainable, responsible practices within a key component of our supply network. For more info please go to: https://www.pginvestor.com/esg/environmental/forestry/palm-overview/partnerships-force-for-good-programs/#enabling
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Capacity building Financial and commercial incentives	Offering on-site training and technical assistance Disseminating technical materials Organizing capacity building events Investing in pilot projects Financial incentives for certified products	100%	P&G meets with suppliers on a quarterly basis to discuss FSC certification efforts. This includes suppliers that are currently delivering 100% FSC certified material to P&G. We assess risk with these suppliers, updates to the certification standards, results of chain of custody and forest management audits, and updates to P&G's Wood Sourcing policies. For non-FSC suppliers, we work to determine what are the barriers to certification in their region and specific supply chain. We also support with education and financial resources to learn more about the certification requirements and what changes, if any, are needed to meet the FSC requirements. P&G also hosts an annual supplier summit that brings together all suppliers to review P&G Wood Sourcing Policy updates and the review current pressing forest issues. Past topics of the summit included caribou and Indigenous Group relations.
Palm oil	Yes, working with direct suppliers	Supply chain mapping Capacity building Financial and commercial incentives Other	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site training and technical assistance Disseminating technical materials Organizing capacity building events Investing in pilot projects Financial incentives for certified products	Please select	At P&G respecting Human right is Fundamental to how we manage our Business and we expect our business partners to operate in the same manner. When issues or concerns arise, we engage with our suppliers, assess the problem and use our resources and practical guides and expertise to be part of the solution. In 2019, following continued concerns raised in relation to human and labor rights at FGV Holdings Behard (FGV) we choose to step in to support them in accelerating change. This involved engaging the Fair Labor Association (FLA) an independent and respected expert in the field of labor rights, so they could help guide action plans and accelerate change at FGV. Fair Labor Association (FLA) publishes action plans and progress. To learn more:
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators On-site meetings with indirect suppliers Supplier audits	One hundred percent of P&G pulp is from 3rd party certified sources. P&G relies on certification to achieve our aim of zero deforestation in our pulp raw material purchases. Our preference for FSC increases pressure on the supply chain to increase greater adoption of sustainable practices on forest lands in the supply chain. To further ensure no deforestation we conduct semi annual deskside audits, biennial forest field assessments, and quarterly meetings with all suppliers to support our commitments. P&G also has a public grievance tracker and reporting system where anyone inside or outside P&G can report violations against the Wood Sourcing Policy. This includes potential violations of our deforestation commitments. P&G also engages down the supply chain with smallholders to encourage FSC certification. These are collaborative projects detailed in the smallholder engagement section of this disclosure. These projects provide economic incentives to smallholders to keep their forests as forests while ensuring any activities are undertaken sustainably.
Palm oil	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Participating in workshops Investing in pilot projects	We're part of the Palm Oil Coalition Group (POCG) working with Tier 3 Palm Oil mills to implement No Deforestation Peat Exploitation tracking and progress reporting system. The specific engagement is with PO mills and refineries to track fresh fruit bunch supply chains and their practices. We are in the Consumer Goods Forum (CGF) Forest Positive Coalition, together with key NGO and palm oil industry partners, to develop landscape program and monitoring & response framework to establish consistent and efficient approach to address and mitigate deforestation risks. You can read more here below. https://www.pginvestor.com/esg/environmental/forestry/palm-overview/partnerships-force-for-good-programs/#support https://palmoilcollaborationgroup.net/stakeholder-details
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Forest Stewardship Council (FSC)

Programme for the Endorsement of Forest Certification (PEFC)

Sustainable Forestry Initiative (SFI)

WBCSD Forests Solutions Group

Jurisdictional approaches

<Not Applicable>

Please explain

P&G is a member of the Forest Stewardship Council. We participate in the General Assembly as voting members and comment on standards and policies that FSC opens for consultation. We also participate in public consultations for SFI and PEFC standard. P&G is a member of the World Business Council for Sustainable Development Forest Solutions Group. This work supports our strategy and commitments to be a force for good and general strategies to increase the amount of certified material in our supply chain. This work also helps to strength certification standards that we currently do not prefer. The goal is to raise the standards of all certification systems so industry wide acceptance is as high as possible.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Initiatives

<Not Applicable>

Jurisdictional approaches

<Not Applicable>

Please explain

P&G works with WWF to improve our forest practices including Wood Sourcing Policy and certification efforts. We also partner on projects like the Atlantic Forest Restoration Project in Brazil to go beyond our sourcing footprint to have a Forest Positive impact on the planet, P&G partners with the Arbor Day Foundation to plant 1 million trees between 2020 - 2025 in areas devastated by natural disasters , like wildfires. This supports our commitments to reforestation and restoration.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Tropical Forest Alliance 2020 (TFA)

Roundtable on Sustainable Palm Oil (RSPO)

High Carbon Stock Approach Steering Group

Palm Oil Transparency Coalition (POTC)

Other, please specify (Indian Sustainable Palm Oil (ISPO) Coalition)

Jurisdictional approaches

<Not Applicable>

Please explain

We members of many industry wide coalitions are we believe collective effort will drive improvements faster. We sit on the Board of Governors of the RSPO (representing the Consumer Goods Manufacturers), co-chair the Smallholder Standing Committee, and SC/WG/TF on Jurisdictional Approach, Assurance, and No Deforestation related working groups. We're also members of the HCSA Steering Group and also the TFA. You can read more here <https://www.pginvestor.com/esg/environmental/forestry/palm-overview/partnerships-force-for-good-programs/#support>

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in jurisdictional approaches

Initiatives

<Not Applicable>

Jurisdictional approaches

RSPO Jurisdictional Approach to Certification

Please explain

We're members of the RSPO Jurisdictional Approach Working Group to develop and implement the RSPO Jurisdictional Certification System Document.

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.11a

(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Forest ecosystem restoration

Primary motivation

Voluntary

Description of project

The Atlantic Forest Restoration Project is one of our Forest Positive projects. Environmental sustainability is embedded in how we do our business. We recognize our impact on the environment and want to be good stewards to the land. We have a responsibility to make the world better. This means we must go above and beyond just our sourcing footprint. This project is voluntary and P&G receives no financial incentives for participating.

Start year

2020

Target year

2025

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Brazil

Latitude

-20.32

Longitude

-40.35

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Soil

Water

Climate regulation

Financial

Please explain

P&G has partnered with Suzano and the World Wildlife Fund on the Atlantic Forest Restoration Project. This program will focus on forest landscape restoration and rehabilitation planning in the Atlantic Forest on Brazil's east coast. This project will lay the groundwork for successful future implementation focused on reestablishing ecological integrity, improving ecosystems services, particularly around water and enhancing community livelihoods. We are collaborating to produce robust forest restoration and rehabilitation plans and methodologies for several degraded forests and agricultural lands in the Brazilian state of Espirito Santo. The project will lead to forest, grassland, and other natural ecosystem restoration while also providing financial and economic opportunities for the smallholders and the communities to prevent further land degradation. Restoration by itself is not enough. The communities must be supported as well. The project is currently in the planning and analysis phase. The project team is working with local stakeholder groups with direct ties to potential restoration sites and their local communities. The analysis is to determine which communities wish to be involved and which locations will be an efficient use of funds. Targets on hectares restored will be available in future reporting as the project completes the analysis phase and moves into implementation. The location provided is also the capital of Espirito Santo state as specific locations are unavailable at this time. This will be updated in future disclosure when they are identified.

Project reference

Project 2

Project type

Other, please specify (Working with WWF in Malaysia to conserve biodiversity, ecosystem and connect intact forest corridors and protect Malaysian tigers habitat to protect and enable the species to thrive.)

Primary motivation

Voluntary

Description of project

You can read more here <https://www.pginvestor.com/esg/environmental/forestry/palm-overview/partnerships-force-for-good-programs/#wwf>

Start year

2021

Target year

2026

Project area to date (Hectares)**Project area in the target year (Hectares)****Country/Area**

Malaysia

Latitude**Longitude****Monitoring frequency**

Six-monthly or more frequently

Measured outcomes to date

Please select

Please explain

The project was launched in March 2021 and results/outcomes are still work in progress.

Project reference

Project 3

Project type

Forest ecosystem restoration

Primary motivation

Voluntary

Description of project

We're founder of the RIMBA Collective launched in April 2021. This is a long term 25 yr industry wide conservation and protection program which hopes to conserve 500,000 hectares of HCV/HCS forests and ecosystem services including community and climate benefits for 32,000 families. You can read more here <https://www.pginvestor.com/esg/environmental/forestry/palm-overview/partnerships-force-for-good-programs/#rimba>

Start year

2021

Target year

2026

Project area to date (Hectares)

Project area in the target year (Hectares)

50000

Country/Area

Indonesia

Latitude

Longitude

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Please select

Please explain

This program will have its first project launched in Jan 2022.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, we are waiting for more mature verification standards/processes

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

Deforestation outside supplier control including mineral and fossil fuel extraction is barrier to declaring P&G pulp operations as 100% deforestation free. Suppliers do not participate in activities that cause deforestation on their controlled lands but materials from deforested areas are brought into their supply chain through the sourcing of chips from sawmills. These chips are produced as by-products from processing logs into lumber. Some of these logs could come from deforested areas. These areas are chosen by mineral and fossil fuel companies and permitted by the local government. Suppliers in P&G supply chain have no direct responsibility for these land management decisions. It is difficult to force these sawmills in the supply chain to refuse receiving this material as it will be burned or landfilled, if not processed.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Supply chain complexity

Comment

P&G uses many Palm Kernel Oil derivatives which has an inherent supply chain complexity built in versus Palm oil. This additional supply chain complexity is a hinderance to mapping traceability to plantation which is key to full compliance to deforestation free supply chains.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

The volume of certified PKO is limited to the inherently less quantity of PKO vs. PO (1:9) from oil palm, and driven by the significantly lower demand for certified PO vs. PKO.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Increased demand for certified products

Comment

P&G will continue to drive Forest Stewardship Council certification throughout the entire supply chain. The greater FSC certification material in all sectors, at all points in the supply chain will continue to lower the risk of material from deforested areas entering our supply chain. This will specifically support smallholders in providing sustainable economic returns to incentivize them to keep forests as forests.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

The key challenge for the palm supply chain is to train and educate the 3rd part suppliers - the suppliers to our Tier I direct suppliers. There are many independent producers who need educating about NDPE expectations. This is a industry wide effort and requires a coordinated approach to cover these independent producer and to measure and track compliance. P&G is an active member of the Palm Oil Coalition Group (POCG) which is made up to growers, Processors and Trader and consumer goods manufacturers and is working on a framework called Implementing Reporting Framework (IRF) to train, assess, measure and report progress. You can read more about the work here <https://www.pginvestor.com/esg/environmental/forestry/palm-overview/partnerships-force-for-good-programs/#support>

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Increased demand for certified products

Comment

P&G Brands main Palm product is PKO and PKO derivative. It is critical increase the demand to drive more certified PO production, which will subsequently provide more certified palm kernel oil to meet P&G's commitment. P&G is member of the RSPO Shared Responsibility Working Group to develop measures and set goals for the industry to achieve greater demand and supply of sustainable certified palm oil.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	70950000000

SF0.2

(SF0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SF0.2a

(SF0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	US	7427181091

SF1.1

(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

No

SF1.1b

(SF1.1b) Why can you not indicate the percentage of certified volume sold to each of your requesting CDP supply chain members? Describe any future plans for adopting and communicating levels of certification to requesting members.

Requesting member

J Sainsbury Plc

Forest risk commodity

Palm oil

Primary reason

No requirement from customers to track certification levels in the past

Please explain

Requesting member

Stearinerie Dubois

Forest risk commodity

Palm oil

Primary reason

Insufficient data on what is sold to requesting member

Please explain

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

Requesting member

J Sainsbury Plc

Commodity related to the project

Timber products

Category of project

Other category, please specify (Restoration)

Type of project

Other, please specify (Restoration)

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

P&G has partnered with Suzano and the World Wildlife Fund on the Atlantic Forest Restoration Project. This program will focus on forest landscape restoration and rehabilitation planning in the Atlantic Forest on Brazil's east coast. This project will lay the groundwork for successful future implementation focused on reestablishing ecological integrity, improving ecosystems services, particularly around water and enhancing community livelihoods. We are collaborating to produce robust forest restoration and rehabilitation plans and methodologies for several degraded forests and agricultural lands in the Brazilian state of Espírito Santo. The project will lead to forest, grassland, and other natural ecosystem restoration while also providing financial and economic opportunities for the smallholders and the communities to prevent further land degradation. Restoration by itself is not enough. The communities must be supported as well. The project is currently in the planning and analysis phase. The project team is working with local stakeholder groups with direct ties to potential restoration sites and their local communities. The analysis is to determine which communities wish to be involved and which locations will be an efficient use of funds. Targets on hectares restored will be available in future reporting as the project completes the analysis phase and moves into implementation. Other partners could contribute funds to make a greater impact in the identified priority areas.

Projected outcome

This project will lay the groundwork for successful future implementation focused on reestablishing ecological integrity, improving ecosystems services, particularly around water and enhancing community livelihoods. We are collaborating to produce robust forest restoration and rehabilitation plans and methodologies for several degraded forests and agricultural lands in the Brazilian state of Espírito Santo. The project will lead to forest, grassland, and other natural ecosystem restoration while also providing financial and economic opportunities for the smallholders and the communities to prevent further land degradation. Restoration by itself is not enough. The communities must be supported as well.

Requesting member

Stearinerie Dubois

Commodity related to the project

Timber products

Category of project

Other category, please specify (Restoration)

Type of project

Other, please specify (Restoration)

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

P&G has partnered with Suzano and the World Wildlife Fund on the Atlantic Forest Restoration Project. This program will focus on forest landscape restoration and rehabilitation planning in the Atlantic Forest on Brazil's east coast. This project will lay the groundwork for successful future implementation focused on reestablishing ecological integrity, improving ecosystems services, particularly around water and enhancing community livelihoods. We are collaborating to produce robust forest restoration and rehabilitation plans and methodologies for several degraded forests and agricultural lands in the Brazilian state of Espírito Santo. The project will lead to forest, grassland, and other natural ecosystem restoration while also providing financial and economic opportunities for the smallholders and the communities to prevent further land degradation. Restoration by itself is not enough. The communities must be supported as well. The project is currently in the planning and analysis phase. The project team is working with local stakeholder groups with direct ties to potential restoration sites and their local communities. The analysis is to determine which communities wish to be involved and which locations will be an efficient use of funds. Targets on hectares restored will be available in future reporting as the project completes the analysis phase and moves into implementation. Other partners could contribute funds to make a greater impact in the identified priority areas.

Projected outcome

This project will lay the groundwork for successful future implementation focused on reestablishing ecological integrity, improving ecosystems services, particularly around water and enhancing community livelihoods. We are collaborating to produce robust forest restoration and rehabilitation plans and methodologies for several degraded forests and agricultural lands in the Brazilian state of Espírito Santo. The project will lead to forest, grassland, and other natural ecosystem restoration while also providing financial and economic opportunities for the smallholders and the communities to prevent further land degradation. Restoration by itself is not enough. The communities must be supported as well.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change

No, but plan to do so in the next two years

Please explain

For more than two decades, P&G has been committed to harnessing the scientific rigor of the Life Cycle Assessment of its products to understand better the emissions from its supply chain and consumer use of its products. Up to 85% of P&G's Scope 3 emissions are from consumer use of its products. As part of Scope 3 emissions efforts, we are working towards an updated Life Cycle Assessments for pulp products to help identify progress against and future areas for emission reductions.

Palm oil

Estimate GHG emissions and removals from land use and land use change

No, but plan to do so in the next two years

Please explain

For more than two decades, P&G has been committed to harnessing the scientific rigor of the Life Cycle Assessment of its products to understand better the emissions from its supply chain and consumer use of its products. Up to 85% of P&G's Scope 3 emissions are from consumer use of its products. As part of Scope 3 emissions efforts, we are working towards an updated Life Cycle Assessments for palm oil products to help identify progress against and future areas for emission reductions.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Non-public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms