

NATURE AND BIODIVERSITY RELATED CONSIDERATIONS

INTRODUCTION

At P&G, the success of our business is intricately linked to the health and sustainability of the natural environment. Therefore, we believe that it is important to help protect and restore critical ecosystems that help sustain our operations, support the well-being of people, and help protect the long-term health of our planet. We are committed to the responsible sourcing of key commodities like wood pulp, palm oil, and paper packaging, together with respecting human, labor, and land tenure rights in our supply chains. We are also going beyond responsible sourcing to help restore and protect landscapes near our existing supply chains and invest in natural climate solutions that can remove and store more carbon. We recognize we cannot do this alone, which is why we collaborate with our partners to help restore and protect these ecosystems that are critical to people, the planet, and P&G.



INTRODUCTION

We are also committed to playing our part in protecting the water resources we share with our neighbors. All P&G sites located in high water-stressed areas are required to understand their local watersheds, create action plans, and address the key challenges impacting our operations and the local communities where we operate. The overwhelming majority of our corporate water footprint is associated with the consumer use of our products in their homes. We are working to address this key impact area through consumer education, product innovation, collaboration, and restoring water in water-stressed areas.

This document provides P&G's perspective on our nature-related dependencies, impacts, risks, and opportunities and outlines the steps we are taking to address them. The development of this report was informed by the recommendations published by the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#), including the application of the TNFD-recommended [LEAP approach](#) (see Appendix):

- **LOCATE:** Identifying the interfaces between P&G's business activities and nature.
- **EVALUATE:** Assessing P&G's dependencies and impacts on nature.
- **ASSESS:** Evaluating P&G's nature-related risks and opportunities.
- **PREPARE:** Assessing strategies and targets to address relevant topics.

This evaluation uses fiscal year 2023–2024 data, which was reviewed for updates and amended as needed in January 2026.



TABLE OF CONTENTS

Introduction	1 - 2
Governance	4 - 5
Strategy, Risk Assessment & Management, and Metrics & Targets	6
• UPSTREAM	6
• P&G'S DIRECT OPERATIONS	11
• DOWNSTREAM (Product Use Phase)	16
Way Forward	19
Appendix: Brief Description of P&G's LEAP Approach and Assessment Scope	20

GOVERNANCE

The following outlines the governance structure that is currently in place for nature-related issues.

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- P&G'S DIRECT OPERATIONS
- DOWNSTREAM (Product Use Phase)

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach and Assessment Scope

Board of Directors and Governance & Public Responsibility Committee

The Board is engaged in our environmental sustainability and social responsibility efforts as part of its oversight role. In particular, the Governance & Public Responsibility Committee oversees the Company's corporate sustainability goals, including climate, and progress against those goals. Because environmental sustainability is integrated into the Company's business and operations – and not a separate activity system or standalone initiatives – sustainability topics frequently arise in the context of other reviews. For instance, the Board has discussed with leaders the integration of relevant environmental sustainability risks and opportunities when reviewing business strategies. P&G management is also responsible for governance of nature-related risks and opportunities, ensuring sustainability efforts are integrated into the Company strategy and that risks are identified and managed.

ESG Executive Council

The ESG Executive Council is comprised of senior executive officers and senior subject matter experts. The ESG Executive Council meets regularly with the purpose of maintaining overall oversight of environmental sustainability and social responsibility efforts, including nature. This includes overseeing the assessment and management of nature-related risks as well as providing strategic direction, alignment to proposed program objectives and goals, discussion, and allocation of resource needs. Nature and Biodiversity are considered in the context of our overall sustainability efforts, and agenda items are brought forward for discussion on an as-needed basis.

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- P&G'S DIRECT OPERATIONS
- DOWNSTREAM (Product Use Phase)

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach and Assessment Scope

Enterprise Risk Management

P&G maintains an Enterprise Risk Management (ERM) process to identify and assess risk factors via a multi-functional team of experienced resources. Findings and recommendations made through the ERM process are reviewed with senior managers, in addition to the Company's Board of Directors and its Audit Committee, which has oversight responsibilities. Through the process, Company leaders assess significant factors that may adversely affect our business, operations, financial position, or future financial performance, and they include an assessment of environmental sustainability risk factors. The Vice President of Sustainability and the Chief Sustainability Officer participate in the ERM process to provide perspective on relevant sustainability topics, including nature.

Human Rights Policies

At P&G, respect for human rights is fundamental to the way we manage our business. Our approach to ensuring respect for human rights is aligned with the expectations set out in the U.N. Guiding Principles on Business and Human Rights (UNGPs), as communicated in [P&G's Human Rights Policy Statement](#). P&G's employees, suppliers, and business partners all have a clear, shared understanding of P&G's expectations on human rights and their rights and responsibilities. [P&G's Responsible Sourcing Guidelines for External Business Partners](#) explain the global standards to be applied to daily business activities when doing business on behalf of P&G. In collaboration with our suppliers and partners, we are working with farmers, landowners, Indigenous Peoples, and local communities to improve environmental practices and livelihoods in our supply chains. P&G's human rights [due diligence process](#) enables the company to identify and manage actual and potential impacts on individuals' human rights, engaging stakeholders throughout the process. Additionally, grievance investigation is a key part of our reactive due diligence. It helps ensure compliance with our policies. Learn more [here](#).

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

P&G assessed nature-related considerations using a TNFD recommended LEAP approach across its value chain: upstream, direct operations, and downstream. The upstream segment focused on the growth stages of key commodities. For direct operations, P&G examined P&G-owned and operated manufacturing locations, distribution centers, offices, and technical centers. The downstream analysis concentrated on consumer use of its products, particularly associated water consumption. Key conclusions from these efforts are outlined below.

UPSTREAM

Growth Stage of Key Commodities

P&G prioritized key commodities used in our products and packaging, considering [Science Based Targets for Nature \(SBTN\)'s high-impact commodity list](#) and business relevance. P&G assessed and prioritized nature-related dependencies, impacts, risks, and opportunities related to our key commodities using an adapted LEAP approach (see Appendix for methodology) and considering a medium to long-term (5–10 years) time horizon. The following nature-related topics emerged as relevant:

DEPENDENCIES & IMPACTS

- **Biomass provisioning services** – P&G's upstream supply chain includes agricultural and forestry activities which rely on biomass provisioning services (e.g., palm oil and wood pulp).
- **Protection against extreme weather events** – P&G's upstream supply chain includes agricultural and forestry activities that rely on protection against extreme weather provided by natural ecosystems. Significant changes in climatic conditions could adversely affect biomass provisioning services that underlie commodity production.
- **Water flow regulation, water availability, and volume of water use** – P&G's upstream supply chain includes agricultural and forestry activities that rely on the water flow regulation services provided by ecosystems to ensure sufficient flow of water during drier seasons (e.g., for irrigation of some commodities) and to mitigate peak flows that could flood cultivation sites or associated infrastructure. If not managed appropriately, growth of some agricultural and plantation crops included in P&G's supply chain can contribute to water stress, especially in areas where water resources are limited, potentially impacting agricultural productivity, local communities, and biodiversity.

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- **UPSTREAM**
- P&G'S DIRECT OPERATIONS
- DOWNSTREAM (Product Use Phase)

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach
and Assessment Scope

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

- **Pollination services** – P&G’s upstream supply chain may include crops that require pollination services provided by wild pollinators to maintain or increase agricultural productivity.
- **Land use and land use change** – If not managed appropriately, growth of some agricultural and plantation crops included in P&G’s supply chain could impact land use.
- **Water and soil pollution due to improper fertilizer and pesticide use** – P&G’s upstream supply chain may involve crops that require fertilizers and pesticides, which if improperly applied, can impact soil and water quality.

POTENTIAL RISKS & RISK MANAGEMENT

Based on the impacts and dependencies outlined above, P&G assessed and prioritized the following potential risks:

- Increased severity and frequency of extreme weather events could result in disruption to supply chains.
- In the absence of responsible sourcing practices, deforestation and conversion risk (direct and indirect) can lead to reduced biomass provisioning services and species habitat loss, negatively impacting forest and agricultural productivity, local communities, and biodiversity. Inappropriate land clearing and growing practices can also contribute to air, soil, and water pollution and negatively impact local communities.
- Environmental policy and regulatory changes affecting raw material sourcing could limit supply or increase operational costs.
- Smallholder farmers might not be able to withstand economic challenges posed by increasing weather-related natural disasters and increasing regulations, reducing the supply of sustainably sourced raw materials.

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- **UPSTREAM**
- P&G’S DIRECT OPERATIONS
- DOWNSTREAM (Product Use Phase)

Way Forward

Appendix:
Brief Description of P&G’s LEAP Approach
and Assessment Scope

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

To address potential impacts, dependencies, and risks, P&G has implemented the following strategies:

Advancing Responsible Sourcing: Responsible Sourcing at P&G is embedded throughout our sourcing decisions and supply chain choices. We take an approach which is ethical, environmentally aware and respects human rights. Together this helps us deliver positive impacts for our business, supply chain partners, people, and communities. Specific efforts include:

- Explicit [policy expectations](#) for our suppliers on responsible sourcing, including respecting [human rights](#) and sustainable management of [forest commodities](#). P&G is committed to no deforestation, no new development on peat, and no exploitation in our forest supply chains. Learn more [here](#).
- Use of [3rd party certification systems](#), which include criteria related to avoiding deforestation, preserving water, soil, and air, protecting biodiversity, and respecting rights of Indigenous Peoples.
- Robust [compliance monitoring of P&G's supply chain](#). We continually review our supply chain choices and decisions as well as our external business partners' operations as part of on-going due diligence vigilance.
- Formal and public [supply chain grievance process](#). See [Palm Grievance Tracker](#) & [Wood Pulp Grievance Tracker](#).
- Supporting smallholder farmers through the [P&G Smallholder Sustainable Livelihoods Program](#)

P&G shares extensive information on these efforts via our [ESG for Investors website](#).

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- **UPSTREAM**
- P&G'S DIRECT OPERATIONS
- DOWNSTREAM (Product Use Phase)

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach and Assessment Scope

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

Protecting and Restoring Ecosystems: At P&G, we recognize that the long-term health of natural ecosystems is important for our business, the communities we operate in, and the broader industry. This is why we partnered with Conservation International to set our science-based land target to protect, restore, or improve more than 1.5 million acres of land by 2030. Learn more about the [methodology here](#) and learn more about the portfolio of projects P&G is supporting in partnership with leading conservation organizations [here](#).

Partnering on solutions for ecosystems in landscapes important to the broader industry: We are supporting transformative and systemic solutions that help protect and build the resilience of ecosystems in landscapes critical to the broader industry in which P&G operates. We are engaged with initiatives such as Rimba Collective, Rainforest Alliance Forest Allies, The Arbor Day Foundation Evergreen Alliance, and WWF Forests Forward. Learn more [here](#).

Building Resilience in Our Supply Chain: Advancing responsible sourcing, protecting and restoring ecosystems, and partnering on solutions helps build resilience in our supply chain and in landscapes on which we rely for ecosystem services. We are also investing in innovations that enhance manufacturing flexibility and support the use of alternative materials to support more adaptable supply chains.

We believe the cumulative impacts from the strategies outlined above are helping to effectively manage potential impacts and risks. Going forward, we plan to maintain our current risk mitigation strategies within the supply chain, seek to adapt to the best practices, and review our responsible sourcing practices on a regular basis. We also plan to continue efforts to enhance visibility in the upstream supply chain for our key commodities.



STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

POTENTIAL OPPORTUNITIES

Responsible sourcing and landscape-level initiatives can contribute to supply chain resilience and increase stakeholder trust in P&G. These initiatives include actions that improve biodiversity and ecosystem health and provide sustainable economic benefits to local communities. Many of the efforts outlined above contribute towards these objectives.

PROGRESS VS GOALS

2030 GOAL	FY 24/25 PROGRESS
ADVANCING RESPONSIBLE SOURCING	
<p style="text-align: center;">Palm</p> <p>100% of palm oils* used in P&G brands is Roundtable on Sustainable Palm Oil (RSPO) certified</p>	<p>Maintained 100% RSPO certification covering palm oil in our brands. Additionally, P&G monitors deforestation in our palm supply chain by collaborating with Earthqualizer.</p>
<p style="text-align: center;">Pulp</p> <p>100% wood pulp we source is certified by a globally recognized certification system across P&G**</p>	<p>Maintained 100% third-party certified wood pulp across P&G; 86% FSC™ certified wood pulp in our Family Care brands.</p>
<p style="text-align: center;">Paper Packaging***</p> <p>100% of our paper packaging is either recycled or third-party certified virgin content.</p>	<p>Sourced >99% recycled or third-party certified wood fiber</p>
PROTECTING AND RESTORING ECOSYSTEMS	
<p>Advance Natural Climate Solutions and balance our manufacturing emissions we do not eliminate this decade</p>	<p>93% of our goal anticipated to be delivered when current project portfolio is fully implemented</p>
<p>Protect, restore, or improve greater than 1.5 million acres of land</p>	<p>Completed development of project portfolio in partnership with leading conservation organizations. Projects currently in the portfolio, once fully implemented, are expected to deliver our 1.5 million acre goal. Learn more about these projects here.</p>

Footnote:

* Palm Oil, Palm Oil Derivatives, Palm Kernel Oil, Palm Kernel Oil Derivatives. Trademark License Number: 4-0113-10-100-00

** FSC™ is our preferred certification system for wood pulp; our Family Care brands have set an ambition that 100% of their wood pulp is FSC™ certified by 2030. FSC trademarks used under FSC-100701

*** Paper packaging includes all corrugate, folding cartons, displays, paper labels, and packaging. Data self-reported by suppliers. Responses received by the publication of this report represent 90% of the total supply volume. We do not expect the remaining percentage to materially impact reported results.

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

P&G'S DIRECT OPERATIONS

P&G assessed and prioritized nature-related dependencies, impacts, risks, and opportunities for direct operations (P&G-owned and operated offices, technical centers, distribution centers, and manufacturing plants) using an adapted LEAP approach (see Appendix for methodology) and considering a medium- to long-term (5–10 years) time horizon. The following nature-related topics emerged as relevant:

DEPENDENCIES & IMPACTS

- **Water availability and volume of water use** – P&G's direct operations rely on water supply services provided by ecosystems to ensure sufficient quantity and quality of water for production and operations purposes. If not managed appropriately, the volume of water used during manufacturing processes can contribute to water stress, especially in areas where water resources are limited, potentially impacting local communities and biodiversity. In 2020, P&G assessed more than 130 facilities and identified 33 located in areas exposed to high water risk – which we designate as “Tier 3” sites. We periodically update our assessments to ensure water risk levels reflect current water risk data. Learn more [here](#).
- **Protection against extreme weather events** – P&G's direct operations rely on ecosystem services that reduce the frequency and intensity of extreme weather events (e.g., fires, tornadoes, floods) that could damage buildings and infrastructure or disrupt the supply chain operations needed for manufacturing.
- **Air and water emissions and waste generation** – P&G's manufacturing processes release GHG and non-GHG air emissions, water emissions, and solid waste (see Table 1).

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- **P&G'S DIRECT OPERATIONS**
- DOWNSTREAM (Product Use Phase)

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach
and Assessment Scope

Table 1: Data for P&G’s direct operations (FY24/25) reported for TNFD’s global core disclosure indicators and metrics for nature-related dependencies and impacts. Learn more [here](#):

TNFD ALIGNED CORE INDICATOR	METRIC	P&G DATA (FY 24/25)
GHG emissions	Scope 1 – Direct GHG emissions (metric ton x 1,000) Scope 2 – Indirect GHG emissions (market based) (metric ton x 1,000)	Scope 1: 1,966 Scope 2: 113
Total spatial footprint	Total land area owned and managed by P&G (km ²), including manufacturing, distribution centers, and offices & technical centers	P&G’s more than 130 direct operations occupy <60 km ² of land
Volume of wastewater discharged and concentration of key pollutants in the wastewater discharged	Volume of water discharged (m ³ x 1,000) Concentration of organic matter in wastewater released is measured as Chemical Oxygen Demand (tons x 1,000)	Volume of water discharged: 48,492 Chemical Oxygen Demand: 19
Waste generation	Waste and hazardous and non-hazardous waste generated by type (tons) generated and disposed of as split into: Solid waste generated (metric tons x 1,000) % Recycled/reused % Disposed – hazardous % Disposed – non-hazardous	Waste generated: 653 % Recycled/reused: 99.7% % Disposed – hazardous: 0.1% % Disposed – non-hazardous: 0.2%
Non GHG air emissions	Air emissions* (metric tons x 1,000)	7
Water withdrawal	Total water withdrawal and consumption from areas of water stress (m ³ x 1,000)	Volume withdrawn in water stress area**: 9,641 Volume consumed in water stressed area**: 3,669

Footnote

* Air emissions include particulates, SO₂, NO_x, CO, and VOC

** Water stress areas refer to water basins where “Tier 3 sites” are located. In 2020, P&G assessed more than 130 facilities and identified 33 located in areas exposed to high water risk – which we designate as “Tier 3” sites

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

P&G's more than 130 direct operations occupy less than 60 sq. km. of land globally. All P&G sites are expected to adhere to applicable local environmental regulations, and we have established goals aimed at reducing our environmental impact concerning climate, water, and waste (refer to the risk management section for more details). We have assessed P&G sites for their proximity to a protected area or a Key Biodiversity Area considering a 5 km radius for manufacturing sites and a 1 km radius for distribution centers, offices, and technical centers. [Protected areas](#) can be designated at international, national, or regional levels and can range from small city parks to large nature reserves. [Key Biodiversity Areas](#) are locations contributing significantly to global biodiversity. One of P&G's sites, Cruzeiro Do Sul, Brazil, is situated within the protected area: [Area De Proteção Ambiental Do Rio Guandu](#) (IUCN category V). This P&G site is in an area subject to multiple forest and water related regulations, monitored by environmental authorities and is duly licensed. P&G is engaged in ongoing efforts to ensure the site's continued compliance with regulations, including maintaining an area of native vegetation to support local biodiversity. A second P&G site, Mequinenza, Spain, is in proximity to [Matarraña – Aiguabarreix](#) (IUCN status not reported), a Natura 2000 site, and adheres to all applicable regulations pertaining to its location. Over the next 12 months, P&G will further evaluate whether the proximity of P&G sites to protected areas or KBAs raise any additional considerations.

POTENTIAL RISKS & RISK MANAGEMENT

Based on the impacts and dependencies outlined above, P&G assessed and prioritized the following potential risks:

- Increased severity and frequency of extreme weather events could result in the loss of or damage to manufacturing facilities.
- Decreased water availability in areas of water stress* could disrupt operations.
- Increased environmental compliance obligations could impact site operations by increasing costs.

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- **P&G'S DIRECT OPERATIONS**
- DOWNSTREAM (Product Use Phase)

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach and Assessment Scope

Footnote

* Water stress areas/areas of water stress refer to "Tier 3 sites." In 2020, P&G assessed more than 130 facilities and identified 33 located in areas exposed to high water risk – which we designate as "Tier 3" sites.

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

To address potential impacts, dependencies, and risks, P&G has implemented the following strategies for our direct operations:

- P&G's ambition is to reach net zero GHG emissions across our supply chain and operations by 2040, with science-based targets for 2030 to make meaningful progress this decade (2020–2030). P&G is adopting energy-efficient technologies and practices, advancing the use of renewable energy to reduce absolute emissions. P&G also has a goal to advance natural climate solutions and balance our manufacturing emissions we do not eliminate this decade. Learn more about [P&G's Climate Transition Action Plan](#).
- P&G has a goal to maintain zero manufacturing waste to landfill.
- All P&G sites located in high water-stressed areas are required to understand their local watersheds, create action plans, and address the key challenges impacting our operations and the local communities where we operate. Additionally, P&G has a goal to restore more water than is consumed at its manufacturing sites in 18 water-stressed areas around the world. This goal focuses on water that evaporates during the manufacturing process or is incorporated into our finished products.
- Everything P&G produces and how it is produced is governed by P&G's Environmental Quality Policy, which is based on the foundation that Procter & Gamble continually strives to improve the environmental quality of its products, packaging, and operations. Learn more [here](#).
- Each P&G site has a regularly reviewed business continuity plan that addresses potential disruptions from extreme weather events and water scarcity.

P&G shares extensive information on these efforts via our [ESG for Investors website](#).

We believe the cumulative impacts from the strategies outlined above are helping to effectively manage potential impacts and risks.

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- **P&G'S DIRECT OPERATIONS**
- DOWNSTREAM (Product Use Phase)

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach and Assessment Scope

POTENTIAL OPPORTUNITIES

Water restoration projects can contribute to improved watershed health and increase stakeholder trust in P&G. These projects can include managing wetlands, reforestation, replenishing aquifers, and supporting transformational conservation programs. The desired outcomes of these projects include improved water availability and water quality for the communities and wildlife that depend on it. P&G's water restoration goal contributes to these objectives.

PROGRESS VS GOALS

2030 GOAL	FY 24/25 PROGRESS
Reduce Scope 1 & 2 GHG emissions by 65% (vs. 2010 baseline)	61% reduction
Purchase 100% renewable electricity globally	>99% renewable electricity globally
P&G manufacturing facilities will be carbon neutral for the decade (2020–2030)	We continue to drive progress toward this goal. For residual emissions we do not eliminate this decade, we are advancing natural climate solutions to balance the remaining emissions. 93% of our goal anticipated to be delivered when current project portfolio is fully implemented
Increase water efficiency at P&G facilities by 35% per unit of production (vs. 2010 baseline)	29% increase in efficiency per unit of production
Recycle and reuse 5 billion liters of water in P&G facilities annually	3.62 billion liters reused annually
<p>Restore more water than is consumed at P&G manufacturing sites in 18 water-stressed areas around the world. This goal focuses on water that evaporates during the manufacturing process or is incorporated into our finished products.</p> <p>Restore more water than is consumed during the use of our products in the water-stressed metropolitan areas of Mexico City and Los Angeles. This goal focuses on water that leaks or evaporates in households during the use of P&G products.</p>	53% of our goal will be delivered with current projects.
Maintain zero manufacturing waste to landfill	>99% of sites maintained zero manufacturing waste to landfill*

Footnote

* A single site experienced a limited outage, which has now been resolved.

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

DOWNSTREAM (Product Use Phase)

P&G assessed and prioritized nature-related dependencies, impacts, risks, and opportunities associated with the consumer use phase of our products as part of the downstream value chain, focusing on water use and availability as the primary consideration based on its relevance across many product categories. The following nature-related topics emerged as relevant:

DEPENDENCIES & IMPACTS

- **Water availability and volume of water use** – Many P&G products need water to be used. P&G has used life cycle assessments with sales data for key product categories to determine that 96% of freshwater withdrawals associated with our products occur during the consumer-use phase of P&G products. In comparison, only 3% of freshwater withdrawal associated with P&G products occurs in raw materials production and 1% in operations. These results are highlighted on pages 8 and 9 of the World Resources Institute Practice Note found [here](#).
- **Air and water emissions** – Consumer use of P&G products may result in air and water emissions. P&G addresses this through our robust environmental stewardship programs. Learn more [here](#).

POTENTIAL RISKS & RISK MANAGEMENT

Based on the impacts and dependencies outlined above, P&G assessed and prioritized the following potential risks:

- Water scarcity and associated restrictions can impact product use by limiting consumers' access to sufficient water, affecting performance and overall consumer satisfaction.

To address potential impacts, dependencies, and risks, P&G has implemented the following strategies for consumer use phase of our products:

- Everything P&G produces and how it is produced is governed by P&G's Environmental Quality Policy, which is based on the foundation that Procter & Gamble continually strives to improve the environmental quality of its products, packaging, and operations.
- Enabling consumers to reduce their water footprint during product use through product innovation and education. P&G's brands continue to create and share products that deliver on performance while enabling our consumers to use less water at home, such as Cascade

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- P&G'S DIRECT OPERATIONS
- **DOWNSTREAM (Product Use Phase)**

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach and Assessment Scope

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

Platinum Plus that allows people to skip the pre-rinse, Dawn Powerwash Dish Spray that uses spray-activated suds to enable the water to be shut off until the final rinse – cutting the amount of water used compared to traditional dish soaps by up to 50% among those who normally run the tap continually*, and Pantene’s No Rinse Conditioners that enable people to condition and nourish their hair without the need for water.

- Accelerating water efficient innovation at scale by spearheading the 50L Home Coalition to bring partners together across the entire domestic water value chain, aiming to transform urban water management. The goal of the 50L Home project is to provide technologies and innovations that enable a person to lower their water usage and ultimately live on 50 liters of water usage per day without compromising the performance of the jobs to be done. Learn more [here](#).
- Restoring more water than is consumed during the use of our products in the water-stressed metropolitan areas of Mexico City and Los Angeles. This goal focuses on water that leaks or evaporates in households during the use of P&G products.

P&G shares extensive information on these efforts via our [ESG for Investors website](#).

We believe the cumulative impacts from the strategies outlined above are helping to effectively manage potential impacts and risks.

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- P&G’S DIRECT OPERATIONS
- **DOWNSTREAM (Product Use Phase)**

Way Forward

Appendix:
Brief Description of P&G’s LEAP Approach and Assessment Scope

Footnote

* Follow Powerwash directions and use water only to wet a sponge and rinse after cleaning.

STRATEGY, RISK ASSESSMENT & MANAGEMENT, AND METRICS & TARGETS

POTENTIAL OPPORTUNITIES

Water restoration projects can contribute to improved watershed health and increase stakeholder trust in P&G. These projects can include managing wetlands, reforestation, replenishing aquifers, and supporting transformational conservation programs. The desired outcomes of these projects include improved water availability and water quality for the communities and wildlife that depend on it. P&G's water restoration goal contributes to these objectives.

PROGRESS VS GOALS

2030 GOAL	FY 24/25 PROGRESS
<p>Restore more water than is consumed at P&G manufacturing sites in 18 water-stressed areas around the world. This goal focuses on water that evaporates during the manufacturing process or is incorporated into our finished products.</p> <p>Restore more water than is consumed during the use of our products in the water-stressed metropolitan areas of Mexico City and Los Angeles. This goal focuses on water that leaks or evaporates in households during the use of P&G products.</p>	<p>53% of our goal will be delivered with current projects.</p>

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- P&G'S DIRECT OPERATIONS
- **DOWNSTREAM (Product Use Phase)**

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach and Assessment Scope

WAY FORWARD

Going forward, P&G will continue evaluating its current risk mitigation strategies within the supply chain, and we seek to adapt to best practices and review our responsible sourcing practices on a regular basis. P&G is continuing to drive transparency in its upstream supply chain for our key commodities. Building on the information from our assessment, we will continue to evaluate whether the proximity of our direct operations to protected areas and Key Biodiversity Areas raises any relevant considerations. We will continue to advance efforts to assess relevant considerations for our direct suppliers, including water use. We report progress against our environmental goals through our [ESG for Investors website](#).

Certain statements in this report, including statements relating to our nature and related ESG targets, estimates, projections, goals, commitments, and expected results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” “goal,” “target,” “objective,” and similar expressions.

Forward-looking statements speak only as of the date they are made and are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause results and outcomes to differ materially from those expressed or implied in the forward-looking statements. For additional information concerning factors that could cause actual results and events to differ materially from those projected herein, please refer to our most recent 10-K, 10-Q, and 8-K reports. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise, except to the extent required by law.

Information provided in this report should not be construed as “material” for purposes of financial reporting or otherwise under U.S. securities laws and regulations or under any other applicable laws and regulations or construed as indicating that P&G has conducted a double materiality assessment under EU ESRS or any similar assessment under relevant laws or regulations.

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- P&G'S DIRECT OPERATIONS
- DOWNSTREAM (Product Use Phase)

Way Forward

Appendix:
Brief Description of P&G's LEAP Approach and Assessment Scope



NATURE & BIODIVERSITY
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APPENDIX: Brief Description of P&G's LEAP Approach and Assessment Scope

Procter & Gamble (P&G) adopted the TNFD-recommended LEAP (Locate, Evaluate, Assess, and Prepare) approach to inform its assessment of nature-related issues. This involved value chain mapping for the current scope of LEAP, which included:

- **Direct operations** – P&G's owned and operated sites (manufacturing sites, distribution centers, offices, and technical centers).
- **Upstream** – growth stage of key commodities
- **Downstream** – consumer water use

In the **Locate** phase, P&G focused on identifying the interfaces between its business activities and nature. P&G utilized geographic data (to the highest resolution feasible) to compile a list of relevant locations and cataloged nature-related variables to evaluate the overall state of biodiversity and ecosystems surrounding these sites. P&G identified direct operations near protected areas or Key Biodiversity Areas and identified sites in water-stressed areas. In the **Evaluate** phase, P&G assessed its dependencies and impacts on nature. P&G identified relevant indicators for dependencies and potential impacts and evaluated them based on the location's significance to biodiversity and business operations. In the **Assess** phase, P&G identified risks and opportunities for prioritized impacts and dependencies, which were validated through engagement with P&G subject matter experts, scenario analysis (scenarios considered were adapted from TNFD recommendations), and evaluated using a standard risk assessment framework. In the **Prepare** phase, P&G is focused on evaluating and, where needed, developing strategies and targets that address these risks and opportunities. Through [various disclosures](#), P&G communicates nature-related risks and opportunities, reinforcing its commitment to improving people's lives with innovation that delivers irresistible performance and is more sustainable.

P&G used the following resources, tools, and datasets for LEAP assessment: ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure), SBTN (Science-Based Targets Network) Materiality Screening Tool, SBTN High Impact Commodity List, WRI Aqueduct Risk Atlas, IBAT (Integrated Biodiversity Assessment Tool), WWF Biodiversity Risk Filter (BRF), Global Forest Watch, WDPA (World Database on Protected Areas), Biodiversity Intactness Index (indicator), Resolve Ecoregions, the IUCN Global Ecosystem Typology, and peer-reviewed scientific literature.

Introduction

Governance

Strategy, Risk Assessment & Management, and Metrics & Targets

- UPSTREAM
- P&G'S DIRECT OPERATIONS
- DOWNSTREAM (Product Use Phase)

Way Forward

**Appendix:
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