P&G Values and Code of Conduct
Procter & Gamble’s reputation is earned by our conduct: what we say and, more important, what we do; the products we make; the services we provide; and the way we act and treat others. As conscientious citizens and employees, we want to do what is right. For P&G, and its global operations, this is the only way to do business.

To conduct our business with integrity in a lawful and responsible manner, we have to be alert to situations that pose questions of right and wrong. We need to have a good understanding of our Core Values and the laws that are pertinent to the work we do and the decisions we make. And, most important, we must use good judgment in deciding what course of action is most appropriate.

This booklet provides sustainable development guidelines for business conduct that are based on P&G’s Core Values and which summarize important policies and legal obligations. No single set of rules can provide explicit guidance for every situation that may be faced by a complex global Company such as P&G.

Ultimately, P&G relies on every employee to use good judgment in everything he or she does. We all must remember P&G’s values and policies. We all should ask questions of our leaders or responsible staff whenever in doubt as to the appropriate course of conduct.

It is in this spirit that we provide this publication, *P&G Values and Code of Conduct*. By acting consistently with these guidelines, we can each do our part to assure that P&G earns its reputation as a company which conducts its business with the utmost integrity.

A.G. Lafley  
President and  
Chief Executive

John E. Pepper  
Chairman of  
the Board
P&G's guidelines for business conduct flow from our Purpose, Core Values and Principles. These key elements are of the utmost importance for the proper conduct and respect for all individuals in the quest for common prosperity.

Our Purpose is focused on improving the lives of our consumers.

P&G has been built through the character of its people. That character is reflected in the Company’s Core Values, which have been fundamental to our success for more than 160 years. Our continued success depends on each one of us doing our part to uphold these values in our day-to-day work and in all the decisions we make, as reflected in our operating principles. These principles flow from our Purpose and Core Values.

While P&G competes hard to achieve leadership and business success, the Company is concerned not only with results, but with how those results are achieved. We will never condone nor tolerate efforts or activities to achieve results through illegal or unethical dealings anywhere in the world.
P&G Core Values
P&G is its people and the Core Values by which they live.

People
We attract and recruit the finest people in the world. We build our organization from within, promoting and rewarding people without regard to any difference unrelated to performance. We act on the conviction that the men and women of Procter & Gamble will always be our most important asset.

Leadership
We are all leaders in our area of responsibility, with a deep commitment to deliver leadership results. We have a clear vision of where we are going. We focus our resources to achieve leadership objectives and strategies. We develop the capability to deliver our strategies and eliminate organizational barriers.

Ownership
We accept personal accountability to meet the business needs, improve our systems and help others improve their effectiveness. We all act like owners, treating the Company’s assets as our own and behaving with the Company’s long-term success in mind.

Integrity
We always try to do the right thing. We are honest and straightforward with each other. We operate within the letter and spirit of the law. We uphold the values and principles of P&G in every action and decision. We are data-based and intellectually honest in advocating proposals, including recognizing risks.

Passion for Winning
We are determined to be the best at doing what matters most. We have a healthy dissatisfaction with the status quo. We have a compelling desire to improve and to win in the marketplace.

Trust
We respect our P&G colleagues, customers, consumers and treat them as we want to be treated. We have confidence in each other’s capabilities and intentions. We believe that people work best when there is a foundation of trust.
We Show Respect for All Individuals
We believe that all individuals can and want to contribute to their fullest potential.
We value differences.
We inspire and enable people to achieve high expectations, standards and challenging goals.
We are honest with people about their performance.

The Interests of the Company and the Individual are Inseparable
We believe that doing what is right for the business with integrity will lead to mutual success for both the Company and the individual. Our quest for mutual success ties us together.
We encourage stock ownership and ownership behavior.

We are Strategically Focused in Our Work
We operate against clearly articulated and aligned objectives and strategies.
We only do work and only ask for work that adds value to the business.
We simplify, standardize and streamline our current work whenever possible.

Innovation is the Cornerstone of Our Success
We place great value on big, new consumer innovations.
We challenge convention and reinvent the way we do business to better win in the marketplace.

We are Externally Focused
We develop superior understanding of consumers and their needs.
We create and deliver products, packaging and concepts that build winning brand equities.
We develop close, mutually productive relationships with our customers and our suppliers.
We are good corporate citizens.

We Value Personal Mastery
We believe it is the responsibility of all individuals to continually develop themselves and others.
We encourage and expect outstanding technical mastery and executional excellence.

We Seek to be the Best
We strive to be the best in all areas of strategic importance to the Company.
We benchmark our performance rigorously versus the very best internally and externally.
We learn from both our successes and our failures.

Mutual Interdependency is a Way of Life
We work together with confidence and trust across functions, sectors, categories and geographies.
We take pride in results from reapplying others’ ideas.
We build superior relationships with all the parties who contribute to fulfilling our Corporate Purpose, including our customers, suppliers, universities and governments.
P&G is committed to meeting or exceeding all laws and regulations wherever we conduct our business activities. The Company expects every employee to know the laws and policies that apply to their P&G activities, and to conduct them with uncompromising honesty and integrity.

Of course, some business activity is not governed by any law, and some laws and regulations set unacceptably low standards of behavior — far lower than P&G sets for itself. In these situations, an employee should be able to answer “yes” to the following questions before taking action:

- Is this action the “right thing to do”?
- Would this action withstand public scrutiny?
- Will this action uphold P&G’s reputation as an ethical company?

If the answers are not an unqualified “yes,” we don’t do it.

Compliance with Laws and P&G Business Conduct Policies

P&G employees worldwide are expected and directed to comply with all laws and all P&G business conduct policies relating to their P&G business activities. It is also each employee’s responsibility to know and understand legal and policy requirements as they apply to their job, and to notify management when they believe a violation of law or P&G policies has occurred.

Accuracy of Company Records

The Company’s business records are depended upon to produce reliable and accurate reports to management, shareholders, creditors, governmental entities and others. Thus, all official records of the conduct of the Company’s business must be accurate, honest and complete, without any restriction or qualification of any kind. This means the accuracy of any records involves both factual documentation and ethical evaluation/appraisal.

The Company does not condone concealing any payment by means of passing it through the books or accounts of third parties, such as agents or consultants.

All P&G operations worldwide must comply with all local and national laws relating to the accurate and complete maintenance of Company financial books and records.
As in their other responsibilities, employees are expected to be honest, objective and loyal in the performance of recordkeeping responsibilities. However, because loyalty includes never knowingly being a part of any illegal or unethical activity, there is no excuse for a deliberately false or misleading Company record.

**Securities Trading Policies**

To ensure fairness and integrity in financial markets, we do not trade in P&G securities or those of any other company on the basis of material, non-public information acquired through our employment. Material information is any information that an investor would reasonably consider important in making investment decisions. Examples include knowledge of acquisitions or divestitures, new product launches or financial information. Non-public inside information about P&G must not be communicated without a legitimate business reason and proper leadership authorization.

**Antitrust Policy and Compliance Guidelines**

Antitrust laws are designed to prohibit agreements among companies that fix prices, divide markets, limit production or otherwise impede or destroy market forces. P&G’s policy is that all employees strictly comply with antitrust laws and the competition and anti-monopoly laws of all countries, states and localities in which they conduct P&G business. Supervisors and managers are responsible for ensuring that employees under their responsibility are aware of and comply with this policy.

It is very important for employees to understand and follow this policy so that P&G avoids even the appearance of an antitrust violation. That is why the Company’s general rule is “NO CONTACT WITH COMPETITORS.” Membership in trade associations is permissible only if approved in advance by P&G legal counsel.

**Contact with Government Officials**

P&G policy is to comply with all applicable laws, rules and regulations relating to lobbying or attempting to influence government officials. Such information provided to governments must be accurate and interactions with government officers must be honest and ethical. All activities that might constitute lobbying or attempts to influence government officials are first reviewed with subsidiary management and legal counsel.
Political Contributions and Related Policies
The Company's basic policy is that P&G funds or resources may not be used to make a political contribution to any political candidate or political party anywhere in the world.

- Exceptions to the Company's basic policy are allowed only where such contributions are permitted by law and express permission has been given in advance by P&G’s Chief Executive.

- P&G policy does not permit the use of any P&G facilities or resources by employees for political campaigning, political fundraising or partisan political purposes.

- A decision by an employee to contribute any personal time, money or other resources to a political campaign or political activity must be totally voluntary.

Transacting International Business
Managers and employees of P&G affiliates doing business around the world abide by special laws and regulations which apply to the import and export of products and technical data, as well as the conduct of business with non-U.S. entities. We also comply with anti-boycott and international embargo regulations in all locations where we do business.
Personal Behavior in the Workplace

P&G’s fundamental policy is that we will treat all of our P&G colleagues with respect.

The Company strives to provide a safe, healthful and productive work environment. Each employee has a personal responsibility to other P&G employees and to the Company to help eliminate actions or circumstances which undermine this environment.

P&G policy requires that individuals are to be considered for employment opportunities on the basis of merit, as measured against objective job requirements. Moreover, every good faith effort shall be made to implement programs designed to provide equal employment opportunity to all types of jobs and at all levels of the work force.

P&G expects each employee to support the Company’s commitment and continuing efforts toward equal employment opportunity for all. P&G is committed to compliance with all applicable laws and regulations relating to equal employment opportunity, non-discrimination and similar employee-related matters.

We at P&G recognize the power that comes from people of diverse backgrounds and experiences coming together around a common goal. Our policy forbids any discrimination, harassment or intimidation because of race, color, religion, gender, age, national origin, citizenship, sexual orientation or disability. Employees are encouraged to bring questions or concerns in this area to their management. Strict disciplinary action for violations of this policy will be taken, including termination of employment.

Additionally, every employee is expected to perform his or her work in a safe manner, free of the influence of alcohol or drugs.
**Child Labor and Worker Exploitation Policy**

P&G does not use child or forced labor in any of our global operations or facilities. We do not tolerate unacceptable worker treatment, such as exploitation of children, physical punishment or abuse, or involuntary servitude. We expect our suppliers and contractors with whom we do business to uphold the same standards. Should a pattern of violation of these principles become known to the Company and not be corrected, we will discontinue the business relationship.

**Wage and Hour Practices**

P&G pays employees a competitive wage, as benchmarked with other leading companies. Consistent with our principle of valuing personal mastery, we reward employees for improving their skills and capabilities. At a minimum, we comply with all applicable wage and hour laws, rules and regulations, including minimum wage, overtime and maximum hours.

**Health, Safety and Environmental Policies**

As one of the three legs of sustainability, the Health, Safety and Environmental (HS&E) policies are derived from principles, values, legal requirements and regulatory requirements. Compliance with the law is a P&G Core Value and it is the single highest priority for the Company’s HS&E programs.

The policy is translated into action by standards of performance (Mandatory What’s), standard operating procedures (Mandatory How To’s), and current best approaches (Voluntary System Guidance), and reinforced by mandatory annual internal audits. A regular reassessment of the standards structure promotes continuous evaluation of the system to improve performance.

P&G applies a single performance standard to each of its worldwide manufacturing facilities. This is reinforced by training and mandatory annual internal audits. Facilities have flexibility in how they achieve the standard, so that local circumstances can be considered and costs can be controlled.

The Company uses internal audit scores and performance against a set of critical measures to assess how effectively sites are implementing the global standard. These measurements are endorsed by Company management and are conducted semi-annually. Overall results are reported to senior management and to the Public Policy Committee of the Board of Directors.

**Environmental Quality Policy**

P&G has historically sought, and continues to seek, to achieve clean, safe, incident-free operation at all of our worldwide sites. This policy is assured by internally imposed standards of operation applied worldwide, which frequently go beyond the letter and the spirit of those laws and regulations that apply locally. This commitment to responsible operation is implemented by the sites following formal environmental programs supported by professional staff organizations in Legal, Engineering and Product Supply.
P&G’s Environmental Quality Policy, which is applicable to all of the Company’s worldwide businesses, states that we will continually strive to improve the environmental quality of our products, packaging and operations around the world. To carry out this commitment at our sites and in all our operations, it is P&G’s policy to:

- Ensure our operations are safe for employees, neighbors and the environment surrounding our sites.
- Reduce or prevent the adverse environmental impacts from our operations.
- Provide customers with appropriate factual information about the environmental impacts from our sites.
- Assess our environmental performance with a focus on continuous improvement.
- Ensure employee understanding and accountability for incorporating environmental quality into daily business.
- Have operating standards, programs and resources in place to implement this policy.
- Meet or exceed the requirements of all laws and regulations.

**Employee Privacy**

P&G respects employee privacy and dignity. We will only collect and retain personal information from employees that is required for the effective operation of the Company or as required by law. We will keep that information confidential and release it only to those who have a legitimate need to know.

**Conflict of Interest Policies**

The Company policy regarding possible conflict of interest is based on the principle that an employee’s decisions in the business must be made solely in the best interest of P&G. In reaching these decisions, an employee should not be influenced by personal or family considerations which might consciously (or unconsciously) affect his or her judgment as to what is in the best interest of P&G.
Product Quality

P&G is committed to ensuring that consumers trust our products for their superior performance, quality and safety. All employees associated with the safety assessment of our products have a responsibility to see that the design, execution and interpretation of research meets the highest professional and scientific standards so that the Company and the consumer are assured of the best possible safety judgments. Consumer health, safety and well-being are of utmost concern to us.

Of equal importance is the responsibility of both manager and scientist to ensure that all responsible views are included in the evaluation of safety data. Managers must avoid actions which in any way discourage or tend to suppress the free exchange of views. As a guide, we administer our product safety programs by following these principles:

- Our products shall be safe for humans and the environment when used as intended and under conditions of reasonably foreseeable misuse.
- Our safety testing program must provide positive assurance of safety for the products we sell.
- Our programs must be based on an expanding scientific understanding of our products and their components. Input from independent experts from both inside and outside the Company shall be used to ensure that the best scientific judgment and objections are reflected in our research and safety conclusions.

- We will meet or exceed all legislative and regulatory requirements with respect to product development and labeling.

Communicating with the Media

Providing clear and accurate information to the media and general public maintains integrity in our relationships with the public. Because this is so important, all P&G business units have a designated external relations or communications function responsible for communicating product information and Company positions on a range of issues.
Commercial Bribery

Commercial bribery is illegal and subject to criminal penalties in many countries, including the United States. Any personal payments or bribes to individuals employed by P&G’s customers or suppliers, or receipt of bribes or personal payments by P&G employees is strictly prohibited. Even in locations where such activity may not, technically speaking, be illegal, it is absolutely prohibited by Company policy. P&G competition for business is conducted fairly and on the merits of our products and services.

We believe in promoting good governance and the fair and impartial administration of laws. It is also, therefore, strictly prohibited to give anything of value directly or indirectly to a government official in order to influence his or her judgment in the performance of official duties.

Fair Dealing with Customers and Suppliers

P&G’s success depends on building productive relationships with our customers and suppliers based on integrity, ethical behavior and mutual trust. P&G recognizes that our customers have individual needs and expectations representing unique opportunities for mutual success.

The Company bases its worldwide supplier relationships on fundamental concepts of honesty, fairness, mutual respect and nondiscrimination. P&G encourages continued supplier support of all kinds that will enhance our, and their, prosperity and build sound, long-term relationships.

Gifts, Entertainment and Gratuities

We conduct our business on the basis of the superior value of goods and services we buy and sell. Our policy on gifts, entertainment and gratuities is designed to preserve and maintain P&G’s reputation as a global enterprise, which acts with integrity and bases decisions only on legitimate business considerations. Receiving gifts, entertainment or other gratuities from people with whom we do business is generally not acceptable because doing so could imply an obligation on the part of the Company and potentially pose a conflict of interest.

The Government as a Customer

P&G products are often purchased by governments for use or resale to authorized military consumers. P&G’s legal compliance policy requires strict observance of the laws and regulations which govern the acquisition of goods and services by governmental entities, whether in the United States or in any other country. It is P&G’s policy that all statements and representation to government procurement officials are accurate and truthful, including costs and other financial data.
**Fair Competition**

We believe in competing fairly because we all benefit from fair, free and open markets. We compete strictly on the merits of our products and services and make no attempts to restrain or limit trade.

Specifically,

- We never discuss such matters as prices, pricing strategies, product or marketing plans, or terms of sale with competitors. Should a prohibited subject come up during the course of a trade association or other meeting, we must leave the meeting and inform our leadership or legal counsel.
- We do not enter into agreements with our competitors concerning prices, production volumes, customers or sales territories.
- We do not link purchase of one product to another or compel suppliers to buy from us to retain their P&G business.
- We do not disparage the products or services of a competitor.
- We collect competitive information through proper public or other lawful channels but do not use information that was obtained illegally or improperly by others, including through misrepresentation, invasion of property or privacy, or coercion.

**Advertising/Promotion Policies**

A basic operating principle of the Company is honesty. Neither deceptive advertising nor questionable promotional activity can ever be justified. These are vital tenets of our dedication to consumers and essential to gaining and keeping their continuing loyalty to our brands.

P&G observes standards of commercial fairness in devising, using and selecting advertising and promotions, so our products succeed based on their own quality and performance and our reputation as a company, rather than by false or deceptive statements or comparisons.

**Consumer Privacy**

The intent of P&G’s Privacy Policy is to create an environment of knowledge, confidence and trust that encourages consumers to exchange information with P&G. That environment enables us to better understand and meet their needs, while reflecting our stewardship of their data.

P&G believes in protecting the privacy of personal information. We strive to treat information provided by an individual as that individual’s, which has been entrusted to P&G. We inform people about the use and handling of data they provide us. This includes informing consumers about the information we collect, what we do with it, and the choices consumers have concerning further uses of the information.
Community Relations

P&G and its employees have a long-standing commitment to being good citizens and neighbors in all the places where we do business around the world. We believe we have a responsibility to society to use its resources — money, people and energy — wisely. We satisfy our commitment through financial support for a wide range of educational, health, social service, cultural, civic and environmental organizations. This includes gifts from The Procter & Gamble Fund in the United States and our operating companies around the world.

In addition, P&G employees and retirees have a long tradition of volunteer involvement in the communities where we live. We lend a hand to those in need. We pitch in when disaster strikes. We support the arts. We support education. We invest in our resources — and ourselves, through tens of thousands of volunteer hours — in our neighborhoods around the world.

P&G recognizes the importance of improving the quality of life in our local communities, and we support local initiatives and encourage employee involvement. P&G has a rich history of support and a strong commitment to diversity for a number of worthy organizations. Our priority lies in the following areas: education, health and social services; cultural, civic and environmental; community relations; and public policy.
Support of Universal Human Rights

P&G is committed to universal human rights, particularly those of employees, communities in which we operate, and parties with whom we do business. To that end, P&G practices and seeks to work with business partners who promote the following standards:

- Equal opportunity for employees at all levels with respect to issues of race, color, religion, gender, age, national origin, citizenship, sexual orientation or disability;
- A safe and healthy workplace protecting human health and the environment;
- Working with governments and communities to improve the educational, cultural, economic and social well-being of those communities.
Sustainable development, or sustainability, integrates economic progress, social responsibility and environmental concerns with the objective of improving the quality of life for everyone, now and for generations to come.

Over the past several years, academics, governments and non-governmental organizations have been evolving their views of environmental quality to the broader, more holistic concept of sustainable development. While some see this as inevitably leading to restraining consumption, we view it as an opportunity and stimulus to innovate and to improve consumers’ lives, while also making important contributions to environmental quality, economic development and social issues, particularly in developing countries.

Sustainability aligns very well with our Company’s Statement of Purpose, which describes the synergy among meeting the needs of our consumers, building our sales and profit, and contributing to the prosperity of our employees, shareholders and communities. This is not to say we are defining sustainability as “business as usual.” Instead, we see sustainability as an opportunity to address needs that are unmet today — needs that are driven by the six billion people on this planet, which may grow to eight to ten billion in the next century.

P&G directly contributes to sustainable development by providing products and services that improve the lives of consumers, whether in terms of health, hygiene or convenience. Through our activities, we also contribute to the economic and social well-being of a range of other stakeholders, including employees, shareholders, local communities in which we operate, and more widely to regional, national and international development. So, P&G contributes to sustainable development both through “what we do” and “how we do it,” including ensuring we address any environmental, economic and social issues associated with our products and services.
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