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P&G Beauty Progress on Ensuring Responsible Sourcing of Priority Ingredients

In 2020, P&G Beauty launched its <u>Responsible Beauty platform</u>. As part of its action plan, P&G Beauty is working to ensure responsible sourcing of its priority ingredients of natural origin (plant, animal, or mineral-derived) by 2030.

In 2021, P&G Beauty publicly shared their <u>Responsible Sourcing expectations for materials of natural origin</u>. This document outlines what P&G Beauty means by responsible sourcing, sets expectations for its Purchasing Organization and External Business Partners, and describes how ingredients are prioritized based on responsible sourcing risk and opportunity.

Priority materials for P&G Beauty currently includes ingredients derived from palm fruit, wood fiber, guar beans, mica, shea nuts, and histidine from U.S. corn. Action plan update for each priority material is as follows:

- For palm and wood fibers, P&G Beauty engages in the Company's programs for <u>palm</u> and <u>wood</u> fiber for paper packaging. <u>Click here</u> to learn more.
- To support responsible sourcing of histidine derived from U.S. corn, P&G Beauty joined Field to Market: The Alliance for Sustainable Agriculture (FtM), and is partnering with FtM and key suppliers on a continuous improvement project focused on helping corn farmers in Indiana improve soil health.
- On guar bean-derived ingredients sourced from India, P&G Beauty joined forces in 2022 with Solvay and TechnoServe India in the <u>Sustainable Guar Initiative</u> (SGI), an industry-leading effort that will positively impact the lives of more than 21,000 people and promote sustainable guar production within the Bikaner district of Rajasthan, India—one of the world's largest resources for guar. Since announcing the program, the SGI has achieved the following results:
 - Met partnership target of expanding impact to 24 villages, engaging with more than 5,200 farmers and their families.
 - Surpassed initial target to train 900 women by training more than 1,600 women in household health and hygienic practices, and nutritional diversity.
 - Trained and supported nearly 800 women in setting up kitchen gardens that will give the women and their families the ability to improve their food security, nutrition, and livelihoods.
 - Renovated the community johad (a local community-owned pond) and expanded its capacity to collect/harvest rainwater from around 2.2 million liters to 3.8 million liters, benefitting about 4,500 people across four villages.

We continue our work with additional suppliers to make sure similar programs are established across all guar supply chains for P&G Beauty.

- On mica, P&G Beauty developed a responsible sourcing strategy based on the supply chain transparency and traceability data from our suppliers. This includes working with suppliers that are members of the <u>Responsible Mica Initiative</u>. We are continuing our due diligence and engagement with our suppliers to further inform our responsible sourcing strategy going forward.
- On shea, P&G Beauty made further progress on our responsible sourcing strategy for shea ingredients based on the specific risks associated with shea production in West Africa. This includes engagement and focusing on suppliers who provide credible 3rd party verification of our expectations to respect human rights, conserve natural resources, and protect natural ecosystems. We are continuing our due diligence and engagement with our suppliers to further inform our responsible sourcing strategy going forward.