



**P&G and partners
identify priority
regions... Now what?**

World Water Week 2018

30 August 2018

Agenda

- Introductions
- Determining P&G's Priority Basins
- Basin breakout sessions
- Final words



Shannon Quinn

Truke Smoor

Lindsay Bass

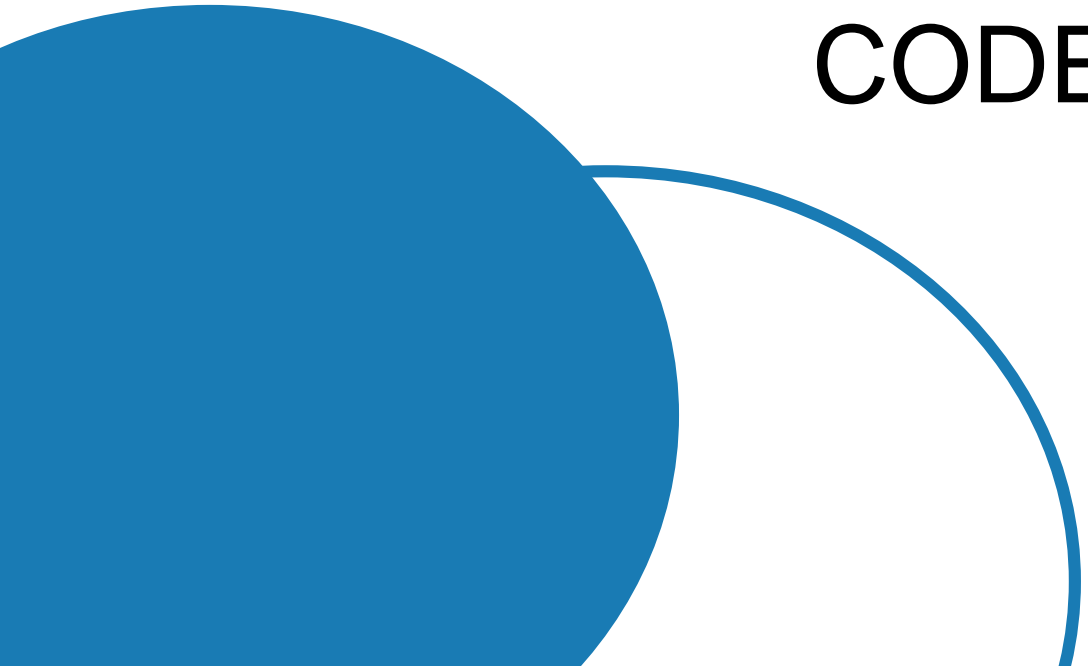
Paul Reig



Audience Introductions

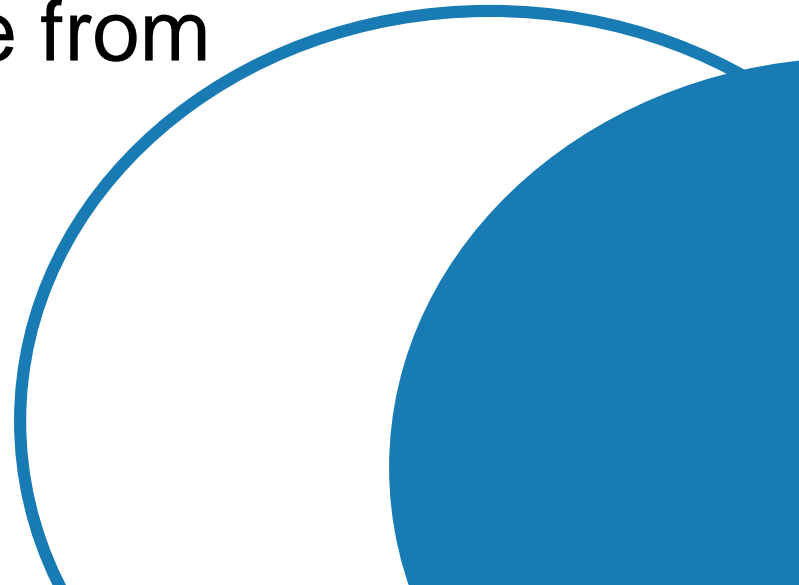
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Showcase Objectives

1. Understand how P&G and partners arrived at initial list of priority basins
2. Explore ongoing activities and potential future partnership in priority basin regions
3. Gather lessons learned and experience from others already acting at the basin level



An aerial photograph showing a wide, winding river flowing through a vast, dense green forest. The river is a deep blue color, contrasting with the lush green of the trees. The sky above is a clear, vibrant blue, dotted with wispy white clouds. The horizon is visible in the distance, where the forest meets a line of larger, more prominent white clouds.

P&G's Journey to Determining Priority Basins

P&G At a Glance

- Countries of Operations: ~70
- Countries Where Our Brands Are Sold: **180+**
- Consumers Served by Our Brands: **Nearly 5 Billion**



SOME OF THE WORLD'S MOST TRUSTED BRANDS



70%

of P&G products
require water during
their use

100%

of P&G and supplier
operations require
water for making
ingredients and
products

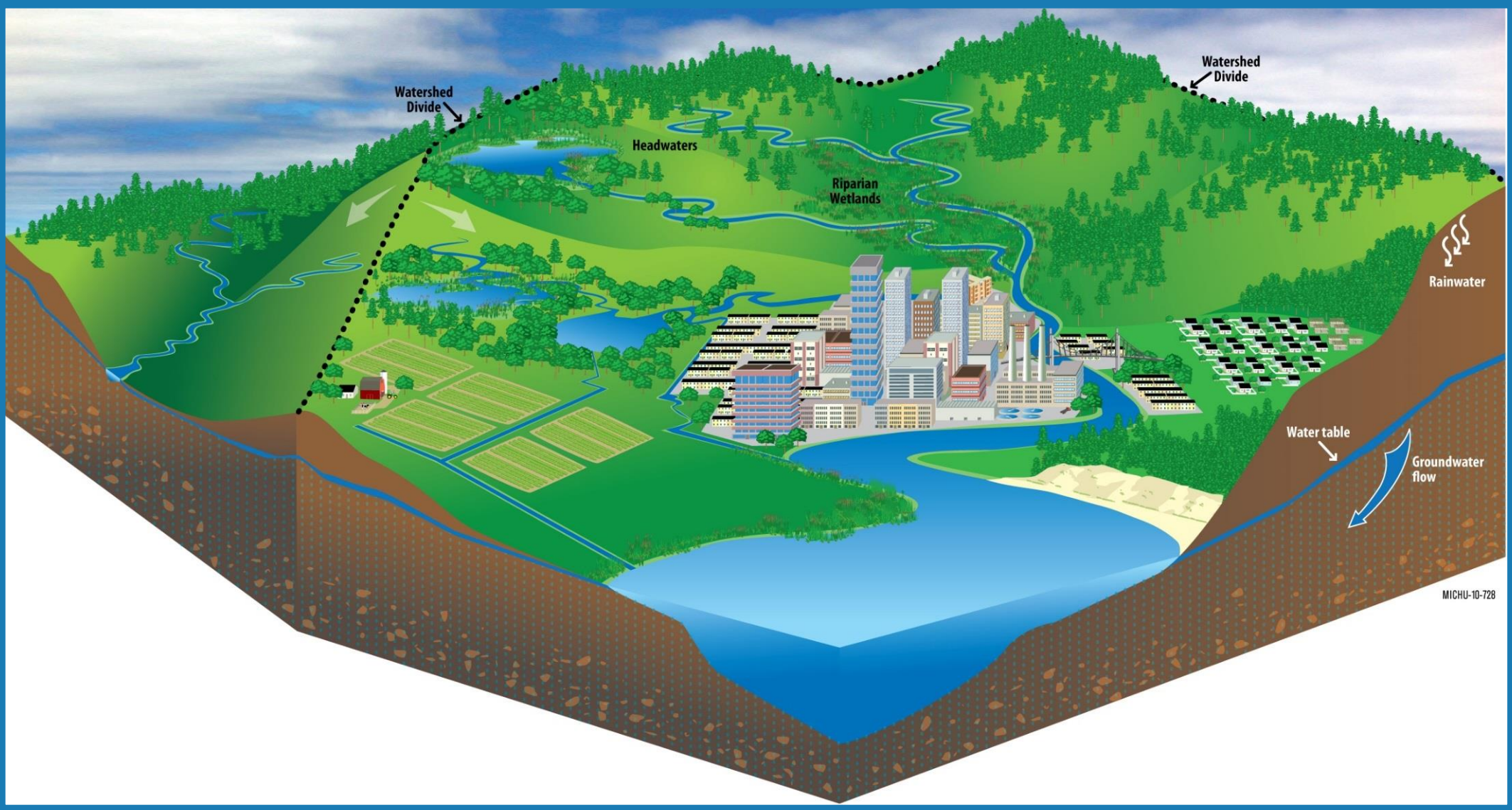


The background features a close-up of water with concentric ripples. A large blue circular logo with the white text 'P&G' is positioned on the left side, partially overlapping the water image. The logo is set against a white background that is split by a blue curved shape.

P&G Ambition 2030

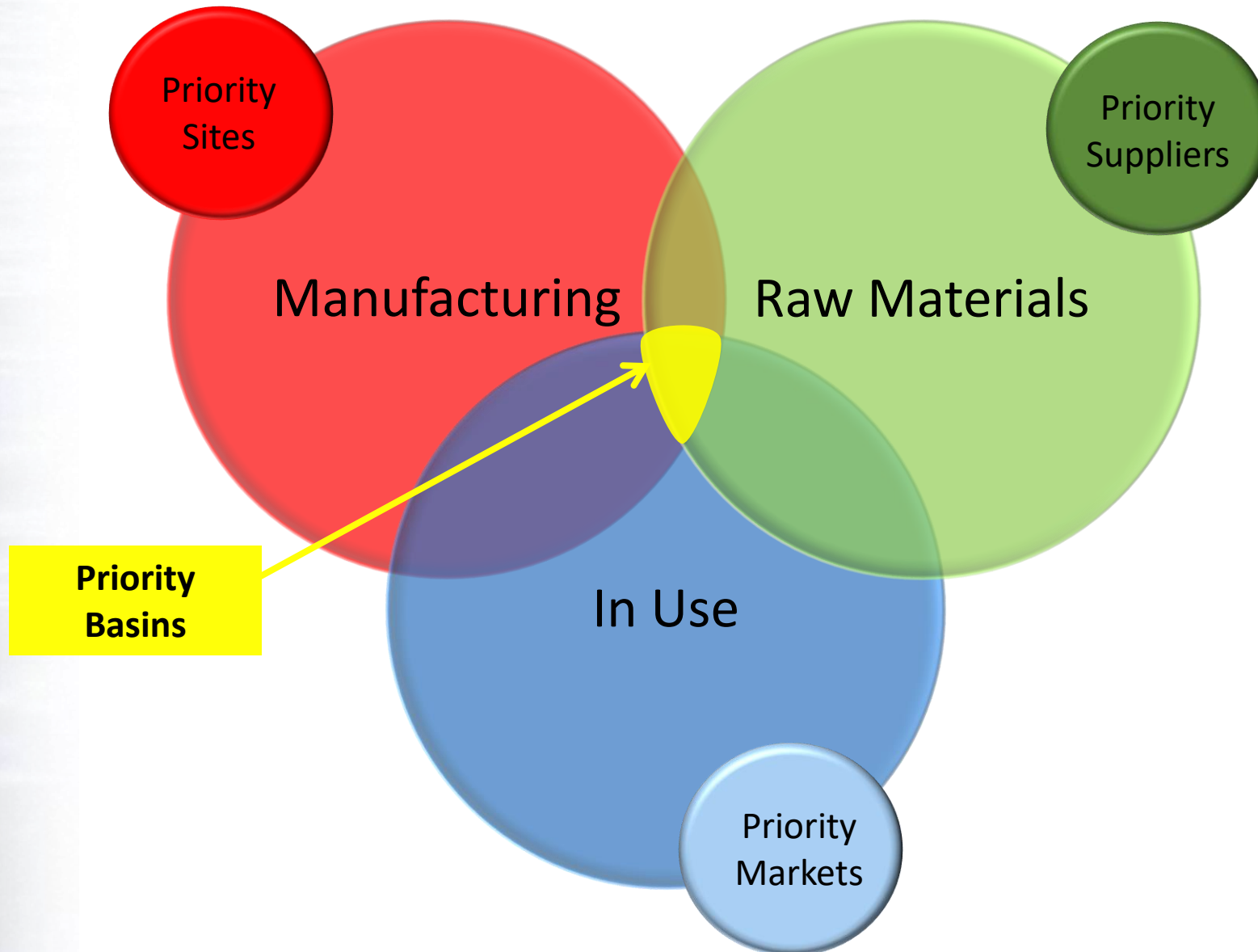
**We will protect water for
people and nature in priority
basins.**

Taking a Basin Approach

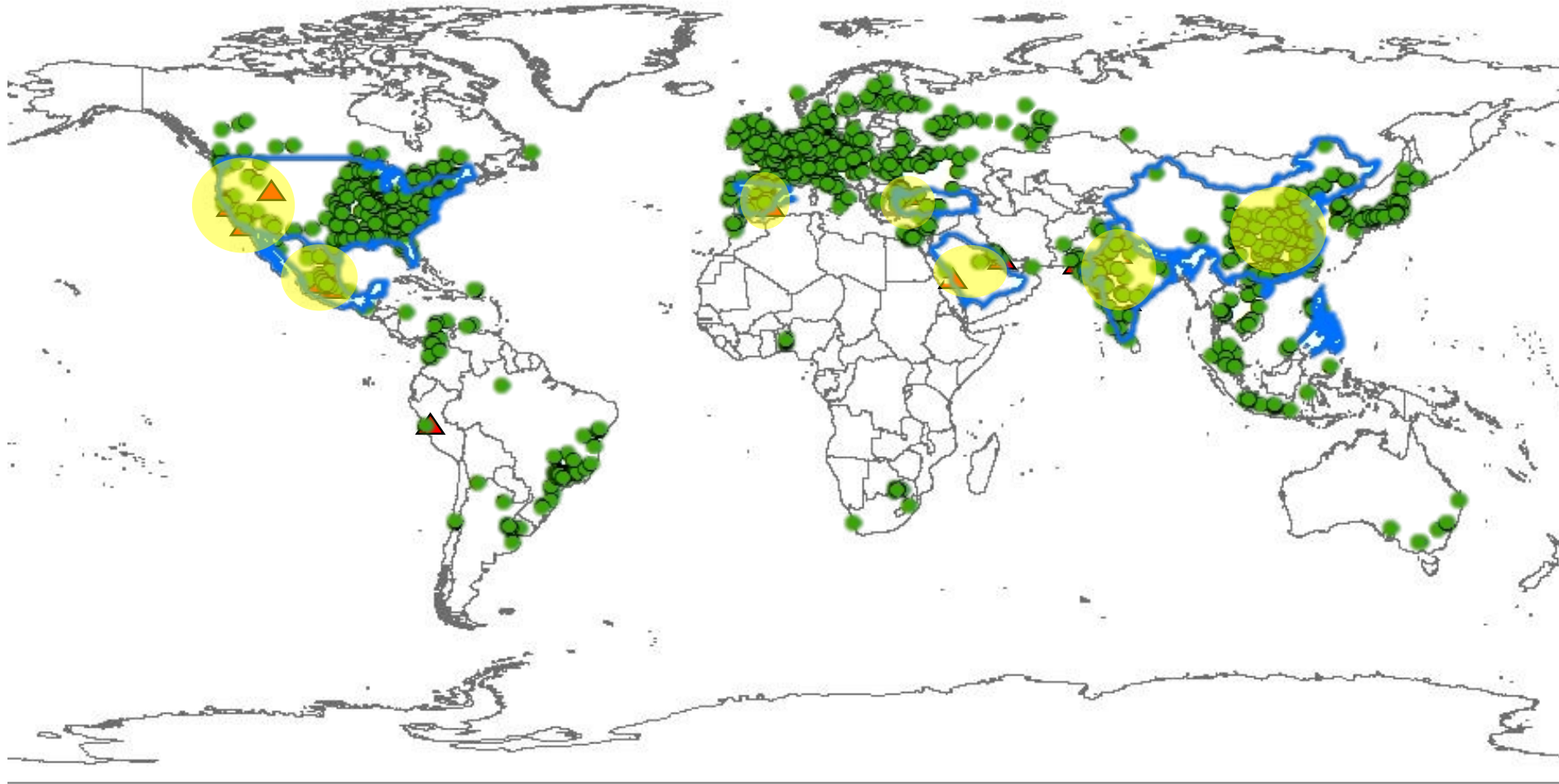




P&G Water Risk Assessment Program



Using Results to Determine Priority Basins



Priority Basin Areas

Consumer Markets

Suppliers

P&G Tier 3 Sites



Manufacturing

Facility Water Risk Assessment Process

1 Water Risk Screening (Completed)

Identify risk level of sites based on:

- Baseline Water Stress Score—World Resources Institute
- Gross National Income per Capita—World Bank
- P&G Site Water Use per Year—P&G
- Access to Water—WHO/UNICEF



ALL SITES SCREENED

~70% of sites in lower-risk regions

150 sites

2 P&G Tailored Site Questionnaire (Completed)

Prioritize sites based on outcome of responses

- The P&G questionnaire was built upon the facility questionnaire in WWF's Water Risk Filter



PRIORITY SITES FROM 1

~30% of sites have entered the Tier 2 process

40 sites

3 In-Depth Site Water Analysis (Next Phase)

Prioritize risks for mitigation and develop a site-specific sustainable water management plan

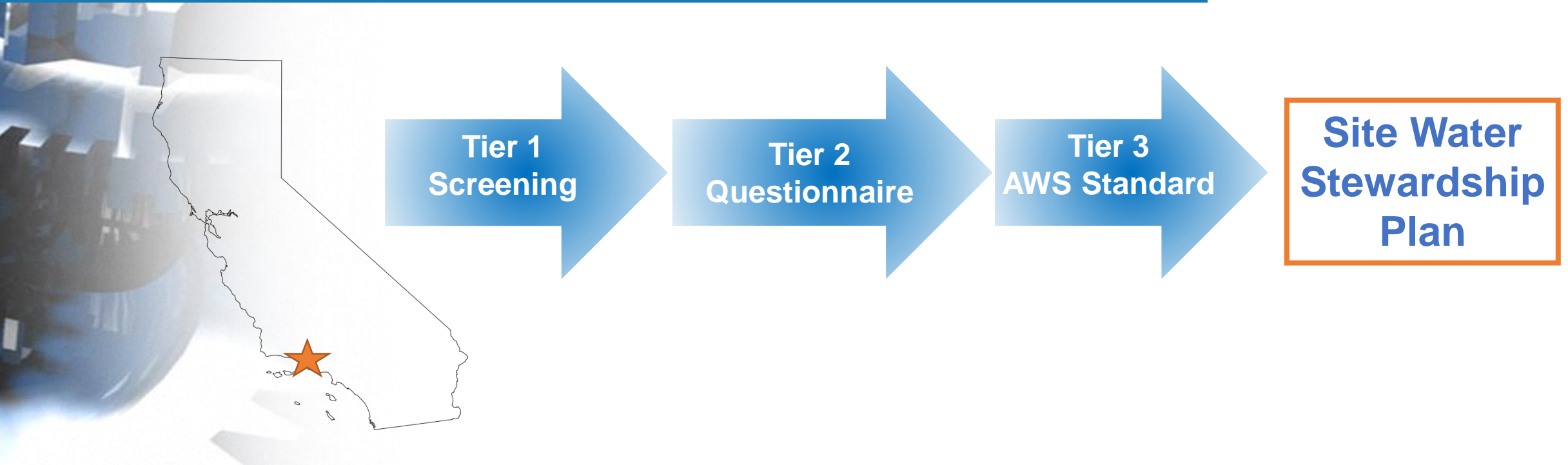
- Alliance for Water Stewardship (AWS) Standard process



PRIORITY SITES FROM TIER 2

23 sites

WRA in Real Life



Lessons Learned

- Importance of site awareness to assess risk
- Value of the assessment process
- Ensure site leadership participation from beginning



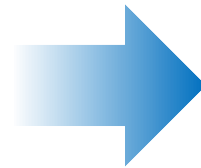
Raw Materials (Suppliers)

Supply Chain Water Risk Assessment Process

1. Supplier locations + Baseline Water Stress

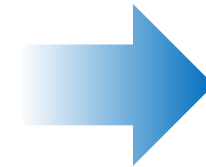
2.

Identified 2 businesses with large water usage in raw materials production

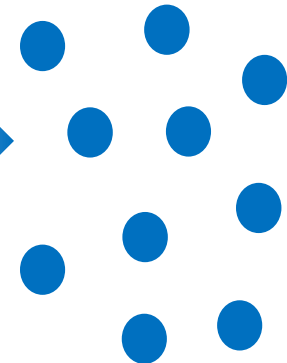


INDICATORS

| |
|--------------------------------|
| Baseline Water Stress |
| Seasonal Variability |
| Drought Severity |
| External Water Dependency |
| Infrastructure/Access to Water |
| Governance & Regulation |



PRIORITIZED SUPPLIERS



Water Across the Supply Chain

Sharing good water management practices across the supply chain.



Lessons
Learned

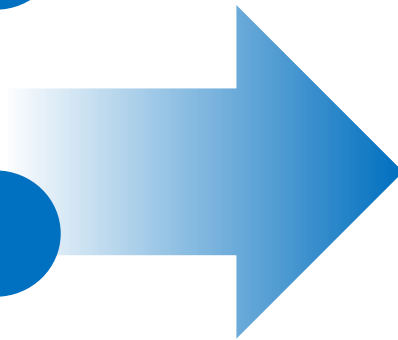
Value in understanding water use
across the supply chain



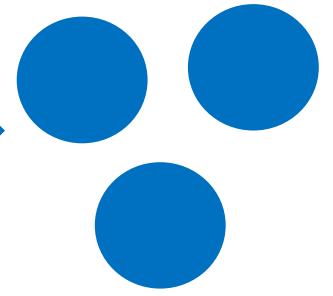
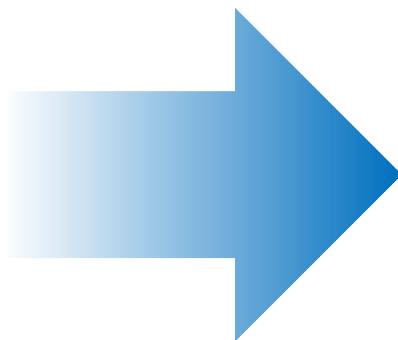
In Use



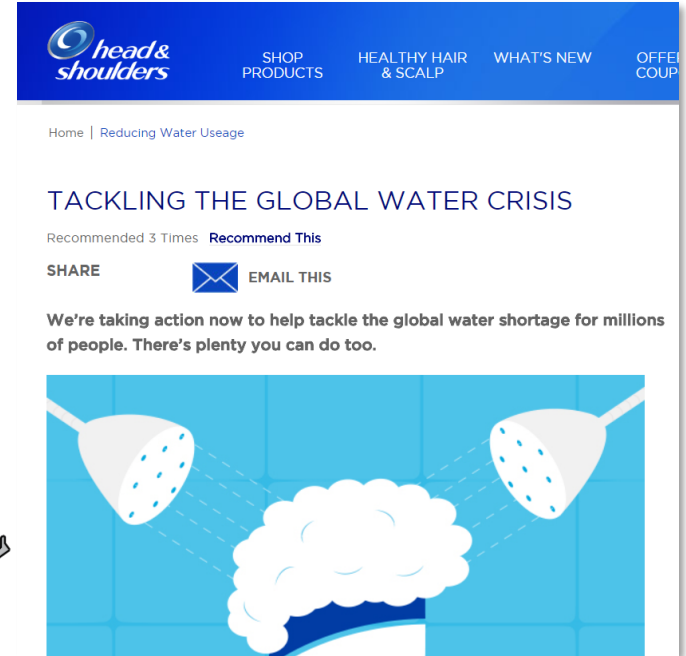
WORLD
RESOURCES
INSTITUTE



Water Metrics
Business Metrics
Demographic Info
Habits & Practices



Guiding Brands



Lessons Learned

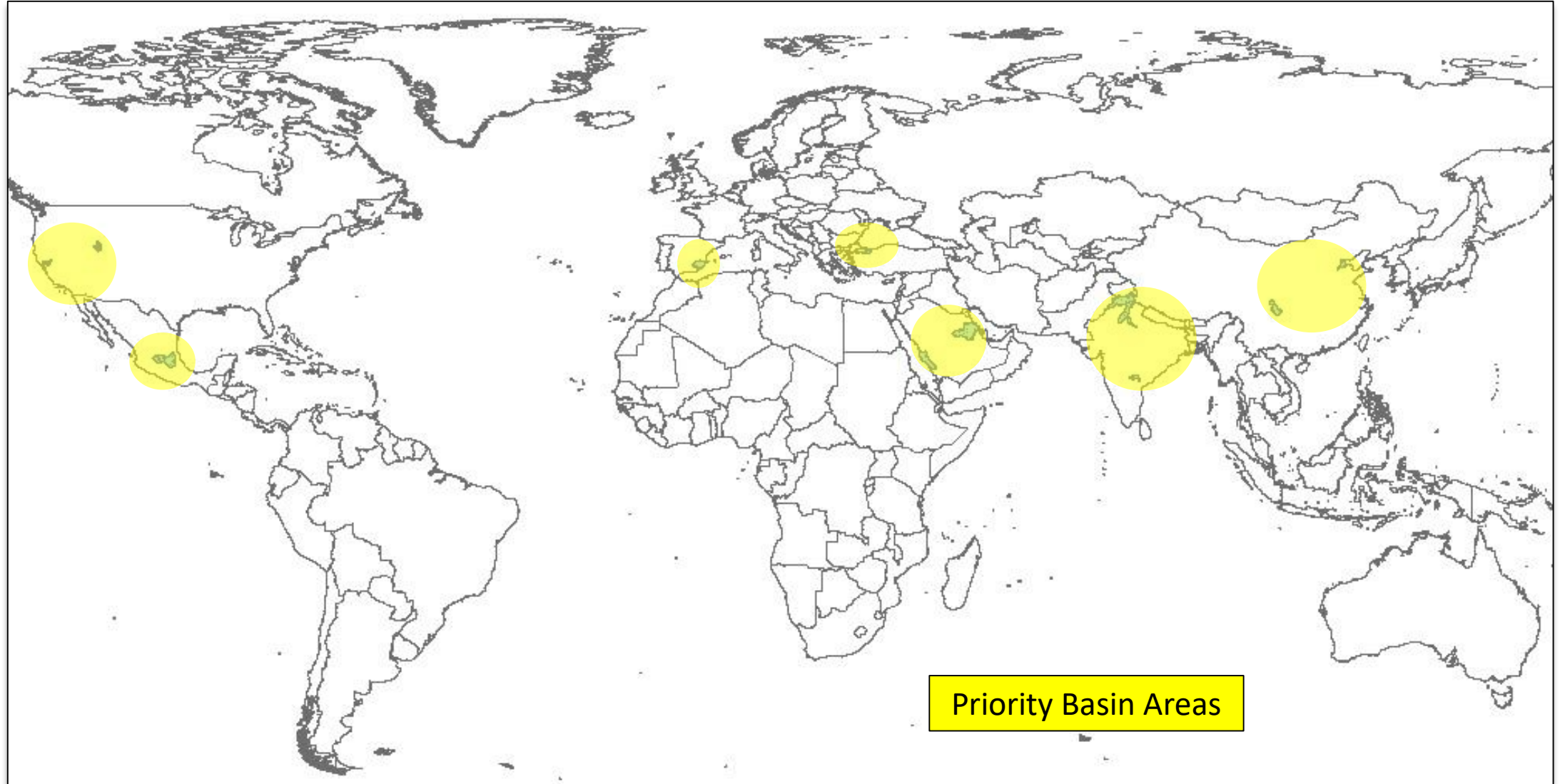
Results valuable in:

- Informing product development
- Getting the right products to the right consumers
- Building awareness internally around future habit change



Bringing It All Together

P&G Priority Basins



| Country | Region | Major Cities | Basin |
|--|----------------------------------|-------------------------------|--|
| China | Northeast | Tianjin | Xuanhui He |
| | | | Hai He Delta |
| | South central | Chengdu | Tuo Jiang |
| Mexico | Central | Mexico City (D.F.) | Moctezuma |
| | | Queretaro | Laja |
| | | Leon de los Aldamas | Lerma / Salamanca |
| USA | Northern Utah | Salt Lake City | Lower Bear/Malad, Great Salt Lake |
| | Northern and southern California | Sacramento | Lower American, Lower Sacramento / Putah |
| | | Just north of Los Angeles, CA | Calleguas |
| India | Northern | Chandigarh | Sutlej |
| | | Ghaziabad, Delhi, Faridabad | Yamuna 1 |
| | Central | Hyderabad | Musi/Aler |
| Additional basins identified in: Saudi Arabia, Spain, and Turkey | | | |

Criteria for priority basin selection:

1. Must be experiencing underlying chronic water stress
2. Must be located within a relevant consumer market for P&G – according to the results of the Consumer Market Water Risk Assessment.
3. Must have at least 1 manufacturing facility
4. Must have a supplier presence.

This initial list will serve as a way for us to learn more about each basin, including:

- Source water locations
- Existing initiatives
- Business relevance

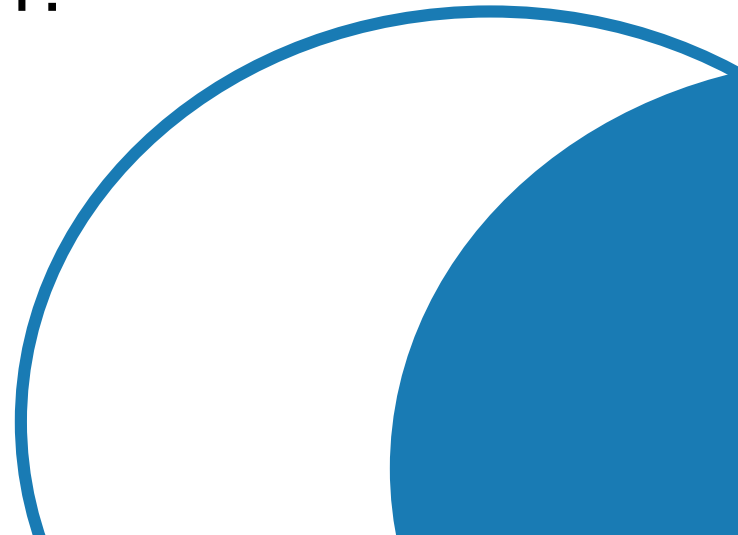


NOW

WHAT?

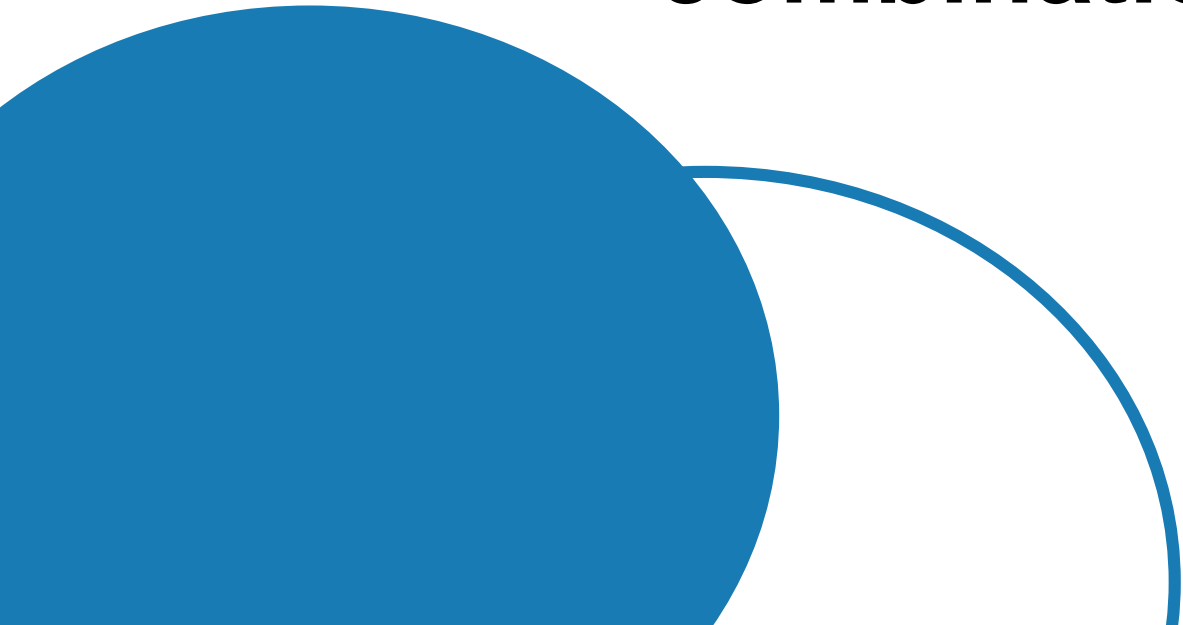
Brainstorming Break

- Ongoing work in or around any of the priority regions that you are involved in or know about?
- Based on what you've heard, how can we engage in a meaningful way? What is the unique role that P&G can play?
- Watch-outs, successes, failures in the region?



Basin Breakout Sessions

**Find your country/region
combination of interest**



Thank you!

The work has just begun.

Interested in exploring potential partnership in any of our priority basins?

Drop your business card in the bowl with the country/basin of mutual interest!

