



Our Values and Policies



P&G



Table of Contents

Introduction	2	C. Respect in the Marketplace	15
Letter from the CEO	3	1. Product Safety	15
Hierarchy of Company Ethics Principles	4	2. Bribery and Improper Business Dealings	15
Our Purpose	5	• Commercial Bribery	15
Our Values	6	• Improper Payments to Government Officials	15
Our Principles	7	• Money Laundering and Product Diversion Avoidance	15
Our Policies	8	3. Fair Dealing and Fair Competition	16
A. Respect of Government and the Law	8	• Treating Suppliers Appropriately	16
1. Compliance With Legal Requirements	8	• Treating Customers Appropriately	16
2. Accuracy of Company Books and Records	8	• The Government as a Customer	16
• Books and Records	8	• Treating Competitors Appropriately	16
• Disclosure Controls	8	• Fair Competition	17
• Internal Controls	9	• Advertising and Promoting to Consumers Appropriately	17
3. Securities Trading	9	4. Consumer Privacy and Confidentiality	18
4. Antitrust Policy and Compliance Guidelines	10	• Confidentiality	18
5. Lobbying	10	• Consumer Privacy	18
6. Political Contributions and Related Policies	10	5. Communicating with the Media	18
7. Transacting International Business	10	6. Research Involving Animals	19
B. Respect in the Workplace	11	D. Respect in Society and Our Communities	21
1. Behavior in the Workplace	11	1. Community Relations	21
2. Child Labor and Worker Exploitation	12	2. Support of Universal Human Rights	22
3. Wage and Hour Practices	12	E. Sustainable Development and P&G	23
4. Safety, Health and Environmental	12	Our Vision	24
• Employee Safety	13	Our Promise	24
• Environmental Quality	13		
5. HIV/AIDS	14		
6. Conflict of Interest	14		
• Business, Financial and Personal Relationships	14		
• Gifts, Entertainment and Gratuities	14		
• Improper Use of Company Assets	14		
7. Employee Privacy	14		

Introduction

This booklet provides P&G's Purpose, Values and Principles and summarizes the important company policies. These key elements are of the utmost importance for the proper conduct and respect for all individuals in the quest for common prosperity. This booklet is a companion to our Worldwide Business Conduct Manual. This manual, which applies to every employee in every part of our global company, provides clear and relevant expectations of conduct and examples/tools for dealing with potentially delicate situations.

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 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 Principles. These Principles flow from our Purpose and Values.

P&G's policies for business conduct flow from our Purpose, Values and Principles. Our policies are aspirational statements of the application of our Principles, Values and Purpose to broad, major issues and societal expectations.

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.

President & CEO Letter

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, 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 ethical questions. We need to have a good understanding of our 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 summaries of important policies for business conduct that are based on P&G's Values and is a companion to our Worldwide Business Conduct Manual. This manual reminds employees that, while we value business results, we place equal value on how we achieve those results. We will not tolerate illegal or unethical behavior.

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. So 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 booklet, P&G Our Values and Policies. 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.



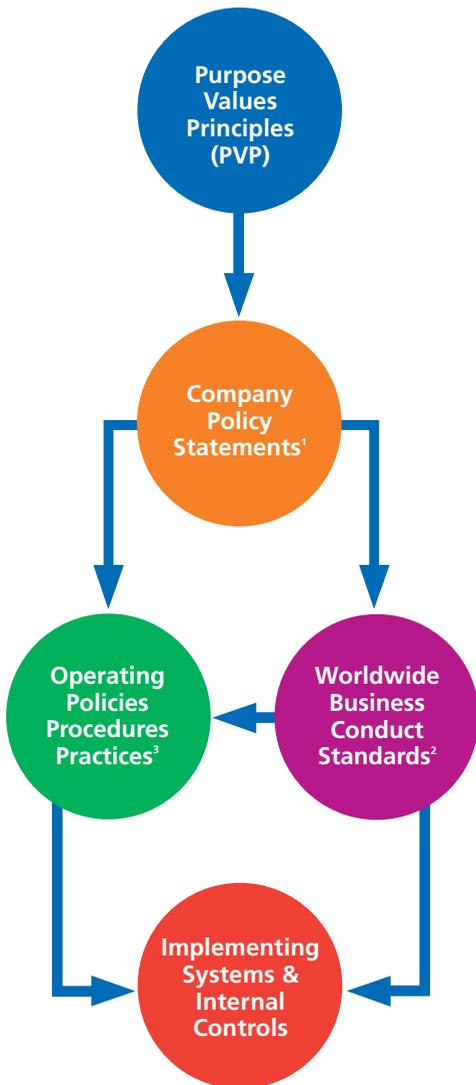
A. G. Lafley

*Chairman of the Board,
President and Chief Executive*



Hierarchy of Company Ethics Principles

PVP, Corporate Policies, Worldwide Business Conduct Standards, Operating Policies/Procedures/Practices.



Definitions and Relationships to Each Other

Purposes/Values/Principles (PVP)

Definition:

A high-level statement of our Company's statement of purpose, the core values and principles we hold.

Examples:

- We will provide products and services of superior quality and value that improve the lives of the world's consumers (Statement of Purpose)
- Integrity – We always try to do the right thing (Core Values)
- We will show respect for all individuals (Principles)

Company Policy Statements¹

Definition:

Aspirational statements of the application of our PVP to broad, major issues and societal expectations.

Examples:

- Environmental Quality Policy
- Policies of Personal Behavior in the Workplace

Operating Policies/Procedures/Practices³

Definition:

Administrative procedures and expectations necessary for the operation of Company systems and internal controls designed to implement Company positions.

Examples:

- Expense accounts should be submitted within 7 days from the return from a trip (flows from the Company's Policy Statement on Accuracy of Company's Records)

Worldwide Business Conduct Standards²

Definition:

An expression of specific Company policy Statements as they relate to the standards of individual behavior expected of each and every employee.

Examples:

- **Do Not** engage in discrimination or harassment
- **Do** report immediately if you feel you are being harassed or discriminated against (flows from the Company's Policy Statement on Harassment/Discrimination)

Implementing Systems & Internal Controls

Definition:

Tools and processes to carry-out and monitor the consistent implementation of standards, policies and procedures.

Examples:

- Global Expense Reporting form and process
- Work and Development Plan process
- Control Self Assessment (CSAs)

¹At present, this booklet is the most complete and up to date compilation of the Company's Policy Statements.

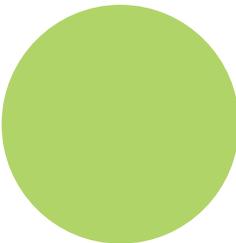
²Business Conduct Standards address specific behaviors applicable broadly to the general employee population.

³Company Policy Statements are implemented through Operating policies/Procedures/Practices, Worldwide Business Conduct Standards, or both.

Our Purpose

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.

As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders, and the communities in which we live and work to prosper.



Our Values

P&G is its people and the values by which we live. 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.

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.

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.

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.



P&G Brands and P&G People are the foundation of P&G's success. P&G People bring the values to life as we focus on improving the lives of the world's consumers.

Our Principles

These are the Principles and supporting behaviors, which flow from our **Purpose and Values.**

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 incorporate sustainability into our products, packaging and operations.

We Value Personal Mastery

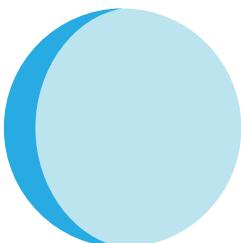
- We believe it is the responsibility of all individuals to continually develop themselves and others.
- We encourage and expect outstanding technical mastery and executional excellence.

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 business units, functions, 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.



Our Policies

A. Respect of Government and the Law

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.

1. Compliance with Laws and P&G Policies and 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/standards has occurred.

2. Accuracy of Company Records

Books & 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.

Disclosure Controls

Disclosure controls are systems and processes that help ensure that important information is made available to the right people at the right time. The Company requires every area of the business to maintain disclosure controls to provide adequate assurance that significant information is reported to the appropriate levels of the Company – so that the appropriate business steps can be taken to address any issues, and so that the Company can consider whether the information should be disclosed externally.

Internal Controls

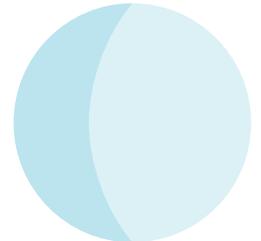
Internal Controls are systems and processes that combine policies, authorizations and procedures with proper accounting and management tracking. This reporting is designed to ensure that business operations are properly managed. The Company will have in place a set of internal controls that provides reasonable assurance that:

- Transactions are properly authorized and accurately recorded based on Company policies and procedures;
- Company assets are adequately safeguarded;
- Financial and management reporting is reliable and accurate, and reflects actual business activity;
- Activities comply with applicable legal requirements; and
- Business operations are effective and efficient.

Creating and complying with strong and effective internal control systems is, ultimately, the responsibility of each employee with respect to his/her areas of operation.

3. Securities Trading

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.



4. 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.



5. Lobbying

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/or legal counsel.

6. Political Contributions

The Company's basic policy and in some cases federal law prohibits P&G contributions to either political candidates or political parties anywhere in the world.

- 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.
- Exceptions to the contribution policy and the use of company facilities or resources are allowed only where such contributions/activities are permitted by law and express written permission has been given in advance by the Company's Ethics Committee.
- 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.

7. 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.

B. Respect in the Workplace

1. Personal Behavior in the Workplace

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

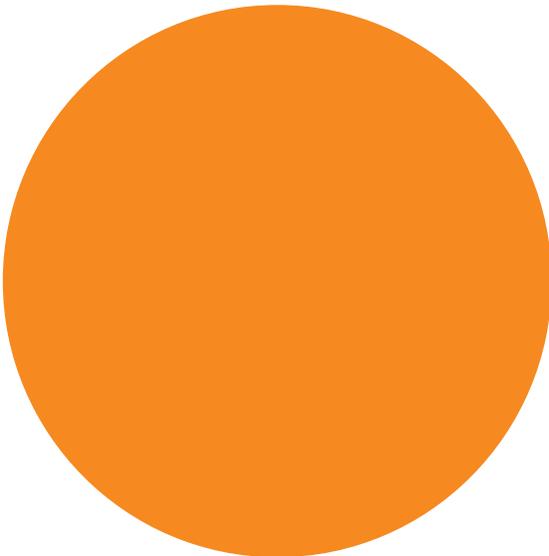
The Company strives to provide a safe, healthful and productive work environment. This includes being free of violence for our employees, contractors, visitors, etc. Each employee has a personal responsibility to other P&G employees and to the Company to help eliminate actions or circumstances which 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, gender identity and expression, disability or other non-job-related personal characteristic. 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.





2. 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. The Company respects employees' right to freedom of association, third party consultation and collective bargaining where allowed by law. 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.

3. 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.

4. Health, Safety and Environmental Policies

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.

Safety & Health Policy

Procter & Gamble is committed to having safe and healthy operations around the world to protect the life and health of its employees and the community surrounding its operations, to protect its assets, to ensure business continuity and to engender public trust. It is the responsibility of every employee to understand and be responsible for incorporating safe behavior in daily business activities.

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, Human Resources 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 products, packaging and operations are safe for our employees, consumers and the environment.**
- **Reduce or prevent the environmental impact of our products and packaging in their design, manufacture, distribution, use and disposal whenever possible.** We take a leading role in developing innovative, practical solutions to environmental issues related to our products, packaging and processes. We support the sustainable use of resources and actively encourage reuse, recycling and composting. We share experiences and expertise and offer assistance to

others who may contribute to progress in achieving environmental goals.

- **Meet or exceed the requirements of all environmental laws and regulations.** We use environmentally sound practices, even in the absence of governmental standards. We cooperate with governments in analyzing environmental issues and developing cost-effective, scientifically based solutions and standards.
- **Continually assess our environmental technology and programs and monitor progress toward environmental goals.** We develop and use state-of-the-art science and product life cycle assessment, from raw materials through disposal, to assess environmental quality.
- **Provide our consumers, customers, employees, communities, public interest groups and others with relevant and appropriate factual information about the environmental quality of P&G products, packaging and operations.** We seek to establish and nurture open, honest and timely communications and strive to be responsive to concerns.
- **Ensure every employee understands and is responsible and accountable for incorporating environmental quality considerations in daily business activities.** We encourage, recognize and reward individual and team leadership efforts to improve environmental quality. We also encourage employees to reflect their commitment to environmental quality outside of work.
- **Have operating policies, programs and resources in place to implement our environmental quality policy.**



5. HIV/AIDS Policy

All employees, including those who are HIV infected or with AIDS, are treated consistently with the Company's Purpose, Values & Principles (PVP) by the Company, their managers and coworkers. Among other things, that means that each individual is treated with dignity and respect, and that we do not discriminate against any individual based on any difference not related to performance. We treat employees with HIV/AIDS the same as we treat those with other serious illnesses.

Specifically, an employee who is HIV-infected or with AIDS:

- has the same employment rights and responsibilities as other employees,
- has the same eligibility for employee benefits and programs, including medical care and disability coverage, as non-infected employees,
- is afforded privacy and confidentiality protection consistent with the Company's handling of confidential, medical or other sensitive information, and
- is provided management support to remain productive.

6. Conflict of Interest

Business, Financial and Personal Relationships

All employees are obligated to act at all times solely in the best interests of the Company. A conflict of interest arises when an employee has a personal relationship or financial or other interest that could interfere with this obligation, or when they use their position with the Company for personal gain. The Company requires that employees disclose all potential conflicts of interest and that they promptly take actions to eliminate the conflict when the Company requests them to do so.

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.

Improper Use of Company Assets

The Company does not permit improper use of Company assets. Improper use occurs when an employee uses Company property or information for personal gain or advantage, or for the advantage of others outside the Company, such as friends or family members. Improper use also occurs when Company property or technology is used for more than limited or incidental personal use or used in violation of other Company policies.

7. 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.



C. Respect in the Marketplace

1. Product Safety

Procter & Gamble ensures the safety of our products, packages and operations for our employees, consumers and the environment. We consider this to be a requirement for conducting responsible business, and an essential element of building and maintaining public trust in our products. We carefully evaluate the safety of all products and ingredients before they go to market, using well-established risk assessment methods to understand both hazards and potential exposures. These evaluations are a mandatory part of the company's product development process, and begin during the early stages of a product's design. The same safety standards are used everywhere we sell or make products. As a guide, we administer our product safety programs by following these policies and principles:

- The Company's products and packages will be safe for consumers and the environment when used as intended.
- The Company will seek to ensure that our operations are safe for our employees, neighbors and the environment.
- The Company will meet or exceed all applicable legislative and regulatory requirements with respect to product safety and labeling.
- The Company will provide interested parties with relevant and appropriate factual information about the safety of our products and packaging.

2. Bribery and Improper Business Dealings

Commercial Bribery

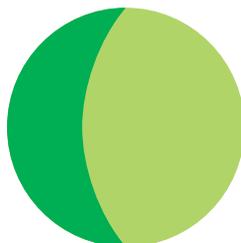
Commercial bribery is illegal and subject to criminal penalties in many countries, including the United States. Any personal payment or bribe to individuals employed by P&G's customers or suppliers, or receipt of a bribe or personal payment by P&G employees is strictly prohibited. Even in locations where 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.

Improper Payments to Government Officials

The Company prohibits improper payments to government officials. Improper payments are direct or indirect payments, whether in cash or in other things of value (such as lavish entertainment), to a government official or political party in order to influence acts or decisions, to receive special treatment or personal gain, or to obtain or retain business. While certain minor payments to certain non-U.S. government officials made to expedite or secure the performance of certain routine government actions may not violate the law, employees must obtain the approval of the Legal Division prior to making such payments and any payments must be reported to appropriate Company Tax personnel. All employees must abide by the U.S. Foreign Corrupt Practices Act, as well as local laws concerning bribery.

Money Laundering and Product Diversion Avoidance

Money laundering is an attempt by individuals or organizations to hide the proceeds of their crimes or to make those proceeds look legitimate. Diversion occurs when products sold by the Company are distributed into markets or sold to customers other than originally intended in violation of a contract, law or regulation. The Company forbids knowingly engaging in transactions that facilitate money laundering or result in unlawful diversion.



3. Fair Dealing with Suppliers and Customers

P&G's success depends on building productive relationships with our suppliers and customers based on integrity, ethical behavior and mutual trust.

Treating Suppliers Appropriately

Our suppliers are valued partners in the success of our business. Our relationships with them must be characterized by honesty and fairness. Suppliers are selected on a competitive basis based on total value, which includes quality, service, technology and price. Terms and conditions defining our relationship with suppliers are communicated early in the supplier selection process and agreements to such terms and conditions, or any acceptable modifications, are reached before work begins. Included in these standard terms and conditions are P&G's policies regarding payment terms, confidentiality, the use of intellectual property, worker health, safety and labor practices, and environmental requirements.

Supplier Diversity

Supplier Diversity is a fundamental business strategy for P&G. Our consumers, customers and suppliers become more and more diverse every day, so our success depends on our ability to understand diverse consumers' needs and to work effectively with customers and suppliers around the world. Diversity is the uniqueness that everyone – from suppliers to employees to corporate officers – brings to fulfill P&G's Purpose, Values and Principles. We will continue to expand and build our Supplier Diversity results.

Treating Customers Appropriately

P&G recognizes that our customers have individual needs and expectations representing unique opportunities for mutual success. The Company treats all customers equitably and does not give any customer an unfair advantage over another competing customer. The Company does not discriminate by customer size, type, channel, or business strategy.

The Company's goal is to win consumers for its products by virtue of the products' quality and value, and not by creating unfair disadvantage for its competitors.

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.

Treating Competitors Appropriately

The Company's goal is to win consumers for its products by virtue of the products' quality and value, and not by creating unfair disadvantage for its competitors.



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,

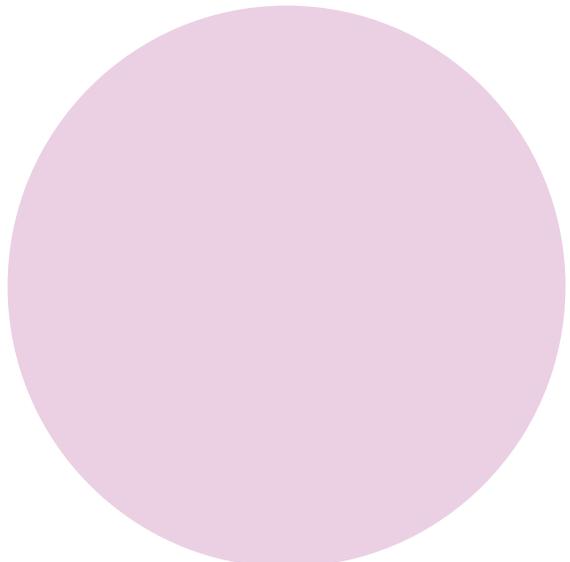
- We never discuss such matters as prices, pricing strategies, product or marketing plans, or terms of sale with competitors. Should a prohibited subject come up during the course of a trade association or other meeting, we must leave the meeting and inform our leadership or legal counsel.
- We do not 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.



4. Confidentiality and Consumer Privacy

Confidentiality

The Company requires employees to keep the Company's confidential information confidential. Confidential information means:

- Non-public information known to employees as a result of their position with the Company that might be of use to competitors or harmful to the Company if disclosed; and
- Non-public and personally identifiable information they obtain from other employees, customers or consumers.



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.

5. 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.

6. Research Involving Animals

P&G products are used in homes two billion times a day around the world. We are committed to improving lives with high quality products whilst safeguarding the health of our consumers. Sometimes, as a last resort, we must conduct research involving animals to ensure materials are safe and effective.

Our Approach

We are passionate about continuing our progress in alternatives to research involving animals.

- We are a leader in alternatives to animal testing, investing over \$190 million and helping to develop more than 50 proven alternative methods.
- We collaborate with governments and academia to promote acceptance of alternatives. We actively share our discoveries so that others can benefit from our progress and our work has appeared in more than 300 scientific publications.
- We approach our research with respect, openness and responsibility by using animals as a last resort, working with animal welfare organizations and ensuring high standards of care.

Our Practices

- Research involving animals is a last resort at P&G. It is only considered once every other reasonable option has been exhausted.
- The vast majority of our tests do not use animals. Whenever possible, we use computer models, synthetic materials, published scientific studies and what our consumers tell us about the products they use.
- We seek input from the world's leading experts to continuously improve our approach and have stopped working with researchers who do not meet our high measures.
- We continue to foster independent review of our standards and inspection of our facilities by leaders in the field of animal care.

We are passionate about continuing our progress in alternatives to research involving animals.



Our Policy

P&G's product lines are diverse – we sell over 250 brands. Therefore our policy covers three broad areas:

Healthcare Research Policy: Our Healthcare business works everyday to improve people's lives by developing innovative medicines targeted against important therapeutic areas such as osteoporosis, cardiovascular disease, diabetes, and osteoarthritis as well as products such as pain killers and cough/cold remedies. Current scientific knowledge and regulatory standards require that we use animals in the process of developing these products, both to safeguard humans and to direct the basic research process prior to testing in people. It is our policy to use the minimum number of animals necessary for this work and to progress toward the goals of reduction, refinement and replacement of animal use on an ongoing basis. We are currently working hard to identify screening techniques which can take the place of animal tests in the earliest phase of drug discovery.

Pet Nutrition Research Policy: We help dogs and cats live longer, healthier lives through innovative nutrition and pet care products. We feed our foods first to dogs and cats to help us develop nutrition that delivers true health benefits to millions of pets worldwide. We make sure that the dogs and cats we work with receive the best care; they are cared for to the standard that we as pet owners would give our own pets. They only help us in studies that are the equivalent of those done with human volunteers, and are adopted into loving homes or placed in our retirement facility when their help is no longer needed. At the same time, we are working hard on alternatives to find even better ways of getting this information and eliminating the need for research with other animals.

Consumer Goods Research Policy: In the past, scientific and legal requirements meant that safeguarding consumers' health invariably involved the use of animal tests. Governments tell us that it is currently not possible to avoid all animal use and maintain the same levels of health protection. At the same time some of our consumers tell us they want to see more progress on use of alternatives. We therefore work with interested partners to develop alternatives that offer the same level of health protection as current animal based tests and we will help promote their acceptance. We are also working with governments around the world to challenge remaining legal requirements to test on animals and find other options wherever possible. In this way we will work to limit and ultimately eliminate animal testing for chemicals. In the meantime, we do not test our products on animals unless forced to do so by law.



D. Respect in Society and Our Communities

1. Community Relations

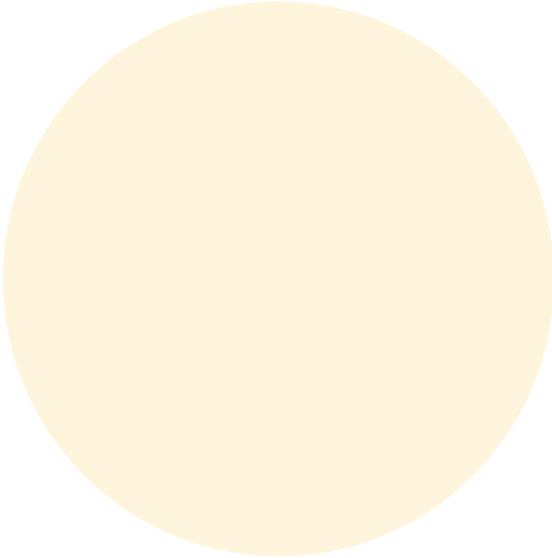
P&G and its employees have a long-standing commitment to being good citizens and neighbors in all the places where we do business around the world. We believe we have a responsibility to society to use its resources – money, people and energy – wisely. We satisfy our commitment through financial support 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.

We lend a hand to those in need

P&G, our brands and our employees are also committed to improving the lives of children in need around the world. We believe that P&G has a responsibility to use its resources for the long-term benefit of society. P&G's commitment to children includes using our resources to prevent childhood disease, to provide access to education and opportunities for learning, and to develop important life skills. In other words, we want to help children live, learn and thrive. We are particularly interested in helping children get off to a good start because a good start helps ensure a better future. This choice is based on our values and principles, and a belief that we can make a meaningful difference.





2. 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 and no discrimination or harassment based on *any* personal characteristics unrelated to job performance;
- 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.



E. Sustainable Development and P&G

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.



**P&G Global
Sustainability**

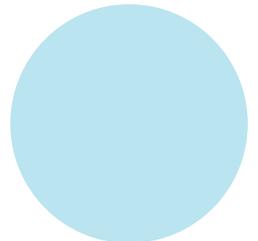
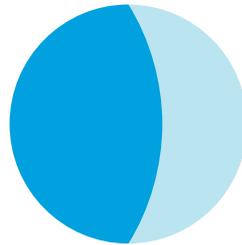
Improving quality of life, now and for generations to come

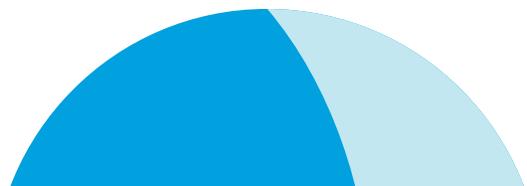
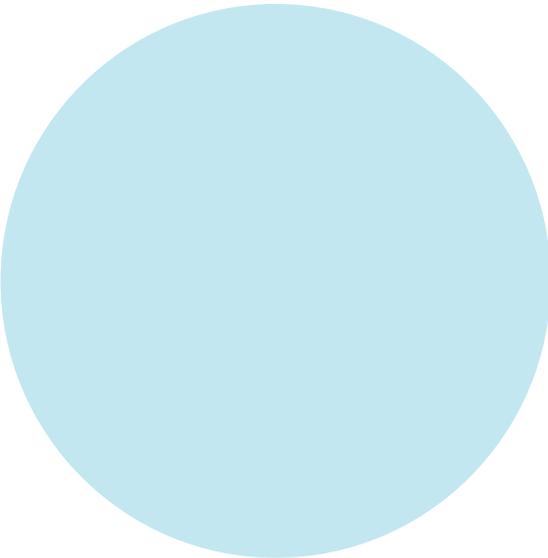
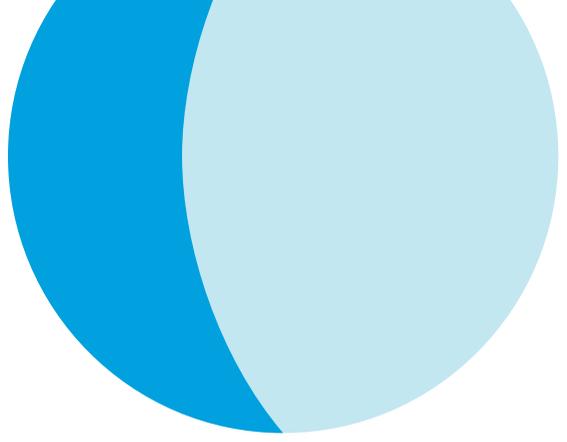
Our Vision

Be, and be recognized as, the best consumer products and services company in the world.

Our Promise

More than three billion times a day, P&G brands touch the lives of people around the world. And P&G people work to make sure those brands live up to their promise to make everyday life just a little bit better.





Touching lives, improving life. *P&G*™



**P&G Global
Sustainability**

Improving quality of life, now and for generations to come

**For further information,
please contact:**

www.pg.com/sr

P&G Global Sustainability
The Procter & Gamble Company
2 Procter & Gamble Plaza
Cincinnati, Ohio 45202

0013-6000
04/09

© 2009 Procter & Gamble.
All rights reserved.
Printed in U.S.A.