THE PROCTER & GAMBLE COMPANY

MEETING DATE	Tue, 09 Oct 2018 9:00 am	TYPE	AGM	ISSUE DATE	Wed, 26 Sep 2018
MEETING LOCATION	1 Procter & Gamble Plaza, Cincinnati, Ohio 45202				
CURRENT INDICES	S&P500				
SECTOR	Soap, detergents, and cleaning preparations; perfumes, cosmetics, and other toilet preparations				

	PROPOSALS	ADVICE
1a	**Elect Francis S. Blake** Independent Non-Executive Director.	**For**
1b	**Elect Angela F. Braly** Independent Non-Executive Director.	**For**
1c	**Elect Amy L. Chang** Independent Non-Executive Director.	**For**
1d	**Elect Kenneth I. Chenault** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1e	**Elect Scott D. Cook** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1f	**Elect Joseph Jimenez** Independent Non-Executive Director.	**For**
1g	**Elect Terry J. Lundgren** Independent Non-Executive Director. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
1h	**Elect W. James McNerney, Jr.** Lead Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1i	**Elect Nelson Peltz** Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. He indirectly holds shares through Trian Fund Management, L.P. There is insufficient independent representation on the Board.	**Oppose**
1j	**Elect David S. Taylor** Chairman and CEO. Combined roles at the head of the Company. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal.	**Oppose**
1k	**Elect Margaret C. Whitman** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1l	**Elect Patricia A. Woertz** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. She is chair of the Audit committee which is not fully independent which Triodos does not support.	**Oppose**
1m	**Elect Ernesto Zedillo** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**

2 Appoint the Auditors **Oppose**

Deloitte proposed. Non-audit fees represented 2.74% of audit fees during the year under review and 3.33% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

3 Advisory Vote on Executive Compensation **Oppose**

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The CEO's fiscal 2017 annual bonus pay-out is in line with best practice. ESG factors are not linked to the annual bonus. PSP grants vest at the end of a three year performance period; however, a five year performance period is considered best practice. Executive Compensation is not aligned with peer-group averages. Performance measures attached to the annual bonus are also replicated under the PSP raising concerns that executives are being rewarded twice for the same performance. The CEO's long term incentive awards are considered excessive at 798% of salary.
The compensation rating is: DDB. Based on this rating and the concerns noted above,Triodos opposes this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory Vote on Executive Compensation

Disclosure: D- The Company's compensation program consists of the Short-Term Achievement Reward (STAR), and two long-term incentive equity programs: the Performance Stock Programme (PSP) and the Long-Term Incentive Program (LTIP). STAR payouts are determined based on an assessment of performance against Business Unit performance factors, total company performance factors and a transformation factor. Targets are not clearly disclosed. PSP awards are linked to performance against organic sales growth, constant currency, core EPS and Adjusted Free Cash Flow goals. It is noted that prospective and retrospective disclosure of targets is provided.
Balance: D- The CEO's fiscal 2017 annual bonus pay-out is in line with best practice. ESG factors are not linked to the annual bonus. PSP grants vest at the end of a three year performance period; however, a five year performance period is considered best practice. Executive Compensation is not aligned with peer-group averages. Performance measures attached to the annual bonus are also replicated under the PSP raising concerns that executives are being rewarded twice for the same performance. The CEO's long term incentive awards are considered excessive at 798% of salary.
Contract: B- The Company does not have any employment contracts with its NEOs that require severance payments upon termination of their employment. The only situation in which a separation allowance may be paid is if an employee is encouraged to separate from the Company upon which the Company has discretion to pay up to one year's salary. Definitions of 'good reason' and 'cause' are not provided. PSP awards are paid out 'at target' for a change in control, which could lead to excessive payments in a change in control scenario.

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