



Stewart Atkinson
Chief Purchasing Officer

The Procter & Gamble Company
General Offices
2 Procter & Gamble Plaza
Cincinnati, Ohio 45202-3315

To Our Valued External Business Partners,

I hope this finds you well.

P&G's third quarter 2016 earnings report was shared on April 26. Our Chairman, President and CEO David Taylor shared with investors and the public that "The third quarter macro environment was characterized by a slowdown in market growth, continued geopolitical disruptions and foreign exchange challenges. Against this backdrop, we delivered modest organic sales growth and double-digit Core EPS growth, and we increased the quarterly dividend for the 61st consecutive year." You can read about P&G's results in detail in our Q3 earnings release at www.pg.com, here: <http://news.pg.com/press-release/pg-corporate-announcements/pg-announces-third-quarter-fiscal-2016-results>

P&G also recognizes that we have many opportunities in the areas of payments and digitization, among others. This is one area where we have recently made choices which should benefit both your business and P&G.

We are thrilled to announce two new initiatives for improving and streamlining P&G's ordering, invoicing, and receiving processes by implementing automated, digital solutions for both Indirect and Direct purchases. In short, our vision is to move away from paper-based and manually-transmitted transaction documents. To do so, we have partnered with two digital platforms—Coupa and Ariba, and unlike many others utilizing Source-to-Pay platforms, P&G has chosen to fund any platform fees, making them free for our suppliers to use.

For Indirect materials and services, we have selected Coupa, a cloud-based digital platform which is transforming how we do business. As those of you partnering with us in Indirect know, we're in the midst of our global rollout. We started in North America and have now launched in all regions, with plans to sunset the current global solution by end-2017.

For Direct materials, we have selected Ariba, an SAP company. Implementing SAP Ariba is an important, transformational change with far-reaching impact--from each regional Planning Service Center, to all 100+ P&G plants globally, to buyers, to our payments teams, and to you as external business partners. It has the power to truly transform how we collaborate with Direct suppliers. There is a right to succeed here, but we can't do it without your support and full engagement.

The use of the Ariba Network will be phased in over the next 18 months. We formally kicked-off the first Wave of Phase One this month, which touches Direct suppliers in North America. We will expand to other regions in the months ahead and aim to have every Direct external business partner using this process by June 2018. If you have any questions, please contact your Supplier Relationship Owner or Katherine Storer (storer.k.1@pg.com), our Purchases Group Manager leading this digital transformation.

Thanks for all you do for P&G. I'm honored to call you our business partners and truly appreciate your spirit of partnership in all we do together.

Sincerely,

Stewart Atkinson
The Procter & Gamble Company
Chief Purchasing Officer