

Research on the Social and Cultural Sustainability Development of P&G Company Based on the Triple Bottom Line Theory

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Abstract: Today's society promotes sustainable development, which has become a core concern for society, governments, and businesses. Corporate sustainability is the process by which a company meets its current needs while considering its future social, environmental, and economic impacts to ensure long-term success and survival. This paper describes Procter & Gamble's achievements in the triple bottom line, focuses specifically on socio-cultural opportunities and challenges, and proposes and suggests challenges that companies and the household products industry may face on their journey to sustainability.

1. Introduction of P&G

P & G is an American-based household daily necessities industry and one of the largest household goods companies in the world, headquartered in Cincinnati, Ohio, USA, with nearly 140,000 employees worldwide^[1]. Their corporate structure offers the global benefits of an international company and integrity and relevancy to consumers in more than 180 countries where P&G products are sold (Structure and Governance | P&G, n.d.). Procter & Gamble's products include soap, toothpaste, mouthwash, shampoo, coffee, orange juice, cake mix, toilet paper, and cold medicine; P&G's products span a wide range of industries such as cleaning products, food, paper products, pharmaceuticals, and so on, and we are familiar with brands such as Hafez shampoo, Crest toothpaste, and Tide laundry detergent, all of which are under the brand name of P&G.

The reason I chose P&G is that P&G is a globally renowned household products company with a wide range of products, which is representative of a sustainability case study and has a specific influence on driving the whole industry towards a more sustainable direction. Analyzing P&G's sustainability practices can cover sustainability challenges and solutions in many areas, thus demonstrating its coping strategies in different areas.

2. Current Status of Sustainable Development of P&G Company

P&G is committed to triple-bottom-line sustainability in socio-culture, environmental, and economic terms. The triple bottom line, also known as the three P's (People, Planet, Profit), is a framework that evaluates a company's performance based on its social, environmental, and economic impacts^[2]. The general goal of a sustainable business strategy is to positively impact the environment,

society, or both while also benefiting shareholders (The Triple Bottom Line: What It Is & Why It's Important, 2020).

2.1 Social Culture

“Project Hope” is a social welfare program launched by the China Youth Development Foundation in 1989, aiming at helping young people in poor areas of China grow healthily. P&G has been supporting Project Hope since 1996. The Hope School is also the world's longest continuously supported public welfare project. P&G applies the principles of brand management to this public welfare project, pays attention to the actual needs of teachers and students in the Hope School, and actively seeks innovative solutions and puts them into practice. Up to now, P&G has donated and built 200 P&G Hope Schools in 28 provinces, municipalities, and autonomous regions in China, helping more than 350,000 rural children(Tech-Long, 2020)^[3]. It is an essential strategy of P&G's social responsibility to support "Project Hope" with its business partners. After ten years of unremitting efforts, P&G has successfully integrated public welfare into its business chain, forming a "green business chain." Now, P&G is committed to promoting the prosperity and development of this chain, promoting the broad progress of the industry and the society, and the inheritance and continuation of P&G's global public welfare concept in China.

2.2 Environment

Plastic waste seriously threatens the human environment, especially as it ends up in rivers and oceans, exacerbating pollution problems. P&G is committed to making all packaging recyclable or reusable by 2030. Between 2010 -2020, P&G reduced packaging per consumer use by over 12%, resulting in a material avoidance of over 200,000 metric tons^[4]. P&G uses recycled materials in plastic packaging. Between 2020 and 2022, P&G's use of recycled resin in plastic packaging increased from 52,800 metric tonnes to 96,469 metric tonnes. P&G also plans to further increase the use of recycled resins as one of the key strategies to achieve its goal of reducing the use of virgin petroleum-based plastics by 50 percent (Procter&Gamble, n.d.). P&G is developing and expanding new recycling solutions, using alternative materials, and actively working with external parties to help improve waste management infrastructure.

2.3 Economic

P&G is constantly innovating and committed to finding solutions to the problems consumers face now and in the future. This requires a deep understanding of consumer needs, research and development of cutting-edge science and technology that impacts people's daily lives, and creating superior products that create value for everyone. P&G believes in the power of difference and the profound impact that can be made when people come together with shared values and goals. As a company, P&G is committed to promoting diversity and inclusion at all levels of its workforce, leadership, and supply chain, advancing gender equality and fair treatment, and actively fostering a multicultural and inclusive work environment. This commitment not only enhances P&G's impact but also energizes economic development.

P&G is committed to advancing gender equality globally and is working to increase the representation of women in leadership^[5]. In 2022, P&G already had 41 percent female employees compared to 2015(Gamble, 2022), and the proportion of women in senior management and leadership positions is gradually increasing. The company's team has become increasingly diverse, encompassing employees from various racial backgrounds, including Black or African American, Hispanic or Latino, Asian, American Indian/Alaskan Native, two or more races, Native Hawaiian,

and other Pacific Islander. This diverse team composition brings the company a rich perspective and innovative drive.

2.4 Challenge in Enterprise

In a panel event, P&G's CEO David Taylor and Chief Sustainability Officer Virginie Helias announced P&G's new "It is Our Home" campaign. The centerpiece of this activity is nature as a climate solution" in order to achieve "carbon neutrality" by 2030. Nevertheless, Procter & Gamble has avoided how and where its own company's products are produced, and some have pointed out that P&G speaks of environmental sustainability while continuing to harm areas such as Canada's climate-critical boreal forests.

P&G is the largest purchaser of boreal pulp in the United States^[6]. It uses tree fiber from the boreal forest to make its tissue products--including Charmin, Bounty, and Puffs, all made with 100% virgin forest fiber rather than recycled content or sustainable alternative fibers, which have a fraction of the climate impact. Procter & Gamble's use of fibers from trees in Canada's Boreal Forest to make its products exacerbates the destruction of one of the most carbon-intensive forests on the planet. Also, it affects the habitat of endangered species in that forest. P&G has been widely criticized for the company's use of palm oil and palm kernel oil suppliers that fuel the deforestation of tropical rainforests (P&G, You Can't Outsource Sustainability, 2020).

2.5 Recommendation for Enterprise

Here are some recommendations in response to P&G's environmental over-harvesting of Canada's boreal forests.

First and foremost, P&G should pay serious attention to the current state of the boreal forest and reduce its reliance on virgin forests for tissue products. Considering the high carbon density of this forest globally, P&G has a responsibility to reduce its exploitation of the Canadian Boreal Forest.

In addition, P&G should follow UN protocols and only operate with permission from local indigenous peoples for traditional land management. Logging in endangered animal habitats within the forest should be avoided, which will help enhance the company's reputation for promoting sustainable land management practices with a human rights approach (P&G, You Can't Outsource Sustainability, 2020).

Last but not least, P&G is responsible for regularly cultivating saplings in the logged areas to facilitate the natural recovery process of the forest. This initiative will help maintain ecological balance and ensure the health of the forest ecosystem.

3. Problems in the Sustainable Development of Social Culture

Socio-cultural sustainability is crucial for a large multinational company like P&G. P&G's success is closely linked to consumer demand. As societies and cultures evolve, so do expectations of products. Therefore, P&G needs to continuously focus on and gain a deeper understanding of the needs of consumers from different regions and cultural backgrounds to ensure that its products meet the needs of various cultural differences. The company must ensure that its business activities comply with regulations while taking an active interest in social responsibility. This includes efforts to actively participate in community projects, reduce its environmental footprint, and improve employee welfare^[7] (Culture, 2023). Through these initiatives, P&G will safeguard its reputation, actively engage in socially and environmentally sustainable development, and build a more robust consumer bond.

P&G needs to make improvements in the area of sustainable supply chain management to enhance

the sustainability of its supply chain. This includes ensuring that raw material sourcing and product manufacturing meet environmental and social responsibility standards, such as using recycled materials or sustainable alternative fibers for household paper products, and these initiatives should be openly and transparently presented to employees and the public to increase the company's transparency on socio-cultural sustainability. In addition, P&G needs to strengthen the sustainability of its socio-cultural investment programs and increase its investment in social and cultural projects. As a major retail brand, P&G should be an example of social responsibility by actively giving back to the community and enhancing socio-cultural sustainability. This could include supporting rural education, community development, and cultural preservation projects. P&G should also further increase diversity and inclusion within the company to ensure that employees from different cultural backgrounds and affiliations are equally empowered. This will help to promote innovation, spread P&G's culture, and contribute to socio-cultural sustainability.

4. Optimization Measures for Social and Cultural Sustainability Development

4.1 Supply Chain Management

Building sustainable supply chains also means investing in the future pipeline of diverse-owned suppliers is essential, so P&G should partner with many organizations to build capabilities of diverse small business owners and startups^[8] (Gamble, 2023). According to publisher SustainCase, examples of sustainability span a wide range of industries. For example, a fast food company redesigned its packaging to avoid repackaging in the supply chain, reducing tonnes of waste. An electronics company required suppliers to sign a "Code of Conduct Compliance Statement" emphasizing integrity and stewardship^[9] (Luther, 2021).

Firstly, P&G needs to set clear sustainability goals and targets. These goals include reducing carbon emissions, lowering waste generation, and improving the sustainability of raw materials. At the same time, relevant indicators should be established to measure and monitor progress towards these goals. Secondly, regarding supplier selection, partners that adopt sustainable business practices should be chosen wherever possible. P&G can encourage suppliers to adopt sustainability measures, actively seek out and source sustainable raw materials, and use recyclable materials to minimize their environmental impact. In terms of supply chain management, P&G can provide employee training and support to ensure that supply chain management processes meet ecological and social responsibility standards. In addition, it is vital to establish a transparent supply chain management system to understand the source of raw materials and the production process and to achieve transparency by tracking the entire supply chain, including suppliers, manufacturers, and distributors, among other links. Finally, the sustainability performance of the supply chain is regularly monitored to identify and resolve problems in a timely manner, encourage innovation in the supply chain, and actively seek new sustainable technologies and solutions to improve supply chain management continuously.

4.2 Socio-cultural Investment

P&G has made many achievements in socio-cultural investment, including the "Project Hope" program in China and the Safe Drinking Water for Children program^[10] (Culture, 2023b). These socio-cultural investment initiatives have helped enhance P&G's reputation and built a sound social image for the company. In order to further strengthen its presence in the socio-cultural field, P&G needs to continue to participate in and manage these investments actively.

First, P&G can actively participate in various programs and activities in the communities where it operates, especially in education and training. By investing in education and training programs, P&G

can help improve people's skill levels, support the development of the younger generation, and provide more opportunities for internships and career development. This will not only help the community's development but also help develop future talents and create more value for P&G and society. Secondly, P&G can promote cultural sustainability by supporting traditional culture. This can include activities such as sponsoring museums and supporting the inheritors of intangible cultural heritage. Through these initiatives, P&G can help protect and pass on local and global cultural treasures while promoting cultural heritage and innovation. In addition, P&G can work with international organizations and other partners to support global sustainable development goals such as global health, poverty eradication, and environmental protection. This can be accomplished by donating funds, engaging in technical cooperation, and sharing knowledge and experience. By participating in these global efforts, P&G can contribute to solving global problems while building the company's international image.

4.3 Diversity and Inclusiveness

P&G's leadership team encompasses executives from various countries and cultures while actively providing opportunities for women to become leaders^[1]. The company employs people from various countries, cultures, and backgrounds worldwide. P&G's products and advertisements also reflect the values of diversity, often including images of people of different colors, genders, sexual orientations, and cultural backgrounds to represent different consumer groups better (Gamble, 2023b).

Diversity and inclusion play an essential role in P&G's sustainability strategy. First, P&G needs to develop apparent diversity and inclusion policies that articulate the company's commitment to diversity and provide relevant training and resources to ensure employees understand and comply with these policies. Second, the company actively works to create diverse hiring and promotion opportunities. P&G takes proactive steps to encourage people from diverse backgrounds and experiences to join the organization and to ensure that the hiring process is fair while providing employees with training and development opportunities to help them advance their careers. In addition, P&G can build work environments that support diversity and inclusion. This includes offering flexible working arrangements to meet diversity needs while setting up anti-discrimination and whistleblowing mechanisms to ensure employees are treated fairly. Finally, it is necessary to regularly monitor diversity and inclusion progress, actively collect employee feedback, and continually improve policies and practices to ensure that the values of diversity and inclusion permeate the entire organization.

5. Conclusion

In this paper, we focus on P&G's sustainability practices in terms of the triple bottom line and introduce the measures it has taken. At the same time, we also explore the problems and challenges that P&G faces in its sustainability process and make recommendations accordingly. By exploring how P&G is socio-culturally sustainable, it proposes indicators and assessment options and delves into the constraints and challenges that P&G may face in being socio-culturally sustainable. P&G still has a long way to go regarding sustainability, but it is also full of opportunities and challenges. P&G will also continue to explore the area of sustainability.

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