

## 2021 Citizenship Report

P&G

**P&G NORTHERN EUROPE** 

## Dear Stakeholders,

Citizenship is a fundamental part of our business. It plays a key role in absolutely everything we do—from building trust and equity with the people we serve around the world, to driving growth and creating value. In essence, it is the foundation upon which we're able to be a force for good and a force for growth within the countries and communities in which we operate.

Working for a business with numerous brands and products all over the world comes with a huge sense of pride—and a huge sense of responsibility. Each and every one of you is incredibly important to us—from the investors and shareholders we serve through our business results, to the employees who make up our driven and diverse workforce, to the suppliers and partners we're fortunate enough to do business with. We have a responsibility to you all, which is why Citizenship is baked into absolutely everything that we do.

Within this report, you will find a wide range of examples of how this aspiration comes to life across every aspect of our business, enabling us to #LeadWithLove across each pillar of our Citizenship platform: Community Impact, Equality & Inclusion and Environmental Sustainability. Within each, we focus on the areas where we can have the greatest impact—through our brands, alongside our partners, within communities and, most importantly, with our people. They are the ones who best embody what Citizenship means at P&G. They are leading the way in our efforts—both big and small—doing so with passion, ambition and compassion. They demonstrate—alongside our business partners and suppliers—what it means to be a force for good and a force for growth each and every day.



As we close out this fiscal year, I find myself feeling reflective; particularly as I read through the amazing examples of our work contained within this report. It is difficult to succinctly describe the year that has passed. Each country within Northern Europe has had its own challenges to navigate as a result of the coronavirus pandemic, which has continued to provide the backdrop against which our business activities have taken place.

As we look ahead towards recovery, our response to COVID-19 remains consistent with three clear priorities—protecting the safety and wellbeing of our employees, ensuring our operations continue to run so our products reach those who need them, and to support community efforts to help the vulnerable and those on the frontline. We are eternally grateful to the millions of frontline and essential workers that have kept our countries safe, our businesses moving, and communities supported. I firmly believe that better days are ahead.



**TOM MOODY**Senior Vice President and General Manager,
P&G Northern Europe







Equality & Inclusion



**Environmental Sustainability** 



Ethics & Corporate Responsibility



### #LeadWithLove

We closed out 2020 at the halfway point of our fiscal year. As we reflected on the year that had passed, one thing was clear—it was a year like no other. Whilst we have supported consumers and communities through unexpected challenges for generations, the extraordinary events of 2020 made it clear that brands and companies have an ever-increasing responsibility to society and the world around us. It is on that premise that we launched our #LeadWithLove campaign.

Announced in December 2020, #LeadWithLove launched with a new film, Emotions, which highlighted the eight emotions humans are born with—and why love is the most powerful of them all. As part of the campaign, we have committed to undertake 2,021 Acts of Good globally throughout 2021—making it the year we all come together to do more for community, equality and the planet we share. It's an extension of what we're already doing across each pillar of Citizenship, and a continuation of our efforts to be a force for good and a force for growth; something that has always been at the heart of our business, but was needed more than ever after an unprecedented year.¹

Locally, we undertook a major Act of Good in Spring 2021 by donating £100,000 to the <u>British Red Cross</u>. Announced on World Red Cross Day—an annual celebration of the Red Cross' work across the world—the donation will enable the British Red Cross to continue its vital work on the COVID-19 relief effort. Specifically, the donation will:

- Enable the British Red Cross to continue to provide practical and emotional help to people in need across the UK through its Coronavirus Support Line.
- Offer support to the NHS, including patient transport to help people resettle safely back into their homes.
- Provide ongoing assistance to vulnerable people, ensuring they remain safe and well at home during the pandemic through the provision of medicine, food deliveries and wheelchair access.



"We are delighted to receive this donation from P&C.
For 150 years, the British Red Cross has been there for
people during the darkest times—and coronavirus is
no exception. With the support from P&G, the British
Red Cross has been able to continue helping the most
vulnerable and those in crisis. In the UK, we've reached
over 1.5 million people with our services since March 2020,
providing food, medications, and transport to and from
hospital to name a few. We look forward to continuing
this valued partnership with P&G."

#### SIMON LEWIS MBE

Head of Crisis Response, British Red Cross

### Looking ahead to the rest of 2021, and beyond

If 2020 taught us anything, it's the power that a little love can have. Despite its challenges, we witnessed beautiful moments of human kindness and came together to support each other—even when going through some of the most difficult health, economic and societal crises in modern times. But we know there is even more we can do, and are committed to delivering even more local Acts of Good—many of which you will find mentioned throughout this report—throughout the year ahead. This will help us all to turn the page on the challenges of 2020, growing the reach and impact of our Citizenship efforts, shaped by the love and compassion we have for each other.

<sup>&</sup>lt;sup>1</sup> To find out more about #LeadWithLove, and how we brought it to life throughout 2020, visit: <a href="https://www.pg.co.uk/blogs/looking-back-2020/">https://www.pg.co.uk/blogs/looking-back-2020/</a>





## **Community Impact**

Our brands feature in millions of people's everyday routines—from brushing their teeth, to washing their hair, to cleaning their clothes. But as part of our commitment to be a force for good and a force for growth, we are also there for people in greater times of need—when our products and support matter more than ever. We bring this to life nationally to deliver meaningful impact at scale—through our business, brands, and within the local communities that we operate in.

## Supporting grassroots charities with In Kind Direct

No one should have to go without essential everyday products. In the UK, P&G has a long-standing partnership with In Kind Direct, the leading UK charity dedicated to distributing donated consumer products from manufacturers and retailers to UK charities working at home and abroad. Since 2001, P&G has donated products worth an estimated retail value of almost £50 million to support over 7,500 charitable organisations of all sizes—from Fairy washing up liquid to Always pads, Flash cleaners to Pampers nappies, Oral-B toothbrushes to Gillette razors. We're proud to ensure our everyday essentials are reaching those that need them most.



P&G has a long-standing partnership with In Kind Direct so no one has to go without essential everyday products.

## National support through COVID-19 Community Impact Fund

At the beginning of the fiscal year, we provided support to a number of organisations across the region, donating to those based in the UK, Ireland and the Nordics.<sup>2</sup> We achieved this through a number of channels—leveraging our global partnership with the Red Cross organisations, whilst supporting over 6,000 grassroots organisations to drive real change at a local level.

We also redirected funds set aside for employee events which were cancelled due to pandemic-related restrictions, donating a sum of £35,000 per charity to three national organisations voted for by our employees:

- <u>Macmillan</u>, which provides specialist healthcare, information and financial support to people affected by cancer.
- <u>Refuge</u>, which supports those who have suffered from violence by running a range of services to help survivors safely rebuild their lives.
- <u>CALM</u>, an organisation that offers ongoing support for those facing mental health challenges through the provision of vital services, including a helpline which seeks to help individuals look after and restore their mental wellbeing.

## Harnessing our innovation agility to protect those in need

We know that our employees have a relentless passion to innovate throughout everything that they do. But as we continued to navigate our way through the impact of the coronavirus pandemic, this restless mindset played an even more critical role in providing support for those in need. Across this fiscal year, we have donated a total of 1.3 million face masks to thousands of charities through our partnership with In Kind Direct and the Irish Red Cross.

Since April 2020, when the coronavirus pandemic first hit, we have manufactured 28,500 litres of hand sanitiser to the WHO Formula 1. Equivalent to enabling 9.5 million hand washes, the hand sanitiser was used to help protect our own employees, such as those working in our manufacturing plants (which we kept open throughout the pandemic, ensuring everyday essential health and hygiene products were available to the public) and donated to charities across the UK through partners including the British and Swedish Red Cross, In Kind Direct and FareShareUK.



## 1.3 million face masks

donated to charities through our partnership with In Kind Direct and the Irish Red Cross.

## Providing support for people experiencing homelessness, in partnership with Crisis UK and Focus Ireland

At the end of 2020, we offered all employees in the UK and Ireland the opportunity to 'donate' their P&G Christmas Hamper to two charities that provide support for people experiencing homelessness—<u>Crisis UK</u> and <u>Focus Ireland</u>—as part of our broader fundraising. Through their generous support, we were able to provide Crisis UK with a donation of £25,000, enabling the organisation to support 885 people over the Christmas period with food, accommodation and a warm welcome for those who needed it the most.

In Ireland, we donated €12,000 to Focus Ireland, which ensured that 48 families were able to receive wrap-around support from the charity. The support they provide includes advice and information, allocated case workers, accommodation and access to a family-specific centre, where they can use laundering and cooking facilities.



£25,000

donated to Crisis UK.



**€12,000** 

donated to Focus Ireland.

<sup>2</sup> Donations funded from our FY19/20 budget after our 2020 Northern Europe Citizenship Report was finalised.



#### **Coming together in our communities**

Over the last year, we have continued to provide on-the-ground support to numerous charities local to our 14 sites across Northern Europe.

## Local support through COVID-19 Community Impact Fund

This year, we have made a series of donations of £20,000 to charities selected by our local sites across the UK.<sup>3</sup> This has enabled us to make a real difference within the communities that we operate in, providing additional support to organisations including:

- <u>Thurrock Food Bank</u>, which provides emergency food, supplies and support to people in crisis.
- <u>Berkshire Community Foundation</u>, which helps individuals and businesses make a lasting impact on their local charities and non-profit organisations.
- <u>Salford Women's Aid</u>, which offers a range of services to support women, men and children affected by domestic abuse.
- <u>StoreHouse Project</u>, which is committed to helping people by collecting and redistributing food, clothing and furniture and household items to those in need.

In Ireland, we were able to donate €20,000 to <u>Teach</u> <u>Tearmainn</u>, which provides help and support to those in need in their local communities.











## **P&G becomes Honorary Corporate Patron** of The Community Foundation

We were extremely proud to be named as an inaugural Honorary Corporate Patron of The Community Foundation Tyne & Wear and Northumberland, in recognition of our long-term support for North East charities and voluntary organisations. As part of our ongoing support in local communities, since 1995 P&G has donated over £1.2 million from more than 570 grants to support the North East, with funds used to provide support to small charities and voluntary organisations in the area. This year we approved 25 grants totalling nearly £57,000, which allowed the supported organisations to focus on their responses to the ongoing COVID-19 crisis.

#### A spotlight on our sites

#### **Brooklands: The Little Roo Fund**

The Little Roo Fund exists to support the babies, families and staff at the NICU (new-born intensive care unit) at St. Peter's Hospital in Surrey. In November, we were delighted to hand over a cheque for over £40,000 to the Fund, which has enabled the hospital to purchase a new incubator to protect its tiny patients, allowing them to receive lifesaving medical care. The donation—raised by employees working at our site in Brooklands, Weybridge—will also be used to purchase portable ultrasound machines to be used on the neonatal unit.



We donated £40,000 to the Little Roo Fund, which has enabled the hospital to purchase a new incubator to protect its tiny patients.

### **Cobalt: Support for Family Gateway** and St Oswald's Hospice

Employees working at our site in Cobalt, Newcastle, were proud to make two donations to each of their two chosen site charities: Family Gateway, which delivers enterprising, community-led solutions to families, children, young people and communities, and St Oswald's Hospice, which provides specialist and expert care to adults and children with life-limiting conditions. The site continues to work closely with both organisations through its dedicated Community Impact team, who organise a range of fundraising events throughout the year to provide ongoing support.

#### Manchester Plant: Donation to Salford Women's Aid

The coronavirus pandemic and resultant national lockdowns have, tragically, led to an increase in cases of domestic abuse. To provide support to those in need, employees working at our plant in Manchester donated £3,000 to Salford Women's Aid ahead of Christmas 2020. The money was used by the organisation to help those experiencing domestic abuse in the Manchester and Salford areas.

#### Reading: Support for HomeStart and Launchpad

Employees based at our Reading site fundraised for two local charities this year. The team donated £2,000 to two organisations, with the funds divided equally between <a href="HomeStart">HomeStart</a>, an organisation that provides on-the-ground support to families in need, working to ensure every child has the best possible start in life, and <a href="Launchpad">Launchpad</a>, Reading's leading homelessness prevention charity.

Employees at Reading have also been able to support Berkshire Women's Aid and Shooting Star Children's Hospice, with each charity receiving a £3,000 donation. The team also donated £2,000 to Babies in Buscot Support and £1,000 to Thames Hospice.

#### **London Plant: Donation to Thurrock Foodbank**

Thurrock Foodbank received a donation of £4,000 from employees based at our plant in London. The organisation seeks to provide support to individuals in crisis. Through our funding, Thurrock Foodbank plans to improve its facilities, creating a comfortable area for service users.



£4,000

donated to Thurrock Foodbank by our employees based at our plant in London.

#### **Seasonal support from Cobalt and Harrogate**

We know that certain calendar moments—like Christmas and Easter—can be particularly challenging for many, for all sorts of reasons. As the coronavirus pandemic continued to take hold, and many were forced to spend this time alone rather than with loved ones, our employees worked together to support and donate to organisations undertaking vital work to make these challenging times that little bit brighter.

At Christmas, employees based at our Cobalt site donated 100 Christmas dinners to <u>Age UK</u>, to provide a great meal to those who needed it most. The team also donated 560 advent calendars to three local charities—St Oswald's, Family Gateway and <u>The Bay Foodbank</u>, which provides food to individuals and families in an emergency and living in financial crisis.

During the Easter period, employees based at our site in Harrogate donated over 200 Easter eggs to local charity, Resurrected Bites, which works to end food waste in the UK. The team at Cobalt also donated over 500 Easter eggs to their local site charities, St Oswald's Hospice, Family Gateway an The Bay Foodbank. Employees also raised an additional £500 for the three organisations through raffle ticket sales and a virtual guiz night.

#### **Giving back through our brands**

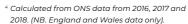
We recognise the power of our brands to contribute positively within society. That's what being a force for good and a force for growth is all about. This year, a number of our brands have undertaken activities to provide support to those in need. Here are just a few examples of what they've been up to.

#### **Pampers for Preemies**

One in 13 babies are born prematurely in the UK each year. They have delicate skin and need a nappy that offers both comfort and protection, so Pampers designed its smallest ever nappy to do just that. Since 2017, in partnership with Bliss, the UK's leading charity for babies born premature or sick, it has worked to ensure ongoing support for premature babies and their families, whilst also donating hundreds of thousands of Pampers Preemie Protection nappies to UK hospitals.

But on World Prematurity Day 2020, Pampers went beyond providing product donations to launch an initiative that would ensure every premature baby and their family could stay connected and supported during the coronavirus pandemic. With an estimated 35,000 babies born prematurely in England and Wales between March and October 2020,4 and pandemic-related restrictions limiting access to neonatal units to as few as two hours per day,5 the initiative was needed more than ever.

Pampers worked in partnership with both Bliss and vCreate, an in-hospital technology partner which delivers an NHS-trusted, secure video messaging service to minimise separation anxiety in parents of babies in neonatal wards. It supported the organisation's work by funding tablets and Wi-Fi dongles, which were donated to neonatal wards across the UK.



<sup>&</sup>lt;sup>5</sup> Data taken from Pampers survey, supported by Bliss, of parents whose baby/babies have received neonatal care since March 2020 (16 of 75 respondents had two or less hours of contact time with their baby per day).



<sup>&</sup>lt;sup>3</sup> Donations funded from our FY19/20 budget after our 2020 Northern Europe Citizenship Report was finalised.

8 · The Procter & Gamble Company

## Fairy helps the RSCPA keep wildlife clean and healthy

Whilst we know that our brands are used daily within people's homes, sometimes we find that they are used in slightly more unexpected places. Last summer, the Fairy team learned that a local animal rescue centre was not only using washing up liquid to clean the cubicles and floors of its wards—it was using it to provide specialised treatment for animals affected by oil spills. This harnessed the product's superior grease-cutting ability, whilst being gentle on the animals the team were caring for. The brand pledged its support for the cause, donating a significant amount of product to help the RSPCA continue its work to provide much-needed help to animals in need.

## Gillette encourages men to shave down in support of mental health

November 2020 marked the eighth year of Gillette's partnership with men's health charity, Movember. This year, the brand focused on 'Turning Men into Gentlemen', encouraging men across the country to shave down before the start of November so that they were ready to grow a Mo.

The campaign—through which Gillette established a dedicated Gillette x Movember fund—raised over £90,000 to support the mental health of frontline workers affected by the coronavirus pandemic. But that's not all. By working with well-known influencers and ambassadors, Gillette helped to continue the important conversation around men's health; something that has become even more important as we continue to navigate the challenges of the coronavirus pandemic.



**E90,000**raised through the
Gillette x Movember fund.

## Fairy supports In Kind Direct's 'Spaces & Places' campaign

This April, In Kind Direct launched its 'Spaces & Places' campaign. The initiative sought to help community spaces and charitable organisations get back up and running in the aftermath of pandemic-related restrictions. P&G is a long-standing partner of In Kind Direct, and Fairy got on board as a lead partner, donating 4,000 bottles of washing up liquid and 3,500 packs of dishwasher tablets to the cause.





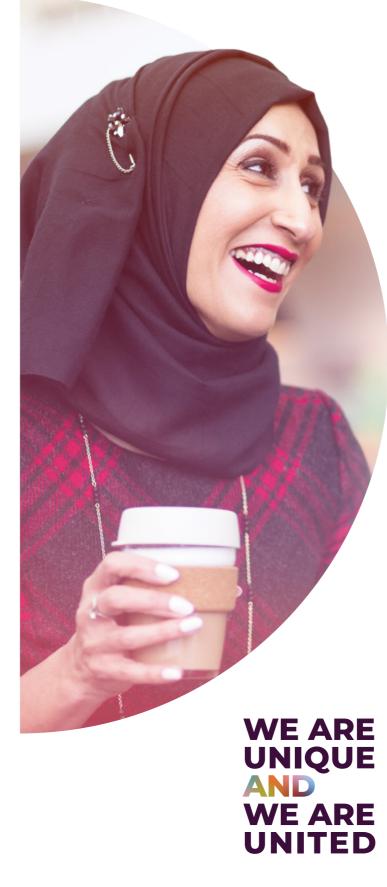
#### **Pampers highlights the Power of Local**

In a world full of new challenges and uncertainty, parents feel a deep sense of responsibility and desire to make their baby's world better. For many parents, this means supporting local produce and local businesses to help communities thrive. For others, having access to the products and services they need for their baby wherever and whenever they need them is paramount. And whilst research conducted by Pampers found that 74% of UK parents felt closer to their neighbours now versus before the first national UK lockdown, the research also revealed that 39% of parents struggled to get hold of nappies since March 2020, highlighting the increased reliance on baby banks.<sup>6</sup>



Pampers donated 500,000 nappies to baby banks across the UK as part of its Power of Local campaign.

Pampers believes in the power of coming together to help make babies' worlds better through the Power of Local—which includes supporting local communities, with local products, made by local families. Over 90% of Pampers nappies sold in the UK are made in the UK, so they're always there when you need them. Meeting commitment with action, Pampers kicked off the campaign with a donation of 500,000 nappies to baby banks across the UK.





## **Equality** & Inclusion

We aspire to create a company and a world where equality and inclusion (E&I) is achievable for all; where respect and inclusion are the cornerstones of our culture; where equal access and opportunity to learn, grow, succeed and thrive are available to everyone.

Our E&I strategy is comprised of five key pillars: Gender Equality, Racial Equality, People with Disabilities (PwD), LGBTQ+ Inclusion and Social Mobility. Within each, we focus on the four areas within which we believe we can have the greatest impact: working with our employees, alongside our partners, leveraging our brands and within our communities.

We take the opportunity to celebrate this area of Citizenship in its entirety during our annual E&I Month. Previously E&I Week, this year we rebranded to dedicate an entire month to our activities, in reflection of our ongoing commitment to strive for E&I both within our own organisation and in wider society. This included a series of internal events hosted via our brand new virtual event platform, personal reflections from our Lead Team Sponsors for each pillar of E&I, and specially created bitesize content to ensure that all employees—whether working from home (and ordinarily based in one of our offices) or working from our manufacturing sites or distribution centres—could get involved, opening their hearts and minds to new perspectives.

<sup>&</sup>lt;sup>6</sup> Research conducted by Pampers found that 48% of UK parents have had to access a baby bank at least once since the start of the pandemic.

"This year's E&I Month was the biggest and best one yet. Celebrating across the full month—as opposed to one or two weeks—gave everybody the opportunity to get involved, learn more, and see what they could personally do to accelerate their journey towards greater inclusion. At P&G, we talk about being #UniqueAndUnited. By this, we mean that we recognise the power of our differences within our organisation, and believe that these help us to better serve people beyond it."

#### **CHRIS YOUNG**

Vice President, Human Resources, P&G Northern Europe

#### **GENDER EQUALITY**

## Always continues the conversation on menstrual health and hygiene

For years, Always has sought to build confidence among youth by normalising conversations around periods. Earlier this year, it launched an all-new report, It's Time to Talk!, which shines a spotlight on menstrual health and hygiene in the UK. The report found that one in three teens don't feel prepared for their first period, whilst two in five parents feel more responsible for teaching their children about periods in light of pandemic-related restrictions.

To help build a society where everyone feels more comfortable talking about menstrual health and hygiene, Always identified a number of key actions that are critical to ending period stigma by 2030. This includes encouraging society to talk more openly about periods and continuing to provide high-quality puberty and confidence education, and continuing to address the lack of access to period products that too many across the UK still face today. To date, Always has donated over 30 million products to schools and youth groups through its social impact campaign, #EndPeriodPoverty.7

<sup>7</sup> Figure correct as at February 2021.



Always has identified a number of key actions that are critical to ending period stigma by 2030.

## Always helps young people build confidence and resilience through sport

In March, Always launched its latest social impact campaign, #FuelHerFuture, which aims to support young girls through the transformative power of sports. It followed research by the brand which found that women who played sports during puberty said doing so helped them build skills that have served them throughout their lives—including teamwork, self-esteem and perseverance. Despite this, Always found that nearly one in three girls drop out of sports during puberty, with many revealing that they didn't feel encouraged.



In response, Always teamed up with charitable organisations, retailers and influential voices to help keep young people playing, even if sports looked a little different as a result of pandemic-related restrictions. The brand developed a film featuring well-known female voices—including TV personality, Rachel Riley, and girls' education activist, Malala Yousafzai—alongside local community heroes who all credit sports as a key enabler of their success. In addition to raising awareness of the benefits of sports, Always is donating to help Sported deliver its programmes.

## Pampers rallies the nation to celebrate fathers with #HappyFathersWay campaign

Pampers is another brand that continues to challenge gender bias in society. To coincide with Father's Day 2020, it sought to shine a spotlight on fathers, after research found that one in two mothers believe that UK media and society could make fathers feel more valued in their caregiving role. The brand partnered with celebrity ambassadors Joe Swash and Stacey Solomon, rallying

the nation to support and celebrate fathers by sharing their #HappyFathersWay stories. This promoted the view that fathers play an equally important role in the happy, healthy development of their little ones. The brand will continue to use its platform to support this.

#### Shining a spotlight on STEM careers

Over the last couple of years, we have attracted more women into STEM roles such as IT, manufacturing and research and development. To continue our progress, we have adopted a holistic approach to recruiting a diverse pool of exceptional female talent. This includes working with inspiring female role models within our organisation, empowering them to share their experiences as a female working in a STEM role. Ultimately, we want prospective hires to be able to identify with those in our current workforce, and believe that people are more likely to apply for a role if they feel they are represented by the organisation.

"Becoming Lead Team sponsor for Gender Equality is hugely relevant to my role as an IT leader. Boosting diversity in STEM careers is something I'm particularly passionate about, so this gives me an opportunity to not only demonstrate my business leadership, but to address an area that is key for my function and the company."

#### **SEB BRITTEN**

Senior Director, IT and Lead Team Sponsor for Gender Equality, P&G Northern Europe





## Striving for a more gender-equal world—within our industry, local communities and wider society

### Accelerating change throughout our industry, in partnership with D&I in Grocery

D&I in Grocery seeks to harness the power of FMCG (fast-moving consumer goods) businesses, bringing everyone together as a community in order to serve as a catalyst for change. The programme began in 2018, and we are proud to continue to work alongside others in our industry to progress this important mission. From creating forums for shared learning through monthly talks on key topics, to the creation of an online knowledge-sharing hub, to taking part in D&I in Grocery's mentoring programme inspiring the next generation of industry leaders, to preparing for this year's D&I in Grocery LIVE! Event, we are proud to be playing a role in enabling the industry to connect, learn and inspire change. Whilst no one has all the answers, together we believe that sharing and learning from one another will nurture greater diversity within our organisations.

### Inspiring and empowering girls from disadvantaged communities, in partnership with The Girls' Network

Our partnership with <u>The Girls' Network</u> at our site in Newcastle has been running for just over two years. The organisation aims to inspire and empower girls from the least advantaged communities by connecting them with a network of professional female role models. Mentors work with mentees over a 12-month period, guiding them through educational sessions including Positive Wellbeing, Courageous Leadership and Becoming Independent Women. Mentors are encouraged to draw on their personal experiences to devise each session in a way which they believe will connect individually with their mentee—serving to benefit the mentee whilst developing mentors into strong leaders.

### Advancing the international conversation on gender equality, in partnership with The Female Lead

Earlier this year <u>The Female Lead</u>, a campaign the celebrates women's stories and successes around the world, launched all-new research, Women at Work, which explored the challenges facing women in the workplace today. As one of P&G's newest gender equality partners, we were proud to announce that we would be working closely with the organisation in the UK and beyond to continue to advance the conversation on gender equality.



P&G is partnering with the The Female Lead to advance the conversation on gender equality.

#### **RACIAL EQUALITY**

#### Establishing an internal taskforce

To accelerate our progress to drive racial equality and representation as an organisation, we established a dedicated 'Take on Race' taskforce—a small group of passionate employees to lead the work on developing a racial equality strategy and action plan. We appointed a Lead Team Sponsor to drive accountability at senior levels, and together identified the areas within which we believed we could have the greatest impact.

We have already made some encouraging progress. Our dedicated learning hub for employees has enabled everyone within the organisation to find out more about our strategy, in addition to increasing their own knowledge and understanding to enable them to drive their allyship even harder. We also established an internal communications series, which provided a platform for all employees to share their own experiences and learning journey.

#### **Celebrating Black History Month**

In October, we celebrated Black History Month through a series of activities designed to continue our journey towards fighting for racial equality; both inside our organisation and in wider society.

We have also worked together with a committed team to expand the BELONG Multi-Cultural Affinity Group, originally focused at our site in Reading, to all sites in Northern Europe. The group provides a space for employees and allies to meet and form relationships with colleagues who have a similar background and identity, plus drive dialogue and action to encourage more inclusive behaviours. Through this group, we created an internal content series entitled 'Everything you wanted to know about race', which engaged employees to have open and honest conversations in order to collectively advance our journey as an organisation.

We also prioritised attracting diverse talent to consider a career at P&G, through events like The Bright Network's Black Heritage Future Leaders. Employees from P&G spoke as part of a panel discussion, sharing their own experiences to bring our commitment and belief in inclusion to life.

### Signing up to the BITC's Race at Work Charter

We continued to demonstrate our commitment to driving racial equality in the workplace by signing up to the BITC's (Business in the Community) <u>Race at Work</u> Charter. As an organisation, we recognise that ethnic minorities still face significant disparities when it comes to employment and progression, and our signatory of the Charter restates our commitment to inspire change. Signing up means taking practical steps towards ensuring that we continue to tackle the challenges faced by ethnic minorities within their own organisations, ensuring that workplaces are representative of British society today.



The Prince's Responsible Business Network

Race at Work Charter signatory

"I'm proud of the progress we are making—but we can, and will, do more. Whether that be through encouraging more self-education, building race fluency, sharing diverse experiences or making external commitments that hold us accountable, we will continue to move forward. I remain committed to lead our efforts towards a more equal world, ensuring our work is undertaken in meaningful ways that unite us all."

#### **RADU MAFTEI**

Vice President, Finance and Lead Team Sponsor for Racial Equality, P&G Northern Europe

## Attracting and retaining diverse talent

Earlier this year, we partnered with The Black Women's Project on a new podcast series, <u>The Growth Szn</u>, which links Black women starting out in their career with Black women in P&G (as well as

allies and experts) through a series of conversations. The Black Women's Project is a student-led society at the University of Warwick and the University of Southampton, which aims to develop future Black female leaders, with a focus on wellbeing and upskilling. We've had a relationship with the organisation since 2019, and have worked hard to partner in a way which truly adds value by listening to what their members want from their corporate partners. This has enabled us to create something which we believe will have a truly meaningful impact, helping to develop the next generation of female leaders.

Other trusted partners include The British Black Business Awards—through which we're running a 12-week 'Accelerator' programme focused on development opportunities for high-potential talent—SEO London and Kingston University's Elevate programme. We have also worked to identify and address any bias in our recruitment process by working in partnership with CLEAR.

## Committing to end hair discrimination by signing up to The Halo Code

Earlier this year, we were delighted to announce that we had adopted The Halo Code, the UK's first Black hair code, publicly declaring our involvement through a news feature broadcast on regional ITV networks. It recognises that no Black employee should have to change their natural or protective hairstyle in order to thrive at work, championing the right of staff to embrace all Afro hairstyles. In doing so, we hope that our organisation and wider society will be one step closer to a world free from discrimination, where all

Black members of our community have their identities fully recognised and celebrated. Within P&G, we have created a community with equality and respect at its core, and believe that hair texture and style should have no bearing on an individual's ability to succeed.



The Halo Code, which P&G adopted earlier this year, recognises that no Black employee should have to change their natural or protective hairstyle in order to thrive at work.

## Driving racial equality and inclusion through our market-leading brands

#### Pantene seeks to end hair discrimination through 'My Hair Won't Be Silenced' campaign

Earlier this year, Pantene launched 'My Hair Won't Be Silenced'—a campaign to end discrimination against Afro hair in the UK. Grounded in consumer research, the brand found that at least 93% of Black people with Afro hair had experienced microaggressions related to their hair. For example, nearly half of those surveyed reported that they had experienced uninvited hair touching.

With only 7% of people without Afro Hair able to identify common microaggressions, Pantene has partnered with <u>Black Minds Matter</u>, <u>Project Embrace</u>, and other organisations to drive cultural debate focused on increasing awareness and education around unspoken hair bias. This represents a continuation of the work Pantene had already started when it launched its Gold Series in 2018. The new Power of Hair Fund will support charity partners and community groups who share the common goal to end hair discrimination in the UK.

#### **PEOPLE WITH DISABILITIES**

#### **Establishing a local PwD Network**

Our People with Disabilities (PwD) Network provides a forum within which people with disabilities, those with a disabled dependent or allies keen to support, can come together, share their experiences and learn from one another. Led by our Company Accessibility Leader, Sam Latif, who is herself blind, the Network ensures that our facilities, technology and brands are accessible to all.

Earlier this year, we established a local PwD Network for Northern Europe. This sits alongside our broader global Network, providing a safe space for colleagues to share ideas, resources and experiences relevant to those across the region. Through the Network, we have welcomed employees who have bravely shared their personal experiences of disability with the wider organisation, enabling us to continue to raise awareness and aid understanding.





Starting with the launch of Pantene's Gold Series in 2018, Pantene continues to drive cultural debate focused on increasing awareness and education around unspoken hair bias.

## Facilitating connections between colleagues through reverse mentoring

Through the PwD Network, we run a Reverse Mentoring Programme. This matches senior leaders with members to learn more about disability: those that are visible and those that are not. It enables people throughout our business to establish relationships with people they may not necessarily work with day-to-day, facilitating an environment within which everyone can share their experiences. We believe this has further supported our journey towards creating an even more inclusive working environment for all employees in Northern Europe.

### Recognising International Day of People with Disabilities

International Day of People with Disabilities (IDPWD) takes place on 3rd December each year. It provides a moment for people to observe, promoting an understanding of the myriad of visible and invisible disabilities that they may have either personally, or experience through friends or relatives. It also seeks to increase awareness of the immense contributions people with disabilities have made, and continue to make, on the world around us.

In 2020, we recognised the day virtually through an internal webinar event. Entitled 'A Culture of Confidence', the event saw three employees personally affected by either a visible or invisible disability bravely share their stories. Hosted by Lead Team Sponsor for PwD, Walid Moukarzel, Senior Director, Product Supply, it provided a moment for our entire UK organisation to come together, learn from one another, and continue to cultivate disability confidence within our organisation.

"We have a beautifully diverse workforce at P&G, and believe that our different abilities stand to make us all stronger. They provide an opportunity for us to better understand the millions of people we serve every single day; after all, if we all think in exactly the same way, we will miss out on a wealth of different experiences and learn at a much slower pace. By helping to create a culture of disability confidence, I believe we will enrich not only our organisation, but the societies in which we live."

#### **WALID MOUKARZEL**

Senior Director, Product Supply and Lead Team Sponsor for People with Disabilities, P&G Northern Europe

#### **Celebrating World Autism Awareness Day**

In April 2021, we celebrated World Autism Awareness Day—a key moment for our organisation to reflect on the progress we have made towards empowering neurodiverse individuals by delivering a tailored programme to bring them into our organisation. On the day, Emma O'Leary—one of our Directors working in Research & Development in Reading and leader of our local Neurodiversity Programme—openly shared her personal experiences. This enabled us to continue the conversation on Neurodiversity within our own organisation, promoting knowledge-sharing through the lived experience of one of our employees.

#### **LGBTQ+ INCLUSION**

## Continuing our support for the LGBTQ+ community through #PrideOn

Despite the physical restrictions brought by the coronavirus pandemic, we were determined to continue our support for the LGBTQ+ community through our 2020 virtual Pride celebrations. We used our corporate Twitter channel to shine a spotlight on the fantastic employees at P&G who represent the LGBTQ+ community. This provided a platform for each to share their personal story, and to discuss our ongoing support of the LGBTQ+ community in more detail.

#### **Celebrating Trans Awareness Week 2020**

In November 2020, we celebrated Trans Awareness Week. Our Northern Europe GABLE (Gay, Ally, Bisexual, Lesbian and Transgender Employees) Network presented a session entitled 'What Trans Means to Me'. The panel session—hosted by Vice President, Grooming and Lead Team Sponsor for GABLE, Daisy Gray—explored what it means to be trans, told through the personal stories of individuals within the community. This included a parent who provided their full support to their trans child, as well as representatives from charities and well-known organisations that are seeking to drive greater awareness and inclusion in this area.

We also worked with our partners at Stonewall to run a First Steps to Trans Inclusion Digital Workshop for employees across the region. This focused on trans identities, terminology and experiences, helping employees to better understand the ways in which they can create a workplace where all trans people can achieve their full potential. It also demonstrated how everyone within our organisation can continue to step up and show their allyship for the trans community.

We closed out Trans Awareness Week by presenting a donation of £10,000 to Mermaids, a charity that helps to protect and support transgender youth. As a business that is committed to recognising and addressing the continued challenges that trans people and their families face in society, we were proud to use our voice and resources to stand up for, and support, trans rights.

"Whilst I'm proud of the progress we have made towards greater inclusion for the LGBTQ+ community, the fact remains that it still takes a huge amount of courage for people to be who they are. It's respect for this courage that makes me proud to be the Lead Team Sponsor for GABLE. Hosting the panel event during Trans Awareness Week was a genuine career highlight. It's so important to continue to build knowledge and understanding within the organisation, helping to drive the change we want to see for both members and allies of the LGBTQ+ community."

#### **DAISY GRAY**

Vice President, Grooming and Lead Team Sponsor for GABLE, P&G Northern Europe

#### **Your Hair, Your Dream**

In November, Pantene unveiled its latest campaign, Your Hair, Your Dream, in partnership with charity, Gendered Intelligence and starring award-winning writer, Travis Alabanza, amongst others. The campaign continues to share

personal stories about the power of hair to express identity, exploring the meaning of emotional support from family and friends to help individuals gain the confidence they need to show the world who they are. Pantene's ultimate mission is to create more allies for the community, provide safe spaces for those who do not have them, and give more great hair days for everyone. As part of Your Hair, Your Dream, the brand donated to Gendered Intelligence, with funds used towards its work in education to support and build communities that create an inclusive ethos and a welcoming, supportive environment for everyone.

#### **Lesbian Visibility Week 2021**

In April, we celebrated Lesbian Visibility Week—an annual event founded by DIVA Media Group, of which P&G is a long-standing partner. Our campaign, 'Letters to my Invisible Self', saw four P&G employees (three of which were named and one of whom opted to remain anonymous) bravely share their personal stories, helping to give a voice to the LGBTQ+ community. These were amplified across media, social media and via internal communications in order to drive greater awareness and acceptance.

Additionally, we facilitated an internal event which enabled two of our employees to discuss their letters in more detail, alongside representatives from DIVA Media Group and LGBTQ+ charity, Stonewall. They also shared their broader thoughts and feelings around what visibility and being 'out' meant to them individually, as well as the role it plays in the workplace, through a conversation with P&G's Chief E&I Officer.



## Ongoing conversation through our GABLE Network

Within P&G we continue to nurture a culture of openness through our GABLE Affinity Network. Established in 1996, the Network works hard to shine a light on the inclusivity and support for one another that truly makes P&G a special place to work, whilst remaining committed to supporting and leading important change in communities around the world. Our intent is to make thoughtful decisions about where and how we can help shape more inclusive policies, organisations and communities by reflecting and modelling the inclusivity we want to see.

#### **SOCIAL MOBILITY**

### Lifting up the next generation of future leaders to equal levels

We recognise that not everyone has the same opportunity to realise their full potential, even more evident with the impact of the pandemic, which has shone a spotlight on the inequalities that exist within society. Working with secondary students through to graduates about to embark on their career journeys, we have strengthened our partnerships and programmes to offer support, inspiration, coaching and development opportunities to give more students from disadvantaged backgrounds or minority groups the same chance to shine.

Our HeadStart programme has been running in several secondary schools for over a year, reaching diverse students in more challenging areas. Our newly established partnership with The Elephant Group (a headteacherled charity) will enable the programme to expand to accommodate more students across the UK, continuing our commitment to playing a role in nurturing the next generation to fulfil their career aspirations in the future.

"Many students we reach may be the first in their families to consider higher education, and may need help to develop the skills and confidence they need to achieve their best. Every young person has the right to achieve their dreams and I am proud that P&G and our people can help make an impact to equip them for a brighter future."

#### **IAN MORLEY**

Vice President, Sales and Lead Team Sponsor for Social Mobility Programmes, P&G Northern Europe



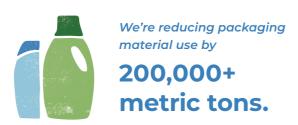


## **Environmental Sustainability**

At P&G, Environmental Sustainability is embedded in how we do business. We recognise our responsibility to make the world a better place—through the products we create and the positive impact of our brands and business around the world. We've established ambitious goals to minimise our environmental footprint, to innovate with the best and safest ingredients from both science and nature, and to create products that make responsible consumption irresistible for people everywhere.

#### 2020 Goals

In 2010, we declared a set of commitments to reduce our environmental footprint across three key areas—climate, water and waste. Since then, our business has continued to grow; all whilst our teams have developed smarter, more efficient ways to operate. As we closed out 2020, we were pleased to report that we had achieved 14 of our 16 ambitious goals. For the two we did not achieve, we continued to drive significant progress towards them—reducing packaging material use by more than 200,000 metric tons and reaching a 19% energy consumption reduction.



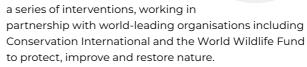


#### **Ambition 2030**

We're a business that continues to look to the future, identifying the ways in which we can serve as a force for good and a force for growth in the area of Environmental Sustainability. In 2018, we set our global Environmental Sustainability goals via a strategy entitled Ambition 2030. It focuses on reducing our footprint whilst conserving precious resources, seeking to help restore the wider world and, ultimately, leave it better than we found it. It seeks to enable and inspire positive impact in four key areas: through our brands, within our supply chain, in society and via our employees.

## Committing to a carbon neutral decade

In addition to our Ambition 2030 goals, in July 2020 we announced a new commitment regarding our global operations, intending to ensure carbon neutrality in the decade ahead. We aim to achieve this through a series of interventions, working



**CARBON NEUTRAL** 

FOR THE DECADE

We recognise that the next decade presents a critical window for the world to accelerate progress on climate change. We are going beyond our existing, science-based target of reducing 50% of our absolute greenhouse gas (GHG) emissions by 2030 to advance a portfolio of natural climate solutions. These efforts will deliver a carbon benefit that balances any remaining emissions over the next 10 years, allowing our operations to become carbon neutral in the decade ahead.



In February 2021, we announced a new commitment to improve our transportation efficiency by 50% by 2030 (versus 2020) for all global transportation related to finished products. The transport sector is the third largest source of GHG emissions after industry and buildings. Without intervention, global freight transport emissions will more than double by 2050—so our commitment will be a step towards helping to actively reduce emissions in this area.



#### It's Our Home

This year, we launched It's Our Home—a call to action for all of us to come together to do more for the planet, in recognition of the small actions we can each undertake at home in order to make a world of difference. 70% of UK citizens want to do more at home in order to have a positive impact on the environment, yet 41% of people don't make environmentally conscious choices at home as often as they'd like. Homes rank in the top three global GHG emissions sectors, so the small changes we can all make at home while doing day-to-day tasks—such as laundry, having a shower or brushing our teeth—can make a big impact. We also know that children are often champions of sustainability—with 76% of parents saying that they are inspired by their children to be more sustainable at home—sparking debates around the kitchen table, inspiring sustainable choices and educating family members on the small, positive actions they can take.8

"Our consumers, our customers and our stakeholders inspire us to be a force for good and a force for growth every day. It's Our Home is our way to inspire them with products that enable responsible consumption, and by reminding them of those small actions they can take at home, that we know will make a world of difference for our planet, for our home. At P&G, sustainability has been embedded into how we do business for many years. We truly believe that sustainability is everyone's job. This platform enables everyone to make an impact, so we can accelerate our progress to protect our planet together."

#### VIRGINIE HELIAS

Chief Sustainability Officer, P&G

<sup>8</sup> Toluna, representative sample UK, n = 1143, February 2021.

## 50L Home Coalition reinvents water use at home



Today, the average home in the developed world is highly inefficient, using up to 500 litres of water per person daily. In fact, 10% of the earth's water supply is used by undertaking everyday tasks, like showering, laundry and washing dishes. In 2020, we launched and spearheaded the 50L Home Coalition, bringing partners together across the entire domestic water value chain, with the aim of transforming urban water management. The project aims to leverage technologies and innovations that enable an individual to live on 50 litres of water usage per day—but in a way that feels as though they're living on 500 litres. This effort will contribute towards our overarching ambition to help people save both water and energy used in the home.

#### Pioneering through partnerships: The UK Plastics Pact



2021 marks three years since the launch of <u>The UK</u>

<u>Plastics Pact</u>—a pioneering initiative to change how
plastic is made, used and disposed of in the UK—of which
P&G is a founding member. As part of this, we are tracking
and reporting on our progress towards achieving the
Pact's aspirational 2025 targets, which include:

- Eliminating problematic or unnecessary single-use plastic packaging items.
- Ensuring that 100% of plastic packaging is reusable, recyclable or compostable.
- Effectively recycling or composting of 70% of plastic packaging.
- Reaching 30% average recycled content across all plastic packaging.

Achieving these goals requires strong partnership in order to tackle the complex challenges that the industry—and wider world—is facing. Reaching 100% recyclability goes beyond the technical ability to recycle an item, calling for our recycling system to be operational at scale, with viable collection and end markets in place. We also depend upon increased consumer engagement to ensure items are captured in the recycling stream and don't end up in our environment. This will help to increase the level of high-quality, recycled content that we're able to put back into the circular economy.

## Improving recycling rates and creating a new life for materials: Holy Grail 2.0

In November 2020, <u>Holy Grail</u>
2.0—a project designed to enhance packaging waste sorting in order to improve the quality and quantity

of recycled plastic—won The Grocer's Gold Award for Sustainability Initiative of the Year. This project, within which more than 130 companies from across the value chain are involved, uses digital watermarks which enable plastic waste to be sorted more efficiently and effectively. Better sorting of plastic waste is expected to result in more recycled materials. Further, these digital watermarks are able to convey a wide range of data about the product, making ordinary packaging 'intelligent'.

The programme—which was started and led by P&G for three years under the NPEC (Ellen MacArthur's New Plastics Economy) in 2015, before creating a consortium with other companies—continues to gain momentum. It is now being led by a Leadership Team, facilitated by <u>AIM</u> (the European Brands Association). The intent is to bring together the value chain to work on sorting, data management and consumer engagement to improve recycling rates in Europe.

## Our responsibility to make a difference

People want—and expect—businesses and brands to make it easy for them to make the right choices when it comes to the environment. That's where our world-leading brands come in—harnessing innovation to make it easy for people to make sustainable choices without having to sacrifice great product performance.

## Transforming our packaging in fabric and home care

this packaging at home.

A number of our fabric and home care brands—including Ariel, Lenor and Daz pod bags and Fairy automatic dishwashing capsule













## Launching refillable haircare across our portfolio

Earlier this year, P&G Beauty unveiled its latest packaging innovation in Europe across a number of haircare brands, including Head & Shoulders, Pantene, Herbal Essences and Aussie. The initiative—which will transform the way in which 200 million European households buy, use and dispose of their shampoo bottles<sup>9</sup>—saw the brands launch a new, reusable, 100% aluminium bottle and refill pouch, which is made using 60% less plastic.<sup>10</sup> Through this launch and other interventions in packaging, P&G Beauty is on track to reduce virgin plastic usage by 50% in both shampoo and conditioner by the end of 2021,<sup>11</sup> reducing the number of virgin plastic bottles produced each year by 300 million.

#### **Oral-B launches its first recyclable tube**

Toothpaste tubes are used by millions of people across Northern Europe every day, but much of this material cannot be recycled due to its multi-material packaging. To enable households to recycle their toothpaste packaging in existing recycling streams, Oral-B launched its first high-density polyethylene (HDPE) tube, which provides the same product protection as current tubes whilst being compatible with existing recycling technologies. Oral-B will begin the transition to this new, recyclable material in the summer of 2021, with the ambition to reach full conversion in Europe by 2025.

## Helping men and women shave with confidence

In early 2021, Gillette embarked upon its most significant product and packaging upgrade in the UK and Ireland across its premium refillable razors. It saw Gillette introduce technology upgrades to its blades, redesigned sleek modern handles and the transition to fully recyclable, cardboard packaging made with recycled content and responsibly sourced paper, certified by the Forest Stewardship Council (FSC). In Europe, the brand expects to eliminate the equivalent of over 30 million plastic water bottles as a result of this upgrade.

2021 also saw Venus make significant steps in the sustainability of its razors. All the brand's refillable razors now come in fully recyclable packaging, made with recycled content and responsibly sourced paper, certified by the FSC. Venus' refillable razor handles, which have always been built to last and reduce waste, will now be made with at least 30% recycled material, <sup>12</sup> or designed with metal for durability and extra control.

With the launch of this new packaging, we estimate that we will eliminate a total of 133,000kgs of plastic (133 metric tons) on both brands in the UK & Ireland—the equivalent of over 13 million water bottles.<sup>13</sup>

These upgrades are in addition to Gillette and Venus' existing partnership with TerraCycle®, which recycles all brands of blades and razors across the UK. But our work doesn't stop there. In addition to partnering with TerraCycle® at brand level, our Greater London Innovation Centre (GLIC) is stepping up to boost sustainability on site, giving used razors a new lease of life by trialling on-site recycling through TerraCycle®.

- <sup>9</sup> Kantar Worldpanel
- <sup>10</sup>Percentage calculated per ml versus standard brand bottle.
- <sup>11</sup> Quarter (Oct, Nov, Dec) '21 vs. 2016.
- <sup>12</sup> As of 2021, all Venus refillable handles will be made with at least 30% recycled material except Venus Swirl and Venus Snap.
- <sup>13</sup> Based on previous year's shipment volumes.





## Partnering with WRAP to raise awareness of recycling in beauty

Working in partnership with The Waste and Resources Action Programme (WRAP), we delivered a consumer awareness campaign which encouraged responsible recycling of packaging in the beauty industry. It highlighted the positive role that plastic packaging plays in keeping products safe and hygienic during transit, due to its ability to prevent product degradation. It also shone a spotlight on the ways in which everyone can reduce their individual plastic consumption by thinking more carefully about their beauty regime.

Built around the four Rs—reduce, refill, recycle and return—the campaign highlights a number of great ways in which members of The UK Plastics Pact and supporters are helping individuals to make different, more sustainable choices throughout their beauty regime. We showcased examples of our own sustainable innovation—including our new, aluminium haircare refill bottles, refills introduced on Olay Regenerist Whip moisturiser to be used within existing jars, and the Gillette TerraCycle® takeback programme. The campaign stands as a great example of the ways in which we can work hand-in-hand with our partners to increase engagement and reach among households, supporting everyone in taking small, meaningful action to protect our planet.

#### **Smell fantastic without the plastic**

Old Spice launched its most environmentally friendly deodorant to date, launching its first deodorant stick with 0% plastic packaging. The product has a new, push-up design made entirely of paper and crafted with minerals and plant-based ingredients. Made with 90% post-consumer recycled paper, the product is helping to eliminate plastic waste without compromising on great scent.



#### Ariel invites us to decarbonise laundry

Ariel announced an expanded 2030 brand ambition which focuses on decarbonising laundry across its entire value chain by reinventing the concept of 'clean'. The brand ensures it can deliver a superior clean in colder water, whilst encouraging small changes to individual habits, including washing at lower temperatures. This follows a Life Cycle Assessment (LCA) undertaken by the brand which found that in Europe, an average of 60% of the environmental footprint of laundry comes when the product is being used, mainly in the energy needed to heat the water. Lowering the wash temperature is the single most important thing we can all do to reduce the environmental impact of laundry. Ariel's pan-European consumer engagement campaign—Every Degree Makes a Difference, delivered in partnership with National Geographic Creative Works—intends to achieve a five-degree decrease in average washing temperatures across Europe by 2025.



Ariel is also pursuing a sustainable supply chain by analysing the ingredients with the highest  ${\rm CO_2}$  potential used in its formula, exploring alternative sourcing and working closely with suppliers to enact change. It is looking to partner with external organisations in order to find new solutions to help further decarbonise its value chain, including novel sources of carbon and new models for recycling.

#### Stepping up across our sites

As we seek to advance our Ambition 2030 efforts, we are working to ensure that all employees across the region are engaged and equipped to help us drive progress against our Environmental Sustainability goals and objectives. It's inspiring to see everyone join us on that journey, making small, everyday changes to have a positive impact on the planet we share.

Some of our offices had to close during the pandemic, meaning that many of our employees switched to remote working. However, we maintained our momentum regarding our offices, seeking to make them more sustainable, driving progress towards our sustainability goals and objectives. We also used our internal communications channels to encourage more sustainable practices for those employees working from home.

#### **Energy and water**

The Newcastle Innovation Centre (NIC) took the lead on upgrading their heating systems. A new, highly efficient boiler was installed, changing the demand efficiency from On-Off (0 or 100%) to modular operation, which featured adjustable output. The natural gas and water consumption and cost was reduced, as were the ongoing associated carbon emissions, enabling the site to save 500 tons of carbon per year.<sup>14</sup>

During the months of national lockdowns, during which many of our office-based employees were working from home, our office spaces adapted to reduced occupancy. We used this time to calibrate each site's minimum operation, which will enable 'out-of-office' hours energy and water consumption reductions moving forward.



During lockdown, we calibrated each office site's minimum operation, enabling 'out-ofoffice hours' energy and water consumption reductions.

Our Reading Innovation Centre was extended to accommodate employees from the former Egham site, forming the Greater London Innovation Centre (GLIC). The energy consumption reduction at the Egham site occurred over time with the gradual reduction of office

space and labs. The consolidation of the two sites saw a 60% reduction in energy consumption from FY15/16 (approximately seven million to three million KWH/year). 

In addition, the new GLIC site was designed with more modern and sustainable design principles receiving a "Very Good" rating in BREEAM (Building Research Establishment's Environmental Assessment Method) and LEED Silver (Leadership in Energy and Environmental Design) as the global benchmark for new buildings.

#### Waste

Waste management significantly improved across our Nordic sites, where Stockholm General Office stepped up to obtain the Zero Waste To Landfill (ZWTL) certification. The rigorous process was completed with valuable learnings which can be applied to our other office sites across Northern Europe: our manufacturing sites have already attained zero manufacturing waste to landfill.

#### **Commuting goes green at GLIC**

To help employees adopt greener commuting habits, we've developed new parking for bikes and provided electric vehicle charging points for employees based at GLIC. This formed part of the site's redevelopment last year, for which P&G was recognised at the Association of Project Management Awards, winning in the 'Innovation in Projects' category.

#### 'Clean & Green': NIC Spark goes digital

Each year, our team of researchers at NIC come together to share innovative ideas and seek inspiration from others through a number of external presentations.

The coronavirus pandemic meant that our 2020 event pivoted to a virtual format—although the team ensured it retained many of the features of a physical symposium. It was no mean feat, but the team created a fantastic virtual experience with sustainability at the heart—hearing from senior leaders about the ways in which P&G is leading the way on sustainable product development, in addition to providing a forum within which people could learn from one another, sharing and reapplying new ideas.

#### **Sprinting our way to brilliant solutions**

The team at NIC joined the Northumbria Water Group Innovation Festival, which sought to drive change in water scarcity. The event—which attracted over 6,000 people from numerous organisations—is a unique, week-long event which is dedicated to finding brilliant solutions to the challenges faced within the water sector, at both an environmental and societal level. At the event, the team led a 'sprint' session—a structured process for moving from a significant challenge to a tested, prototype solution in five stages by solving key questions.

 $<sup>^{\</sup>text{14}}$  Figures quoted are based on calculating the number of tons of  $\mathrm{CO_2}$ 

that has been saved as a result of this change

<sup>&</sup>lt;sup>15</sup>Three-year average July'13–July'16.





# Ethics & Corporate Responsibility

We have one of the strongest, most trusted portfolios of brands in the world, operating in around 70 countries across the globe and serving five billion people. Operating a business of this scale is a huge privilege—but one that comes with a huge sense of responsibility. We remain committed to doing the right thing and being a good corporate citizen throughout every aspect of our operations.

## A business with strong roots in Northern Europe

P&G was founded by an Englishman and an Irishman who started their US-based soapmaking company in 1837. We have always believed that maintaining the trust of the people buying our products is critical to success. Our international expansion began with P&G's 1930 acquisition of the Thomas Hedley Co., Newcastle-upon-Tyne, which became home to our first UK headquarters. Globally, we are headquartered in Cincinnati, Ohio.

## Ethics & Corporate Responsibility as the foundation for our Citizenship work

When we first established our Citizenship priorities, Ethics & Corporate Responsibility was included as a separate pillar. But what has become clear over time is that Ethics & Corporate Responsibility is the foundation for all of our Citizenship work. It is the base from which it builds, rather than a separate focus area.

We continue to listen to stakeholders—including shareholders and investors—regarding transparency, and integrate ideas into our Citizenship journey. For example, earlier this year we launched an <u>ESG Investor Portal</u> to enable anyone to seek information about our company. Ultimately, we know that a sustainably strong business depends on maintaining strong ethical, compliance and quality standards at the very core of our operations.

#### **Our Purpose, Values and Principles**

Our <u>Purpose</u>, <u>Values and Principles</u> (PVPs) are the foundation of who we are. Our Purpose is to improve consumers' lives in small but meaningful ways, inspiring our people to make a positive contribution every day. Our Values of Integrity, Leadership, Ownership, Passion for Winning and Trust shape how we work with each other and with our partners. And our Principles articulate our deliberate approach to conducting work every day. We know that P&G employees believe in the personal and business value of this PVP foundation. Our PVPs are consistently cited in our annual employee survey as the number one aspect of our culture that employees would not change.

#### **Good Governance**

Our PVPs inform our approach to corporate governance. We believe that strong governance practices contribute to better results for shareholders. We maintain governance principles, policies and practices that support Board and management accountability and serve the best interests of our company, our employees, our shareholders and our many stakeholders. We also have Board oversight of both E&I and Environmental Sustainability. This means that activity is overseen, reviewed and discussed in order to ensure that these important areas of focus are built into our corporate strategy.

#### **Human Rights**

Respect for human rights is fundamental to the way we manage our business. Our Human Rights Policy Statement communicates our support for the UN Guiding Principles on Business and Human Rights, which respects and honours the principles of internationally recognised human rights. Our key principles include no child labour, no forced labour, upholding the importance of non-discrimination, and respecting our employees' right to choose whether or not to join a trade union, or to have recognised employee representation in accordance with local law.



Respect for human rights is fundamental to the way we manage our business.

#### Doing the right thing

#### With our employees

We bring our values to life as we focus on improving consumers' lives now and for generations to come. We recruit, hire and retain the best talent from around the world, reflecting the diversity of the markets and consumers we serve. Developing and retaining a diverse workforce provides us with a sustained competitive advantage. We recognise that a diverse mix of backgrounds, skills and experiences drives new ideas, products and services. We also believe that an engaged and capable workforce is critical to the company's success. A key strategy to winning is to create a highly skilled, agile and flexible workforce that delivers business initiatives—better than our competition.

#### With our consumers

Since 1837, we've built a rich heritage of positively impacting peoples' lives with brands that make each day a little better. We earn trust in a number of ways, including product safety and transparency; using our voice in advertising and media as a force for good and force for growth; and ensuring that appropriate privacy measures are implemented to transparently process personal information.

#### With our supply chain

We cannot deliver products to people without collaboration from our external business partners, and we are making intentional choices to include them on our journey to be a force for good and force for growth. From transparent sourcing practices that aid individual decision-making, to growing shareholder value through innovation-driving programmes like global supplier diversity, P&G is proud to be a leader in supply chain responsibility. We continue to evolve our strategies for supplier diversity, responsible sourcing and sustainable innovation to manage risk and bring value to our brands, businesses and the people we serve, all whilst amplifying and accelerating the positive impact we can have on the people in our supply chain, and the planet.

#### **Stakeholder engagement**

We acknowledge that improving transparency, respecting human and labour rights and sourcing responsibly is an enormous challenge, and progress will be made through a journey of collaboration and engagement with our stakeholders. This includes our employees, investors, consumers, communities, Government organisations, Non-Governmental Organisations (NGOs), industry and business associations and external business partners, forming part of our work to be a good corporate neighbour, improving lives in the communities where we live and work.





#### **About Our Citizenship Report**

This summary shares a few examples of the work being done across the Company in Northern Europe. The information in this report covers activity which took place during P&G 2020/21 fiscal year, unless otherwise stated. More information on P&G and our family of brands is available online at www.pg.co.uk. All P&G Brands are registered trademarks and are proprietary to Procter & Gamble, or other respective owners that have granted P&G the right and license to use such Marks.