

PROCTER & GAMBLE TECHNICAL CENTRES LIMITED No. 03281294
PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED No. 03074356
PROCTER & GAMBLE (L&CP) LIMITED No. 03288185
PROCTER & GAMBLE (HEALTH & BEAUTY CARE LIMITED) No. 00436549
GILLETTE INDUSTRIES LIMITED No. 01345070
PROCTER & GAMBLE LIMITED No. 00083758
PROCTER & GAMBLE UK GROUP HOLDINGS LIMITED No. 02906614
GILLETTE U.K. LIMITED No. 00254912

S172(1) Statement and Statements on engagement with employees, suppliers, customers and others
Extract from the Strategic report for each of the above companies for the year ended 30 June 2020:

Section 172 Companies Act 2006

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the following:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our shareholder, other group companies, pension scheme members and other relevant stakeholders. By considering the Company's Purpose, Values and Principles (PVPs) together with its strategic priorities we aim to make sure that our decisions have taken a broad perspective and considered impacts on our stakeholders.

Our Purpose, Values and Principles (PVP) are the foundation of who we are at the Procter & Gamble Group which has operated in the United Kingdom since 1837. Our **Purpose** is to improve consumers' lives in small but meaningful ways, and it inspires our people to make positive contributions 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 our employees believe in the personal and business value of this PVP foundation. In our annual survey, employees consistently cite our PVPs as the number one aspect of Procter & Gamble culture they would not change.

We operate within the spirit and letter of the law, maintaining high ethical standards wherever we conduct business. We believe that good governance contributes to better results for shareholders. We maintain governance principles, policies and practises that support management accountability. These are in the best interest of the Company and all stakeholders, and they are consistent with the Company's PVPs.

As is normal for large, private companies, we delegate authority for day-to-day management of the Company to senior management, including directors, and then engage management in setting, approving and overseeing execution of the business strategy and related policies. We also have an established company governance process, led by the delegated company financial steward (a member of the board), with quarterly reviews taking place to monitor business performance and controls. Board and governance meetings are held periodically and where key decisions are being considered, board and governance board members require detailed review and preparation ahead of the board meeting. This includes consideration of, and liaison with, stakeholders as appropriate in order that the board can reach an informed decision. During the year, ongoing reviews were performed when considering the impact of COVID-19, impacts of BREXIT, relationships with pension schemes and the proposed payment of dividends.

Fostering business relationships

The Company's key stakeholders are its employees, customers, consumers, suppliers, shareholder, pension scheme members and trustees, relevant regulatory authorities and the local communities in which it operates. The views of and the impact of the Company's activities on those stakeholders are an important consideration for Directors when making relevant decisions. While there are cases where the board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of our stakeholders means that generally our stakeholder engagement best takes place at an operational level. We bring the stakeholder voice into the boardroom through information provided by senior management and by direct engagement by the directors with stakeholders themselves, where appropriate.

We acknowledge that in order to continue to improve, we must collaborate and engage with our many stakeholders. This journey of partnership ultimately furthers our commitment to be a good corporate neighbour and to improve lives in the communities where we live and work. Employees, consumers, suppliers and local communities are considered further below.

Coming Together in Our Communities

Our employees are making a difference in the communities where they live and work through Procter & Gamble's ongoing 'Community Impact' programme, via fundraising and volunteering. All our sites have dedicated community programmes supporting local charities. Further details are published in our 2020 Procter & Gamble Northern Europe Citizenship Report, available on www.pg.co.uk, which supplements the Global Citizenship report (available via pg.com).

Employee engagement

We regard close and open communication with all employees as a key to our long-term growth and success and our ability to manage change successfully. This commitment is influenced by many factors, not least being a strong sense of involvement with the business.

Open communications give employees the opportunity to provide input into decisions that affect their jobs and careers. Some of the key activities that involve employees are:

- the setting of corporate business goals and progress are communicated to employees by video presentations and local meetings on a regular basis;
- the continued training for employees to develop and implement ways of improving results on an ongoing basis;
- the formation of teams from different parts and levels of the business, both to tackle major projects and to ensure optimum efficiency of the ongoing operation;
- the timely notification to employees of changes to the business, its organisation and its products, and full discussion of the likely effects on them;
- the continued regular issue of internal business and operational updates to all employees,
- the encouragement of employee involvement in company performance through participation in the Procter & Gamble 1-4-1 Plan, which entitles employees to purchase shares in The Procter & Gamble Company; and
- Regular employee surveys to identify general opportunities to further improve employee involvement.

At Procter & Gamble we strive to promote a work environment of confidence and trust. Our Worldwide Business Conduct Manual and Employee Rights Policy provides employees with clear guidance on specific situations they may face and directs them where to go when they have questions or concerns. Procter & Gamble is a recognised leader in providing a safe, healthy, secure and productive work environment. We are committed to maintaining a workplace that is free of violence, harassment, intimidation or other unsafe or disruptive behaviours or conditions due to threats inside or outside of our facilities. Each employee has a personal responsibility to their fellow employees and to the Company to follow all Company safety and security procedures, as well as applicable laws and regulations.

At Procter & Gamble we support the intent of UK Gender Pay Gap reporting, laying accountability with business owners to ensure they deliver equitable pay across their organisations and collectively help drive the advancement of women within their companies. Our own pay and reward systems are designed to minimise the

potential for bias. In addition to our Gender Pay Gap reporting, we are confident from our internal pay equity analysis, which considers legitimate drivers of pay — such as job level and performance — that we have no intentional or unintentional statistically significant differences in pay due to gender.

Procter & Gamble furthered our commitment to driving racial equality both inside our organisation and in wider society, and are now a proud signatory of the Business in the Community (BITC) Race at Work Charter. We know that ethnic minorities still face significant disparities in employment and progression, and that is something we need to change. The Charter is composed of five calls to action for leaders and organisations across all sectors. Signing up means taking practical steps to ensure their workplaces are tackling barriers that ethnic minority people face in recruitment and progression and that their organisations are representative of British society today. We will be reporting our progress back to the organisation in the coming months.

RESPECTING OUR ENVIRONMENT

We recognise that we must be responsible for environmental stewardship and use resources wisely. Our commitments extend to our business partners, whom we expect to share these commitments and maximise the value and quality of their products by using resources responsibly, preserving the environment, and reducing the environmental footprint of their operations.

Our Ambition 2030 environment sustainability goals aim to enable and inspire positive impact while creating value for consumers and our Company. These goals focus on where we know we can make the biggest positive difference — our brands, our supply chain, society and our employees.

People know us through our brands, and we will use the power of our innovation and our brands to delight consumers and drive positive impact. In our supply chain, we will reduce our footprint and strive for circular solutions. We can impact society by creating the right partnerships that enable people, the planet and our business to thrive. And finally, we will tap into our greatest resources, our employees, so that they are engaged and equipped to build sustainability into their daily work and our communities.

Further details are published in the sustainability section of our 2020 Procter & Gamble Northern Europe Citizenship Report, available on www.pg.co.uk.