



BE IT RESOLVED: Shareholders request that Procter & Gamble (“P&G”) report to shareholders on the outcomes of the Company’s diversity, equity, and inclusion efforts by publishing quantitative data on workforce composition, and recruitment, retention, and promotion rates of employees by gender, race, and ethnicity. The reporting should be done at reasonable expense and exclude proprietary information.

SUPPORTING STATEMENT: Quantitative data is sought so that investors can assess, understand, and compare the effectiveness of companies’ diversity, equity, and inclusion programs and apply this analysis to investors’ portfolio management and securities’ selection process.

WHEREAS: The inclusion indicators of recruitment, promotion and retention are non-static data points that provide insight into how a company’s diverse workforce is being treated. Investors without this data are limited in their ability to assess the effectiveness of a company’s human capital management program.

Societal bias is known to exist in hiring decisions. Results of a meta-analysis study of 24 field experiments, dating back to 1990, found that, with identical resumes, White applicants receive significantly more callbacks than Black or Latino applicants.”¹

When it comes to promotion, women and non-White employees experience what McKinsey has termed “a broken rung” in their careers; for every 100 men who are promoted, only 86 women are, with non-White women particularly impacted.²

Retention has been linked to corporate outperformance. Morgan Stanley found that “Employee retention that is above industry peer averages can indicate the presence of competitive advantage.”³ Companies with high employee satisfaction have also been linked to annualized outperformance of over two percent.⁴

P&G is increasingly lagging its peers in its willingness to share inclusion data. From August 2020 to March 2022, the number of S&P100 companies releasing, or committing to release: recruitment or hiring rate data by gender doubled; recruitment or hiring rate data by race or ethnicity quadrupled; retention rate data by gender doubled; retention

¹ <https://hbr.org/2017/10/hiring-discrimination-against-black-americans-hasnt-declined-in-25-years>

² https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2021.pdf

³ https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf

⁴ https://www.institutionalinvestor.com/article/b1tx0zzdhnf5x/Want-to-Pick-the-Best-Stocks-Pick-the-Happiest-Companies?utm_medium=email&utm_campaign=The%20Essential%20II%20100721&utm_content=The%20Essential%20II%20100721%20CID_eb103a9e15359075f72a85f7ff534c79&utm_source=CampaignMonitorEmail&utm_term=Want%20to%20Pick%20the%20Best%20Stocks%20Pick%20the%20Happiest%20Companies



rate data by race or ethnicity tripled; promotion rate data by gender doubled; and promotion rate data by race or ethnicity increased by tenfold.

P&G’s Chief Brand Officer Marc Pritchard has stated that consumers want to know, “Is it a diverse group of people behind this brand? Are you promoting equality of all types, whether it be gender or race, ethnicity, sexual or gender identity, ability, even age, and religion? Are you walking the talk both with your own company and then with who you work with?”⁵

Mr. Pritchard has estimated that, if P&G were able to replicate its general-market performance with multicultural consumers: “The size of the prize is big – up to \$1 billion in extra sales just by achieving market shares equal to the national average on all of our brands.”⁶

Without providing meaningful data to investors on its own internal diversity, equity, and inclusion practices, it risks being seen as performative company, engaged in virtue signaling, or even seeking to exploit diverse communities.

⁵ <https://www.forbes.com/sites/afdelaziz/2019/07/16/the-power-of-purpose-how-procter-and-gamble-is-becoming-a-force-for-good-a-force-for-growth-pt1/#58cc637331c2>

⁶ https://www.warc.com/newsandopinion/news/pg_eyes_billiondollar_multicultural_opportunity/42888