



**Document Title:** Physical Security Expectations for External Business Partners

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**TITLE: PHYSICAL SECURITY EXPECTATIONS FOR EXTERNAL BUSINESS PARTNERS**

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| <b>Scope</b>      | All Suppliers with P&G Assets   |
| <b>Purpose</b>    | <p>This guide will help outline Procter &amp; Gamble’s P&amp;G’s general physical security expectations on asset protection for suppliers, vendors, consultants, and other external business partners. References here to “we” or “our” means P&amp;G, and to “you” or “your” means P&amp;G’s external business partners. Additional expectations for information security may apply and are not contained in this document.</p> <p>This guide will help outline P&amp;G’s general expectations of protecting P&amp;G assets (both tangible and intangible) while under your control. Our External Business Partners are a vital link in delivering P&amp;G business objectives. The level of security, which you provide, is critical to your future, as well as ours. <b>We require you, our external business partners, to demonstrate the same commitment through your actions, training, and compliance efforts. However, it remains your responsibility to identify and mitigate risks particular to your industry, geography, and workforce.</b></p>   |
| <b>Background</b> | <p>The assets of Procter &amp; Gamble can be broken down into two groups, tangible and intangible. Tangible property may include product samples, new brand products, specialized machinery and line equipment, molds, etc. Intangible assets may include product formulas, market surveys, trademark and patent information, product distribution records, promotional material, budgets, sales forecasts and is information that is classified according to the P&amp;G Information Security Classification System (Public / Business Use / Highly Restricted / Secret) to include consumer and employee Personal Identifiable Information (PII). Protecting P&amp;G’s proprietary information and property is vital to the continued success of the Company. It is also vital to your continued business relationship with P&amp;G. Creating and maintaining an environment which can be secured and monitored is essential for the protection of P&amp;G’s assets.</p>  |
|                   | <p><b><u>The basics</u></b></p> <p>P&amp;G assets must be protected. You must endeavor to minimize loss due to unforeseen circumstances, natural disaster, theft, insider threat, etc</p> <p><b><u>At Risk Areas</u></b></p> <p>If your site is located in an area with high crime rate (checking with your local law enforcement to understand crime rates would be a good start) you should be especially vigilant. Processes or procedures that are not audited for quality and/or lack of internal controls are also increase the risk or loss.</p> <p><b><u>Training and prevention</u></b></p> <p>P&amp;G expects its external business partners to develop and maintain processes to minimize and detect loss. This includes your proactive training of your employees and suppliers on how to handle common situations consistent with P&amp;G expectations and with the law. Recurring areas of concern can include:</p> <ul style="list-style-type: none"> <li>• Theft</li> <li>• Loss or damage of goods during transportation</li> <li>• Supply chain contamination</li> <li>• Counterfeit</li> <li>• Failing to operate within standard operating procedures</li> <li>• Lack of internal controls to limit access</li> <li>• Failure to audit effectiveness of organizational procedures and policies</li> </ul> |

- Lack of risk assessment

The above is a partial list only. You must take responsibility anytime your employees or agents interact P&G assets. You should seek the help of qualified counsel on situations specific to your business to ensure such risks are minimized. You must not allow business needs to justify something that violates the law or is inconsistent with P&G's commitment to integrity. Failure to comply with these expectations may result in the loss of P&G business, in addition to possible legal consequences. If you find that there is suspected asset loss or damage, you must immediately inform your P&G contact.

**Why this matters**

It is also vital to your continued business relationship with P&G. Creating and maintaining an environment which can be secured and monitored is essential for the protection of P&G's assets

*This document provides a general overview only. It does not represent the complete policy of P&G and is not legal advice. It does not provide an exhaustive treatment of all legal issues or risks in this topic area, nor does it affect any contract or agreement you may have with P&G. It also does not substitute for your responsibility to comply with all relevant laws, develop effective training programs to identify and mitigate risk, and seek advice from qualified counsel in particular situations.*