2014 Sustainability Report
Executive Summary

At P&G, sustainability is part of everything we do.

- A.G. Lafley, P&G President, CEO and Chairman of the Board

ABOUT OUR 16TH ANNUAL SUSTAINABILITY REPORT

The following pages highlight our Sustainability work for 2014 and the progress we've made toward our 2020 Goals. We are sharing just a few examples of work being done across the Company and around the world to make the lives of consumers better, while also making their – and our – environmental footprint smaller. Our full report, with more stories and data, was prepared using the Global Reporting Initiative's (GRI) G3 guidelines and can be found online at www.pg.com/sustainability.

Leadership Statement

At P&G, our sustainability objective is to create industry-leading value with brands and products that consumers prefer, while at the same time conserving resources, protecting the environment and improving social conditions for those who need it most.

We see success as creating value for consumers and shareowners and leading the consumer products industry with effective and lasting solutions to environmental and social sustainability challenges.

We believe in actions speaking louder than words – "Promises made, Promises kept" – which is why we consistently deliver products and programs that demonstrate progress on environmental and social sustainability. For example, we are innovating in:

- Compacted laundry detergents, less bulky diapers, and products that reduce materials, energy usage and waste;
- Operations with zero manufacturing waste to landfills and less energy and water usage;
- Cold-water washing that conserves energy and reduces CO_2 emissions;
- The P&G Children's Safe Drinking Water Program, which has delivered more than 7 billion liters of clean drinking water and helped save an estimated 42,000 lives;
- Brand programs that provide essential products to help thousands of people in need when disaster strikes around the world.

These types of efforts have helped us meet consumer needs and make a positive environmental and social impact. To continue making progress over time, we need to ensure that what is good for sustainability also is good for business.

This belief is at the heart of my personal commitment as P&G's new Global Sustainability Executive Sponsor. I see major opportunities to incorporate sustainability more deeply into business strategy and planning, innovation, operations and communication.

When sustainability goals and progress are led from within operating business units, and when business leaders see sustainability as a choice for growth and profitability, investment and breakthrough innovation will follow.

We have stretching goals before us for 2020. With clear business unit ownership and full employee engagement at all levels and across the entire Company, we know we can get there. Toward that end, we are introducing a three-pillar approach to our sustainability efforts – aiming to ensure clarity, consistency and engagement across the Company:

- We Preserve. Every day, we look to design products and operations with less water, energy and material waste to preserve resources. Through our brands, we focus on preserving the health and comfort of those in most need.
- We Partner. We can make the biggest impact when we build partnerships with experts in industry, government, NGOs and academic communities. The challenges are complex and require collaboration to develop effective and lasting solutions. We improve the way we communicate sustainability through our brands to help consumers make more educated choices in how they choose and use products.
- We Pioneer. We use our innovation capability to create products that not only work well every day, but also aim to preserve natural resources throughout their life cycle. We find new and more effective ways to embed sustainability improvements into our business practices, systems and culture.

With this focus and the full integration of our sustainability efforts into our business and innovation plans, I am confident we will further accelerate progress over the coming year.

Martin Riant

Executive Sponsor, Global Sustainability
Group President, Global Baby, Feminine & Family Care

Our Goals

At P&G, when we set a goal, P&G employees will work their hardest not just to meet it, but to exceed it.

That is why we established P&G's Global Sustainability Vision four years ago, backed by a set of 14 goals driving work across all areas of our business. The goals are detailed on page nine, along with results achieved so far.

Looking ahead toward next fiscal year, in October 2014 we added four new goals, with emphasis on water conservation and product packaging. I wanted to share these so that you can see where we are headed.

Water Conservation Goals

Water conservation has been a long-standing P&G priority. Our expanded commitment calls for:

- Reducing water use in our manufacturing facilities by 20% per unit of production, with a specific focus on conservation efforts at facilities located in water-stressed regions
- Providing 1 billion people access to water-efficient products

Packaging Goals

Packaging sustainability is another key priority for P&G. We are on track to reduce packaging by 20% per consumer use by 2020. Given this progress, P&G is raising the bar to:

- Double the use of recycled resin in plastic packaging
- Ensure 90% of product packaging is recyclable or that programs are in place to create the ability to recycle it

Increase use of recycled resin by

100%

On track to reduce packaging by

20%

Revised Renewable Materials Goal

We also are working across our supply chain to develop the capability by 2020 to replace our top petroleum-derived raw materials with renewable materials, as cost and scale permit.

Palm Oil Goals

Our commitment to zero deforestation in our palm oil supply chain is unequivocal.

In April, we reinforced this commitment with an announcement of goals calling for traceability of palm oil and palm kernel oil to our supplier mills by December 31, 2015, and to plantations by 2020.

To support these goals, we began the intensive work of tracing our complete supply chain by partnering with the Malaysia Institute for Supply Chain Innovation (MISI), part of the Massachusetts Institute of Technology. MISI is conducting two six-month in-field studies to understand the highly segmented supply chain and the challenges facing farmers so we can help them continue working while also protecting the environment. We also communicated our new goals and the expectation that our supply chain will not contribute to deforestation with all our palm oil suppliers. We continue to work with our industry peers and NGOs to develop consistent industry standards and practices that will ensure sustainable palm oil sourcing for the long term. We will continue to issue updates on this work at pg.com/sustainability.

We believe that meaningful progress toward demanding sustainability goals is right for the planet and right for P&G's business. We're committed to doing the right thing, in the right way, for those who use our products, live in our communities and work in our Company. We thank you for your partnership on the journey.

Len Sauers

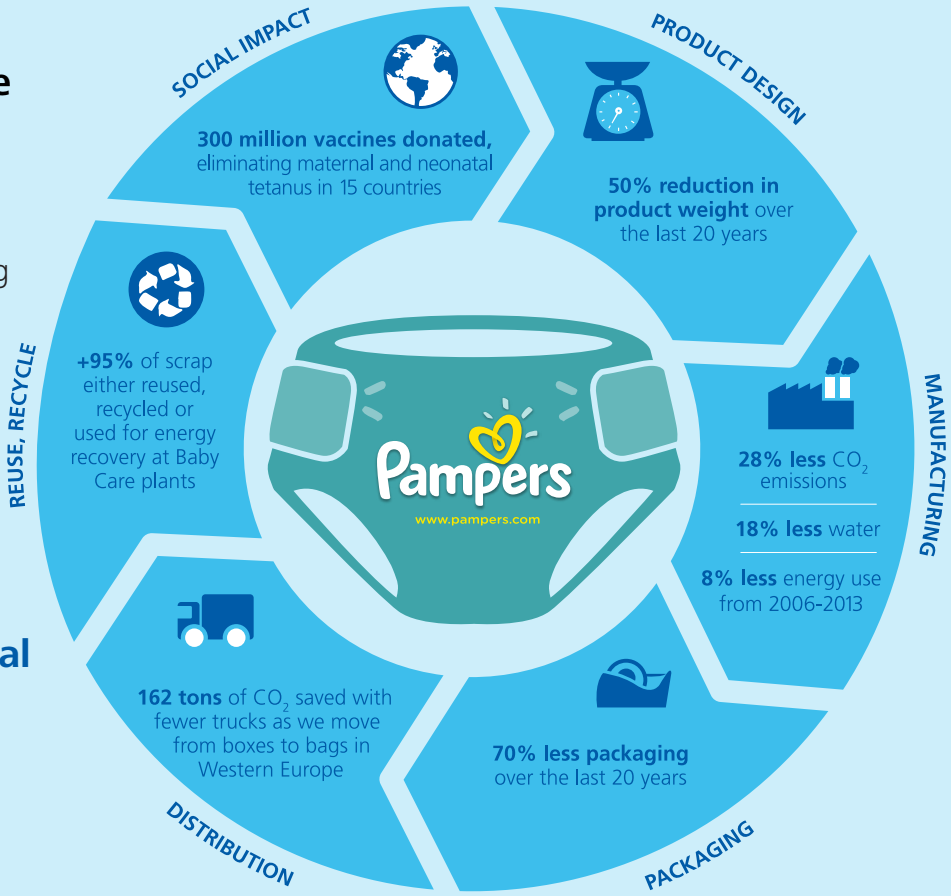
Vice President, Global Sustainability

See more details on our new goals at: pg.com/sustainability

Sustainability Across A Product's Life Cycle

We incorporate sustainability into every aspect of our products – from initial design to manufacturing to packaging to social impact.

Pampers Global



Tide Liquid North America

Environmental Sustainability

We use P&G's core strength of innovation to design and manufacture products that meet important consumer needs while reducing materials and waste and conserving energy and water. We build partnerships with experts in industry, government, NGOs and academic communities because the challenges are complex and require collaboration to develop effective and lasting solutions.

MANUFACTURING:

Making Zero Waste a Reality

Our vision is to send no manufacturing waste to landfill. It's a stretching goal, but we have made tremendous progress in the last seven years. We now have 70 zero manufacturing waste to landfill facilities around the world. That is nearly 50% of all our manufacturing facilities. This work has enabled us to exceed our goal on waste reduction six years ahead of schedule. Our goal was to reduce our manufacturing waste to less than 0.5% of input materials by 2020. This year, only 0.4% of all incoming materials were disposed of as waste. All other material either left as finished product or was recycled, reused, repurposed or converted to energy. We also have created more than $1.6 billion in value for the Company through cost savings and revenue generation in the last seven years.

SUPPLIERS:

Working in Partnership

This year we upgraded our Supplier Sustainability Scorecard, making data management more efficient and actionable. The Scorecard tracks supplier performance on key environmental measures, enabling us to evaluate improvement over time in terms of carbon, energy, water and waste performance. Our aim now is to increase data collection, and thus our ability to work with key strategic suppliers in reducing our collective environmental footprint.

NEW GOALS:

Palm Oil

A new set of palm oil goals put our teams in the field working with large and small palm plantation owners across Malaysia to ensure full traceability of our palm oil and palm kernel oil supply while also helping small farmers improve practices. The ultimate goal is to ensure that we are not contributing to the destruction of rain forests. Our teams are working with experts from the Malaysia Institute for Supply Chain Innovation to better understand farmers' needs, practices and challenges to ultimately help create innovative solutions to the problem. Our new goals call for traceability of palm oil and palm kernel oil to our supplier mills by December 31, 2015, and to plantations by 2020.

GOAL REACHED:

Renewable Resources

We celebrate reaching and exceeding one of our key renewable resources goals a year ahead of schedule:

- Today, 54% of the virgin wood fiber used in our tissue/towel products is certified by Forest Stewardship Council®, exceeding our goal to have 40% certified by 2015.

We reached the goal in collaboration with the World Wildlife Fund's Global Forest and Trade Network (GFTN) and its network of forestry experts from around the world.

WWF GLOBAL FOREST & TRADE NETWORK NORTH AMERICA

FSC MIX FSC® C014955

PACKAGING:

Innovating for Savings

Mr. Clean Liquid Muscle delivered two innovations. Its 2.5x-concentrated formula resulted in 45% less packaging and 64% less water per bottle. Its unique single-dosing cap is preferred by consumers and ensures people don't use too much. The cap design has won five global design awards, with judges for the DuPont Packaging Awards calling it "an amazing, award-winning package."

45%
less packaging

64%
less water per bottle

PRODUCT FORMULATION:

Fabric Care Innovation

We committed to another round of compaction in our liquid laundry detergents, pledging to 25% less water in every dose of detergents sold in North America by 2018. This means less plastic, water and energy used to make, pack and ship products – and fewer delivery trucks on the road. We anticipate saving 50 million gallons of water a year and reducing CO_2 emissions by 50,000 metric tons. When we moved to a 2x-concentrated formula in 2008, we reduced plastic by more than 40%, reduced water use by 35% and increased truck capacity by 50%. Fabric Care also committed to eliminating phosphates from all of its laundry detergents (Tide, Ariel, Ace and Bonux) within the next two years, providing consumers with superior cleaning performance while maximizing resource conservation. We have gradually been reducing phosphates since 2005.

PACKAGING:

Enabling Recycling to Increase Recycled Content

As part of our goal to increase the amount of recycled materials in our packaging, we are working with multiple partners to develop and encourage the use of local recycling programs. This year, we became a founding member of the Closed Loop Fund, designed to give more consumers in the United States access to recycling by creating a multi-million-dollar fund to invest in low- and no-interest loans for recycling. This will "enable a larger supply of usable, recyclable content, which will enable manufacturers to give consumers what they want – more packaging with recycled materials. This is good for consumers and good for the environment," said P&G President, CEO and Chairman of the Board A.G. Lafley.

25%
less water by 2018

0
phosphates by 2016

Social Sustainability

Doing the right thing is the foundation of P&G's Purpose, Values and Principles and includes investing in the communities in which we live, work and serve. P&G Social Sustainability provides programs and daily essential products when and where they are needed most and perform at their best, responding to disasters and other extreme needs.

Disaster Relief

In November 2013, when the strongest storm ever to hit land whipped across the Philippines, P&G teams around the globe responded. Pampers, Safeguard, Duracell, Pantene and more than a dozen other brands joined together to help the 16 million people impacted and 4 million people left homeless. Together, P&G employees and our brands sent more than $3 million in personal care supplies, cash and P&G Purifier of Water packets to help.

P&G also sent products and cash donations to help with more than 20 major disasters, including massive flooding in the Balkans; devastating tornadoes, flash floods and mudslides in the U.S.; wildfires in Chile; and earthquakes in Pakistan.

Here is a look at just some of our work aimed at improving lives in times of disaster:

July 2013

In India, thousands of people were impacted and homes devastated by flooding that hit with fury in summer 2013. P&G responded by providing P&G Purifier of Water packets and products such as Whisper, Oral-B, Tide and Pantene.

September 2013

When flash flooding hit Boulder, CO, and surrounding areas, P&G distributed more than 4,000 personal care kits along with products such as Charmin, Bounty, Pampers and Dawn. Tide Loads of Hope also helped by providing clean laundry for hundreds of families.

October 2013

When floods also hit Mexico, P&G sent 2.5 million P&G Purifier of Water packets and 6,000 disaster relief product kits.

May 2014

Deadly flooding in the Balkans impacted 1.6 million people in Bosnia alone. P&G helped with product donations totaling $80,000 and a grant to rebuild homes and a school.

Children's Safe Drinking Water

This year, The P&G Children's Safe Drinking Water Program provided its 7 billionth liter of clean drinking water for children and families in need and helped save an estimated 42,000 lives.

The program:

- Delivered the 7 billionth liter to a family of six through a new community program in southeastern Brazil with NGO partner ChildFund.
- Developed and expanded a shopper-facing promotion with Wal-Mart and its UK ASDA stores to engage consumers in providing clean drinking water to developing countries. Still growing, the program already has reached more than 50 million shoppers and raised funds to deliver an additional 80 million days of clean drinking water.
- Expanded operations in 17 countries, including Myanmar, Vietnam and India, and launched in Brazil.

CSDW by the numbers

+140
Global partners

+7.5 billion
Liters to date

Helping Through Our Brands

Always reached an additional 300,000 girls through its Protecting Futures Program, providing girls ages 12-14 with education on good personal hygiene, puberty, menstruation and personal care tips. The program, started in 2006, helps girls attend classes during their periods, and stay in school. The program has expanded from Africa to the Middle East.

Pampers – as part of its commitment to happy, healthy development of babies – created the Pampers Mobile Clinic Program, providing free basic health checks, health talks and products to mothers and their babies. This year, the clinics mark their 10th anniversary, reaching more than 1.8 million mothers and children in Nigeria, Kenya, Uganda and Pakistan. Also, the Pampers UNICEF vaccine program marked another year of working to eliminate neonatal tetanus, a preventable disease that claims the life of 58,000 babies in developing countries each year. The campaign, 1 pack = 1 vaccine, has donated more than 300 million vaccines and helped to eliminate the disease in 15 countries.

Safeguard's Clean Hands Healthy Kids Campaign marked its 15th year of teaching hygiene to prevent childhood illness, absenteeism and even death. The program was launched in China based on global research that soap and water washing can prevent nearly 4 million children a year from dying before their 5th birthday. Today, the program is in schools across China, the Philippines, Pakistan and Mexico, reaching 4.5 million students a year. In many locations, the brand has helped build hand-washing and sanitation stations for children.

Pantene launched a hair-donation program called Beautiful Lengths eight years ago. This cause encourages youth, adults and even celebrities to grow, cut and donate their healthy hair to help provide free wigs to women in need. Pantene funds the creation of these wigs for cancer patients, and through their partnership with the American Cancer Society, distributes them free of charge to female cancer patients. To date, the program has collected 550,000 ponytail donations, helping distribute more than 34,000 real-hair wigs across the U.S. and in Canada, Australia and Israel in partnership with local cancer associations.

Habitat for Humanity

Since we expanded our partnership with Habitat for Humanity to a global program about a year ago, P&G teams have built or cleaned more than 50 homes around the world. The impact of that work comes to life when we meet the people who live in those homes, as the project is not about sheer numbers, but individual impact.

One person we met this year was Mr. Jaras, who lived in the Prachinburi Province of Thailand. His community still had not recovered from the brutal flooding that ripped through scores of homes two years earlier, and the rainy season was on its way again. Mr. Jaras, 50, was partially paralyzed from a recent motorcycle accident and could not repair the gaping holes in his roof, floor and walls.

In partnership with Habitat for Humanity, P&G employees came together to build a new home for Mr. Jaras, with a solid floor, strong roof and wheelchair. P&G teams also brought their traditional "welcome home" gift basket full of P&G brands such as Gillette, Safeguard, Oral-B and Pantene to provide additional comforts of home.

> "He never stopped smiling. As difficult as life was for him, he remained optimistic," said P&G Corporate Contributions Senior Manager Brian Sasson. "We hope it changed his life. We know it did ours."

10 yrs

Partnership with Habitat for Humanity

+50

Projects we've been a part of around the world

3,000

P&G employees have worked to build and clean homes

2020 Goals Progress

We are working toward our long-term vision of:

- Powering all our plants with 100% renewable energy
- Using 100% renewable or recycled materials for all products and packaging
- Having zero consumer and manufacturing waste go to landfills
- Designing products that delight consumers while maximizing the conservation of resources

Since 2010, we have established 14 goals to help us reach our long-term vision. This year, we've added four new goals and revised one of our existing goals. Our 18 goals and progress are outlined below.

GOAL	PROGRESS
Conservation of Resources	
• Reduce energy use at P&G facilities and total CO_2 (Scope 1 and Scope 2) by 20% per unit of production by 2020.*	• Since 2010, we have reduced our energy usage by about 7% and our total CO_2 emissions (Scope 1 and Scope 2) by about 14% per unit of production.
• Ensure 70% of all washing machine loads are washed in cold water.	• Since FY10/11, our data indicates the percentage of global washing machine loads washed in cold water increased from 38% to 53%.
• Reduce truck transportation kilometers by 20% per unit of production.*	• We continue to make progress by optimizing distribution routes and increasing the use of multi-modal transportation to reduce our truck-based kilometers per unit of production.
• Reduce packaging by 20% per consumer use.*	• Since 2010, we have reduced packaging by about 7% per consumer use.
• Reduce water use in manufacturing facilities by 20% per unit of production, with conservation efforts focused on water-stressed regions.*	• New goal announced October 13, 2014; we will report progress next year.
• Provide 1 billion people access to water-efficient products.	• New goal announced October 13, 2014; we will report progress next year.
• Double use of recycled resin in plastic packaging.*	• New goal announced October 13, 2014; we will report progress next year.
• Ensure 90% of product packaging is either recyclable or programs are in place to create the ability to recycle it.	• New goal announced October 13, 2014; we will report progress next year.
Renewable Resources	
• Ensure plants are powered by 30% renewable energy.	• Our use of renewable energy is about 8%. We continue to evaluate and expand our portfolio of energy sources.
• Create technologies by 2020 to substitute top petroleum-derived raw materials with renewable materials, as cost and scale permit.	• Revised goal announced October 13, 2014; we will report progress next year.
• Ensure traceability of palm oil and palm kernel oil to our supplier mills by December 31, 2015, and to plantations by 2020 to ensure zero deforestation in our palm oil supply chain, with a commitment to working with small farmers.	• We continue making progress against our goals for full traceability in our palm oil supply chain. Please view details of our progress on pg.com/sustainability
• Have 100% of the virgin wood fiber used in our tissue/towel and absorbent hygiene products be third-party certified by 2015.	• About 99% of our virgin wood fiber was third-party certified.
• Have 40% of the virgin wood fiber used in our tissue/towel products be Forest Stewardship Council® certified by 2015.	• 54% of the virgin wood fiber used in our tissue/towel products was FSC© certified – exceeding our 2015 goal one year ahead of schedule.
• Have 100% of our paper packaging contain either recycled or third-party-certified virgin content by 2020.	• 96% of materials surveyed this year were either recycled or third-party-certified virgin content.
Worth From Waste	
• Conduct pilot studies in both the developed and developing world to understand how to eliminate landfilled/dumped solid waste.	• Feasibility studies have been completed for the lead pilot city for the Waste to Worth project in the Philippines. This year, P&G also became a founding member of the Closed Loop Fund, which will provide low- to no-interest loans to support projects intended to increase recycling in the U.S.
• Reduce manufacturing waste to landfill to less than 0.5% of input materials.	• We reduced the manufacturing waste to landfill to 0.4% – exceeding our 2020 goal six years ahead of schedule.
Social Programs	
• Improve the lives of 50 million people each year through our social sustainability programs.	• P&G has exceeded this goal for 2013/14, with a focus on providing programs and daily essential products when and where they are needed most and perform at their best.
• Save one life every hour by 2020.	• The P&G Children's Safe Drinking Water Program delivered 1.4 billion liters of clean water this year and is on track to meet our goal by providing 2 billion liters of drinking water each year by 2020.

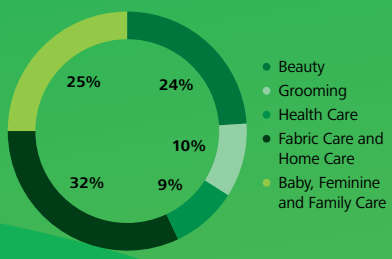
*vs. 2010 baseline

ABOUT P&G

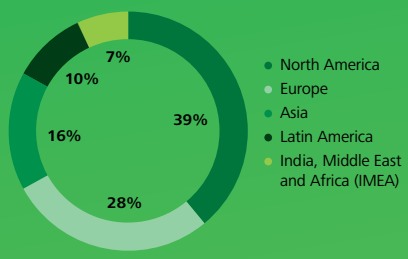
P&G serves nearly five billion people around the world with its brands. The Company has one of the strongest portfolios of trusted, quality, leadership brands, including Always®, Ambi Pur®, Ariel®, Bounty®, Charmin®, Crest®, Dawn®, Downy®, Duracell®, Fairy®, Febreze®, Gain®, Gillette®, Head & Shoulders®, Lenor®, Olay®, Oral-B®, Pampers®, Pantene®, SK-II®, Tide®, Vicks®, Wella® and Whisper®. The P&G community includes operations in approximately 70 countries worldwide. Please visit http://www.pg.com for the latest news and in-depth information about P&G and its brands.

2014 NET SALES: $83.1 BILLION

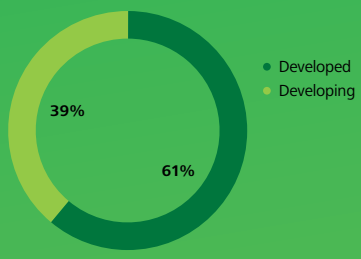
BY BUSINESS SEGMENT[1]



BY GEOGRAPHIC REGION



BY MARKET MATURITY



(1) These results exclude net sales in Corporate.

RESOURCE AND WASTE SUMMARY

The table below reports environmental statistics for Manufacturing Operations in the Global Business Units, Technical Centers and Distribution Centers.

	Totals (absolute units x 1,000)			2014 Global Business Unit Detail[1] (absolute units x 1,000)						
	2014	2013	2012	Baby, Feminine and Family Care	Beauty	Fabric and Home Care	Grooming	Health Care	Technical Centers	Distribution Centers
Production (metric tons)										
Product Shipped[2]	**28,331**	26,570	25,618	5,399	2,023	19,075	806	1,028	N/A	N/A
Raw Materials from Recycled Sources[3]	**859**	592	618							
Waste (metric tons)										
Generated Waste	**909**	*933*	*977*	351	115	290	40	72	13	29
Percent Recycled/Reused Waste	**87%**	*82%*	*79%*	93%	73%	87%	97%	86%	69%	83%
Disposed Waste (metric tons)										
Waste Disposed	**117**	*172*	*207*	24.70	20.19	52.01	1.08	10.02	4.09	4.77
Solid Waste—Non-Hazardous	**79**	*132*	*161*	13.08	16.22	33.53	0.16	9.14	2.92	4.35
Solid Waste—Hazardous	**6**	*12*	*14*	0.20	0.74	3.84	0.06	0.06	0.24	0.41
Effluents (excluding water)[4]	**19**	*18*	*20*	4.45	2.72	10.66	0.58	0.53	0.41	N/A
Air Emissions[5]	**13**	*11*	*12*	6.97	0.51	3.97	0.28	0.29	0.51	N/A
Other										
Energy Consumption (gigajoules)	**73,177**	*72,406*	*72,762*	45,300	3,786	15,663	2,621	2,669	2,577	563
Direct Greenhouse Gas Emissions (metric tons)	**2,685**	*2,521*	*2,576*	1,806	115	471	69	79	128	18
Total Greenhouse Gas Emissions (metric tons)	**5,353**	*5,503*	*5,574*	2,890	386	1,269	214	248	295	52
Water Consumption (cubic meters)	**70,610**	*74,417*	*78,760*	43,020	6,160	16,439	1,355	1,480	2,156	N/A
SARA Releases (metric tons)[6]	**3.67**	*2.37*	*2.19*	0.008	0.020	3.294	0.346	0.001	N/A	N/A

Numbers listed in italics have been updated since the 2013 report was issued. Updates were generally minor corrections based on updated totals. For reference, the data that was originally reported in 2013 can be accessed via our 2013 sustainability report, which is available at www.pg.com/sustainability

1 metric ton = 1,000 kg = 2,205 lbs.

(1) For 2014, Baby, Feminine and Family Care includes Baby Care, Feminine Care and Family Care. Beauty includes Beauty Care, Prestige, Salon Professional and Personal Beauty Care. Fabric and Home Care includes Fabric Care, Home Care, Batteries and Chemicals. Grooming includes Blades and Razors and Devices. Health Care includes Personal Health Care, Oral Care and Pet Care. Technical Centers includes major office buildings as well as technical and research centers that support the business units. Distribution Centers includes facilities that distribute finished product. Numbers do not include production from contract manufacturing operations.

(2) Estimated from shipment figures

(3) Data is tracked at a corporate level.

(4) Wastewater chemical oxygen demand (COD)

(5) Air emissions include particulates, SO_2, NO_x, CO and VOC.

(6) Releases defined in the U.S. Superfund Amendments and Reauthorization Act (SARA) by the U.S. Environmental Protection Agency

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