2011 SUSTAINABILITY OVERVIEW

Commitment to Everyday Life

P&G

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About this publication

This is the 13th year that P&G has reported on its sustainability efforts. This publication details the progress we've made on our 2012 goals, devoting a section to each of our focus areas: Products, Operations, and Social Responsibility. It concludes with an overview of P&G's long-term environmental sustainability vision and 2020 goals, which we established in September 2010. Data in this report covers the period from July 1, 2010, through June 30, 2011. Financial information is given in U.S. dollars. To view our online report, which was prepared using the Global Reporting Initiative's (GRI) G3 Guidelines, please visit www.pg.com/sustainability.

FTSE4Good

Dow Jones Sustainability Indexes
Member 2011/12

P&G has been a member of the FTSE4Good and Dow Jones Sustainability Indexes (DJSI) since their inception. P&G is the Household and Personal Care Products leader on the *Corporate Knights* Global 100 list of the world's most sustainable corporations and is on the *Corporate Responsibility Magazine* 100 Best Corporate Citizens list.

At P&G, we're committed to delivering products and services that make everyday life better for people around the world. Our opportunity to touch and improve lives comes with a responsibility to do so in a way that preserves the planet and improves the communities in which we live and work. We're continuing to make progress in our focus areas of Products, Operations and Social Responsibility, enabled by our employees and our stakeholders.

Our Focus Areas

We have set specific strategies and goals to ensure we are delivering continuous improvement toward each of our focus areas.

Products:
Delight the consumer with sustainable innovations that improve the environmental profile of our products

Operations:
Improve the environmental profile of our own operations

Social Responsibility:
Improve children's lives through our social responsibility programs

Our Enablers

In order to deliver our environmental and social programs, we must engage our employees and stakeholders. Our objective is to equip all P&G employees to build sustainability thinking and practices into their everyday work. We will also work transparently with stakeholders to enable us continued freedom to innovate in a responsible way.

Employees

Stakeholders

CEO Statement

P&G's Purpose is to touch and improve lives, now and for generations to come. Our growth strategy, which is inspired by our Purpose, is to touch and improve more consumers' lives, in more parts of the world, more completely.

One critical way we are executing this strategy is to reach and serve five billion people with our products and services by the midpoint of this decade, up from less than four billion just two years ago. We're confident we can improve these billions of lives if we can reach people where they shop with products and services they need and want. But we also know that we must achieve our growth sustainably and responsibly. To do otherwise would be inconsistent with our Purpose and what we stand for as a Company.

Last year, we announced a new long-term environmental sustainability vision to guide our efforts. This vision is challenging and far-reaching: 100% renewable energy to power all our plants, 100% renewable or recycled materials for our products and packages, zero consumer and manufacturing waste related to our products going into landfills. We don't yet have all the answers necessary to achieve this vision, but we are committed to making disciplined, step-by-step progress through a series of ten-year goals. We're confident that with P&G's size and scale, and with our capabilities and partnerships, we can make the difference in the world to which we're committed.

To ensure line of sight between our business and our sustainability goals, we created the P&G Sustainability Board, which includes executive officers from Product Supply, Research & Development, Marketing, External Relations, and our North America business. Each of these leaders is responsible for the systemic integration of our sustainability strategy across these functions.

I serve as the executive sponsor of Sustainability at P&G because I feel it is a critical leadership role that only the CEO can play. My sponsorship and the leadership of the Sustainability Board help ensure that our Purpose and our sustainability vision are integrated into each business unit and each of our key functions.

We see this integration most clearly in P&G innovation. The best way to solve sustainability challenges is to innovate, which is at the heart of our Company's business model. We are creating new materials, new technologies, and new ideas consumers will embrace. We want to provide consumers with the quality and value they deserve without having to make trade-offs to be more sustainable. Innovation is how we do this, with solutions that require fewer materials, use less energy and water, and produce less waste.

We are also leveraging the ongoing demand for increasing productivity as an accelerator of sustainability progress. Sustainability often enables productivity. For example, we operate more effectively and efficiently by increasing the eco-efficiency of our plants—reducing water usage, greenhouse gas emissions and waste. We are also advancing research in renewable materials to develop alternatives to petroleum, which is the most important thing we can do to reach our long-term vision of making 100% of our products and packaging with renewable or recycled materials. (In the Products section of this report, you will see two new items that are replacing petroleum with renewable materials.) To put it simply, what's good for business can also be good for the environment.

Touching and improving lives also gives us the responsibility to help the communities in which we operate to prosper. We do this through disaster relief and through programs that help children and families in need around the world to live, learn and thrive. All these programs allow us to help those who need help when and where they need it most. As a result, we not only improve life but also create positive relationships with people that ultimately build our business and allow us to do even more good.

The opportunity to make a difference that lasts generations—whether through our brands and services, our operations, our environmental sustainability efforts, or our philanthropy—is what attracts people of remarkable character and caliber to P&G. We are committed, together, to improving life every single day. We're proud of the progress we make year after year, and we are inspired by the challenge to do more.

Robert A. McDonald
Chairman of the Board, President and Chief Executive Officer

Leadership Statement

In 2007, P&G established a series of five-year sustainability goals. In this annual report, we present the progress we have made over the past year and our cumulative progress since this program began.

We are pleased to report that we have already achieved several of our five-year goals and continue to make important progress against the others.

For our Products goal, we have delivered $40 billion in Sustainable Innovation Products, and we are well on our way to exceed our 2012 goal of $50 billion in cumulative sales. These products have at least a 10% improvement in their environmental profile compared to a previous or alternative version of that product. The compaction of our powder laundry detergents in North America and the packaging changes we made in our Gillette Fusion ProGlide razors in Western Europe are examples of our progress in this area.

In our Operations, we have achieved a reduction per unit of production of 16% in energy, 57% in waste, 12% in CO_2, and 22% in water usage. Our 2012 goal is a 20% reduction in each of these areas, so we have already achieved this goal for our water and waste reductions and continue to work toward achieving it for our CO_2 and energy reductions.

Relative to our social investments, we have already surpassed our goal of enabling 300 million children to live, learn and thrive, reaching a total of 315 million by June 2011. We have delivered 2.9 billion liters of clean drinking water and are well on our way to reach our goal of 4 billion liters. Key to this progress was the expansion of our P&G Children's Safe Drinking Water program, which provides clean drinking water through use of our PUR technology, into four new countries. We are now delivering PUR packets in 65 countries, with the help of 119 partners.

In September 2010, P&G announced a new long-term environmental sustainability vision. We also announced a series of additional 2020 goals, focused on Products and Operations. We have made important strides to integrate our new vision into each business unit and across all of P&G's operations, and we are making significant progress towards the new goals. Highlights of this work include research into the development of renewable materials for our major material classes, including development of plastic bottles made from sugarcane that are now used for Pantene Nature Fusion sold in Western Europe. We have also expanded our renewable energy portfolio by building our first wind turbine, which provides 17% of the power for our Iams pet food plant in the Netherlands.

Solid waste continues to be an important issue to address for our industry. Our comprehensive solid waste strategy includes: (1) creating less solid waste by designing waste out of our packaging and products, (2) driving the waste generated at our manufacturing facilities that goes to landfill to zero, and (3) working with governments and industry partners to catalyze the development of waste management systems that divert solid waste from landfills or dumps to recycling and incineration with energy recovery systems.

We could not reach our vision and goals without the help of P&G employees. Their passion, dedication, and expertise is inspiring. They are the ones making the small and large steps to make our Company more sustainable. Whether they are working directly on our strategies and goals, initiating grassroots efforts to undertake important sustainability projects, or passionately serving in their communities outside of work, their stories are inspiring. I hope you, too, will be inspired as you read about a few of them in this report.

Len Sauers
Vice President, Global Sustainability

P&G Report Card 2012 Sustainability Goals

We set five-year goals in 2007 across our focus areas of Products, Operations, and Social Responsibility. In year four, we are continuing our efforts to achieve each of our goals, and we have already achieved three of them.

Our long-term environmental vision and 2020 goals can be found on page 25.

These goals, originally set in 2007, were increased in March 2009. The goal for P&G Children's Safe Drinking Water (CSDW) program was again increased in September 2009.

Products

GOAL

Develop and market at least $50 billion in cumulative sales of "Sustainable Innovation Products," which are products that have an improved environmental profile.[1]

PROGRESS (in U.S. dollars)

	Since July 2007
Cumulative sales of Sustainable Innovation Products	$40 billion

(1) Sustainable Innovation Products are included if they have launched in market since July 1, 2007, and have a >10% improvement compared to a previous or alternative version of the product in one or more of the following indicators without negatively impacting the overall sustainability profile of the product: A. Energy, B. Water, C. Transportation, D. Amount of material used in packaging or products, E. Substitution of non-renewable energy or materials with renewable sources.

Operations

GOAL

Deliver an additional 20% reduction (per unit of production) in energy consumption, CO_2 emissions, disposed waste, and water consumption from P&G facilities, leading to a total reduction over the decade of at least 50%.

PROGRESS (percent reduction per unit of production)

	Since July 2007	Since July 2002
Energy Usage	-16%	-52%
CO_2 Emissions	-12%	-53%
GOAL MET Waste Disposal[1]	-57%	-61%
GOAL MET Water Usage	-22%	-58%

(1) Total waste disposed includes non-hazardous and hazardous solid waste, air emissions, and strength of effluent measured as chemical oxygen demand.

Social Responsibility

GOAL

Enable 300 million children to Live, Learn and Thrive.[1] Prevent 160 million days of disease from unclean water and save 20,000 lives by delivering 4 billion liters of clean water through our P&G Children's Safe Drinking Water program.[2]

PROGRESS

	Since July 2007
LIVE, LEARN AND THRIVE GOAL MET Number of Children Reached	315 million
P&G CHILDREN'S SAFE DRINKING WATER PROGRAM Liters of Clean Water Delivered	2.9 billion
Days of Disease Prevented	115 million
Lives Saved	>14,000

(1) Live, Learn and Thrive (LLT) is P&G's global cause that focuses our social investments on efforts that improve the lives of children in need.

(2) Within Live, Learn and Thrive, our signature program is P&G Children's Safe Drinking Water. Methodology for calculating diarrheal days and mortality was developed with Population Services International and Aquaya Institute. Details are provided in the 2011 Sustainability Report found at www.pg.com/sustainability.

Commitment through Our Products

We are committed to improving people's everyday lives by making products that are better for the environment.

To understand how we can make a product more environmentally sustainable, we analyze its footprint throughout its entire life cycle—from the creation of raw materials, to manufacturing, to consumer use, to disposal. This helps us focus where we can make the most significant impact.

For example, by rethinking the raw materials phase of some of our products and how the products are designed and formulated, we've been able to reduce the amount of materials we use, the energy it takes to produce them and the waste at the end of consumer use. We've also begun to replace petroleum-based raw materials in some of our products with sustainably sourced renewable materials.

Sustainable Innovation Products (SIPs) 2010–2011

These products have a significantly reduced (>10%) environmental footprint versus a previous or alternative version of the product without negatively impacting the overall sustainability profile of the product. These SIPs were identified in Fiscal 10/11.

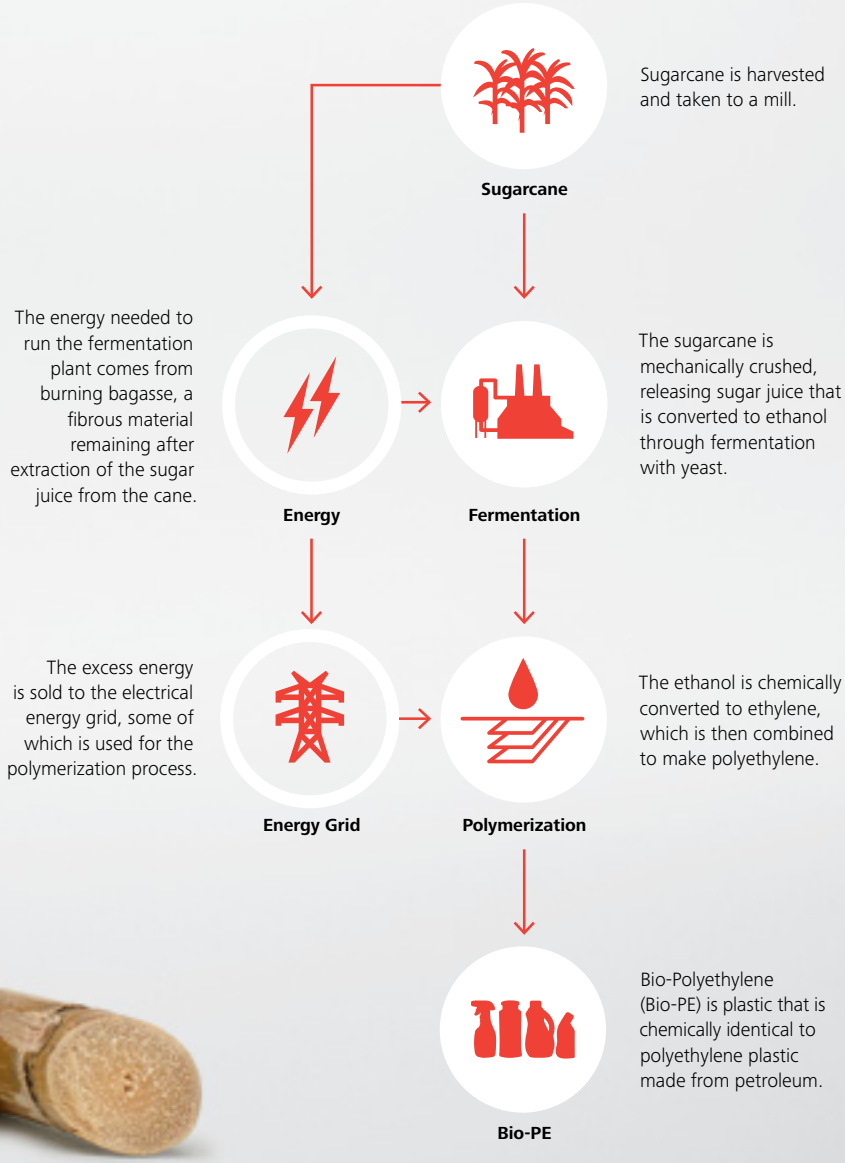
Product	Region	Innovation
Swiffer Sweep-n-Vac	North America	Optimization of packaging design delivered a significant reduction in overall packaging.
Powder Laundry Detergents (Cheer, Dreft, Era, Gain, Ivory Snow, Tide)	North America	Compaction of powder detergents delivered savings in packaging and energy.
Pantene Nature Fusion	Western Europe	The introduction of plant-based materials reduced the use of non-renewable resources.
Gillette Fusion ProGlide Razors	Western Europe	The introduction of plant-based materials reduced the use of non-renewable resources, and changes to the package structure achieved an overall reduction in packaging.
Pampers Cruisers	North America	Changes to packaging increased the number of units that could be placed on a truck, delivering an overall reduction in transportation.
Pampers Baby Dry, Swaddlers, New Baby, Active Fit, Active Baby, Juegos and Sueños, Cruisers with Dry Max	North America, Western Europe, Latin America	Changes to product formulation and package design delivered reductions in material usage.
Pampers Wipes Sensitive	North America, Western Europe	Changes to product design delivered a reduction in material usage.
Always & Naturella	Latin America, Asia, CEEMEA*, Western Europe	Significant reduction of the polyethylene bag delivered an overall reduction in packaging.
Always	Western Europe	Shelf-ready box with open front and back panels significantly reduced overall packaging usage.
Braun–Oral-B New Generation Charger	Western Europe, CEEMEA	Changes to product design delivered a reduction in material usage.

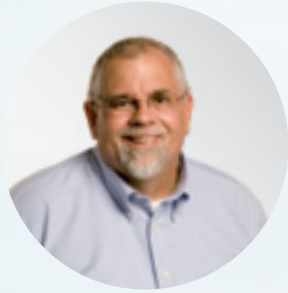
*The CEEMEA region includes Central and Eastern Europe, Middle East, and Africa

Committed to Renewable Materials

A bottle that balances nature. Pantene is piloting the use of plant-based plastic in its packaging. This innovative material made from sugarcane—a first for the mass hair care industry—debuted in the Pantene Pro-V Nature Fusion collection last April in Western Europe, and is expanding to North America in Fall 2011.

Sourced from our supplier Braskem® in Brazil, the sugarcane is converted into ethanol and eventually into plastic utilizing a by-product from the rest of the plant to provide some of the energy needed to fuel this process.





TOM FEDERLE, *Research Fellow, P&G Environmental Stewardship Organization*

"We felt that a highly productive plant like sugarcane could be a sustainable feedstock for producing next-generation renewable plastic containers. Due diligence dictated that we understand the specific agricultural practices being used and potential environmental impacts associated with the entire life cycle of this new plastic. Given World Wildlife Fund's expertise in sugarcane and its sourcing, we sought their guidance as we took this first step in a longer journey toward more sustainable packaging materials. Furthermore, we conducted a number of comprehensive studies, including a life cycle assessment and a food impact analysis. Then we went to Brazil, not only to talk to the manufacturer, but to visit fields to see how farmers grow and harvest the crop and to visit the mills to see how it's processed. In that way, we could observe first-hand how potential environmental impacts were avoided or minimized. As a result of these efforts, we were able to confirm that the sugarcane being used is definitely sustainably sourced and the plastic itself provides tangible sustainability benefits."

In 2011, Dr. Tom Federle was presented the prestigious Samuel Rosen Memorial Award by the American Oil Chemists' Society (AOCS) in recognition of his accomplishments in surfactant chemistry.

Plant-based plastic is a significant environmental innovation. When compared to traditional petroleum-based (HDPE) plastic, it:

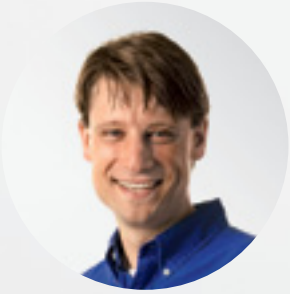
170% Reduces greenhouse gas (GHG) emissions by more than 170% because (1) as sugarcane grows, it absorbs CO_2 that is stored in plastic when it is recycled or landfilled, and (2) a large portion of the energy used to produce Bio-PE is from renewable biomass, which emits less GHG.

70% Consumes over 70% less fossil fuels than petroleum-based plastic

Can be recycled in traditional facilities that recycle petroleum-based plastic

Committed to Packaging Reduction

Rethinking packaging from source to shelf. P&G partnered with Be Green® Packaging, a molded fiber supplier, to develop a breakthrough package for Fusion ProGlide, Gillette's newest high-performance razor. The new package launched in Western Europe with a 57% reduction in plastic compared to the originally launched Fusion outer pack and razor tray and a 20% reduction in gross weight compared to the Fusion launch package. To minimize plastic, the design uses fiber material made from bamboo, sugarcane, and bulrush. The innovation stretches the boundaries of what moldable pulp can do, delivering a breakthrough package out of fiber material. Its structure stays strong under compression, sealing and opening forces, and distribution and transportation stresses, while also maintaining a strong visual presence on the shelf. And, like the Fusion packaging in Western Europe, this new ProGlide packaging is 100% free of Polyvinyl Chloride (PVC). P&G plans to begin introducing this package in North America in 2012.



MIKE MARCINKOWSKI, *Principal Engineer, Gillette*

"To deliver this materials-reduction project, about a dozen of us literally locked ourselves in a room and worked on it until the design was complete. We focused where we could make the biggest impact on materials by looking at alternatives to plastics—fiber-based materials such as bamboo, sugarcane, and bulrush. Be Green was an instrumental partner, and together we were able to deliver a 57% reduction in the amount of plastic. We feel like we're leading our industry with this approach."

57%

Reduction in plastic*

100%
PVC free

20%

Reduction in gross weight**

The new design significantly reduces materials by minimizing the internal tray and simplifying the design.

Old New

* vs. Fusion launch outer pack and razor tray
** vs. Fusion launch package

New

Old

Committed to Compaction

Creating a triple win for customers, retailers, and the planet. Building on previous years' success in liquid laundry compaction and advances in powder compaction in Western Europe, this past winter we compacted our entire portfolio of U.S. and Canadian carton powder laundry detergents by 33%. Compaction provides meaningful benefits for the consumer, the retailer, and the environment.

The compacted powder formulas of Tide, Gain, Cheer, Dreft, and Ivory Snow use a higher proportion of dense active cleaning agents, resulting in the same great performance using less product. The environment benefits from a smaller carton size that produces less waste. The retailer benefits because fewer trucks, fewer pallets, and less inventory space allow for a more efficient supply chain.

NICOLE BOSLEY, *Marketing Manager, P&G Fabric Care*

"Consumers today know that compaction means a smaller-sized package. So we focused our brand marketing on the improved cleaning power of Tide and the enhanced freshness of Gain. We utilized coupons and informational inserts placed in pre-compacted and compacted formulas to educate consumers on the product upgrades behind Tide and Gain and the smaller packaging. We also leveraged P&G's Future Friendly platform to communicate the environmental benefits of powder compaction. Consumers have reacted positively to the product being lighter to carry and easier to store. These changes are just a few of the ways that sustainability can create more benefits for the consumer."

Up to 6% fewer trucks*
(5,900 Trucks)

Up to 28% less corrugate*
(6.3 Million Square Meters)

Up to 5–8% less fuel*
(3,360,000 Diesel Liters)

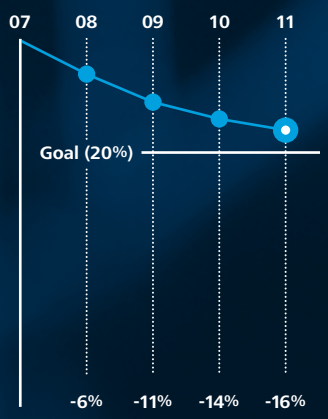
*Based on recommended dosage.

Commitment through Our Operations

Our commitment to improving everyday lives begins with our own day-to-day operations. And we're making progress—reducing energy usage and water consumption, and reducing the amount of manufacturing waste going to landfills. We've expanded this focus on efficient and environmentally responsible operations across our end-to-end supply chain. We're collaborating with suppliers on the front end and our finished product logistics on the back end to make steady, lasting improvements in our operations.

Energy Usage
(Per Unit of Production)

Reduction since July 2007 **-16%**



We are making excellent progress towards the energy footprint reduction goal. Energy usages are derived from purchased energy, purchased fuels, and alternative and renewable energy. Key elements to delivering the goal are our efforts to conserve energy and reapply best-in-class approaches.

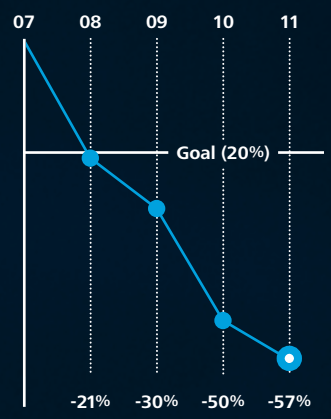
CO_2 Emissions
(Per Unit of Production)

Reduction since July 2007 **-12%**

While P&G is not an energy intensive company, we still have a role in controlling greenhouse gas emissions, and we are making progress. Our focus has been on direct CO_2, which is derived from usage of fuels. In addition, we continue to make progress on Total CO_2 (direct + indirect) reductions by making changes in fuel selection.

Waste Disposed
(Per Unit of Production)

Reduction since July 2007 **-57%**



Total waste disposed includes non-hazardous and hazardous solid waste, air emissions, and strength of effluent measured as chemical oxygen demand. Results have been delivered through beneficial reuse of materials both internally and externally.

Water Usage
(Per Unit of Production)

Reduction since July 2007 **-22%**

Water consumption reductions have been driven by a rigorous conservation program and reapplication of best-in-class processes across our businesses. While this work is focused on all sites, we put special focus on our large sites and those in water scarce areas.

Scrap Dental Floss

Industrial Spill Pillows

Excess floss is repurposed in Mexico as the filling in pillows that are used to clean up industrial spills.

Excess Feminine Pads

Shoes

In India, scrap pads are recycled into plastic soles to make low-cost shoes.

Hair Care Manufacturing Waste

Construction Bricks

In Thailand and China, the waste left over from the manufacturing process is combined with clay and coal ash, then heated to make bricks.

Committed to Reducing Manufacturing Waste

Transforming waste into alternative products. To reduce waste at our manufacturing plants and distribution centers, P&G employs a dedicated global team of experts. The GARP team (Global Asset Recovery Purchases) has expertise in creating value from waste.

When a P&G facility has something it cannot recycle, GARP steps in to help. Thanks to them, many materials that were once destined for a landfill or incineration are being put to good use—or sold for re-use, reducing the virgin materials that other companies require.

To date, 16 P&G plants and distribution centers have achieved zero manufacturing waste sent to landfill. This means that 100% of their manufacturing waste is beneficially re-used and diverted from landfills. Shown above are some of the creative ways the GARP team has found a new life for waste.

16
Sites have reached zero manufacturing waste sent to landfill

FORBES McDOUGALL, *Technical Leader, P&G GARP Team*

"We start by simply focusing on optimizing the recycling of conventional materials such as cardboard, plastics, and metals. While this seems easy, we must make sure we create processes that enable our employees to sort everything efficiently and avoid contamination of these different materials. Then we bring in our Alternative Use team to help identify solutions for other scrap materials that have value in specific niche markets, such as wastewater and sludges. In some countries we use sludges as an ingredient in the manufacture of bricks and in others we use them as soil enhancers. I know that the work we are doing within the GARP team is delivering significant environmental benefits to all of our sites and the communities in which they operate."

Committed to Renewable Energy

5,500

Megawatt hours of energy produced per year.

17%

The turbine powers 17% of the plant's annual energy needs.

Harnessing the wind, saving costs. P&G is expanding its portfolio of renewable energy sources. With each new investment, these new methods are making us more efficient and self-sufficient, decreasing our dependency on conventional petroleum-based energy sources.

In 2011, we installed a wind turbine at P&G's pet care plant in Coevorden, Netherlands. Our first investment in wind energy, this turbine will supply approximately 17% of the pet care plant's annual energy needs, producing approximately 5,500 megawatt hours of energy per year, which is enough energy to power up to 1,500 houses in the Netherlands.

VINCENT STRUZKA, *Plant Finance Manager, Iams Plant, P&G Netherlands*

"When I came to the plant, I had one focus: to reduce costs. To me, waste is a cost. Energy is a cost. And when I was looking at how to solve these challenges, I wanted to explore all of the possibilities. I was surrounded by people thinking green, and we determined that wind energy was the most appropriate solution for our region, our specific site and our culture. The community response has been wonderful. People who live here are very proud to have the first wind turbine in the province. And this initiative was also very energizing to all of us at P&G."

Vincent Struzka on top of the 100-meter wind turbine.

38%

of suppliers included sustainable innovation ideas in their year-one scorecards.

Scorecards Submitted by Industry

- 29% Packaging & Hygiene
- 14% Chemicals
- 10% Natural Commodities & Ingredients
- 9% Capital
- 9% Global Brand Building
- 8% Durables/Devices
- 7% External Manufacturing
- 7% Global Business Services
- 7% Logistics

Committed to Supplier Environmental Performance

Expanding the supplier scorecard. In 2010, P&G issued its first environmental sustainability supplier scorecard. The scorecard was designed to track and encourage our suppliers' own improvements in environmental metrics such as energy, water, waste, greenhouse gas emissions, and innovation. This tool was also intended to build better collaboration across the supply chain and accelerate sustainable innovation.

Year-one results showed that the scorecard was relevant across the wide range of industries our suppliers represent. Most suppliers were able to report on the majority of metrics we requested. The scorecard also proved to be an effective way to generate sustainable innovation ideas from our suppliers, 38% of whom submitted ideas in the first year.

In 2011 we issued a revised scorecard, incorporating supplier feedback from the prior year's process. Unlike the first year, when the scorecard was not mandatory to complete, the 2011 scorecard factors into a supplier's rating and will affect its ability to do more business with P&G. Details on this open-source tool can be found at www.pgsupplier.com.

NEIL McFARLANE, *Director of Sustainability, Firmenich*

"Sustainability is at the heart of our values and integral to our strategy at Firmenich, and we are pleased to be a member of P&G's supplier sustainability board. The group is a valuable network for P&G suppliers to talk and discuss innovative ways of improving in the area of environmental sustainability. P&G's leadership led to the development of an open-source scorecard, which is an important tool to standardize the scoring process across all industries. When we filled out the supplier scorecard, seeing the P&G-only numbers helped us identify opportunities and make improvements along our Supply Chain. We also get inspiration from P&G's ambition in this area—a good example being P&G targets on renewable energy use—which we have built into our own 2015 objectives."

Committed to Sustainable Design

Credit: U.S. Green Building Council

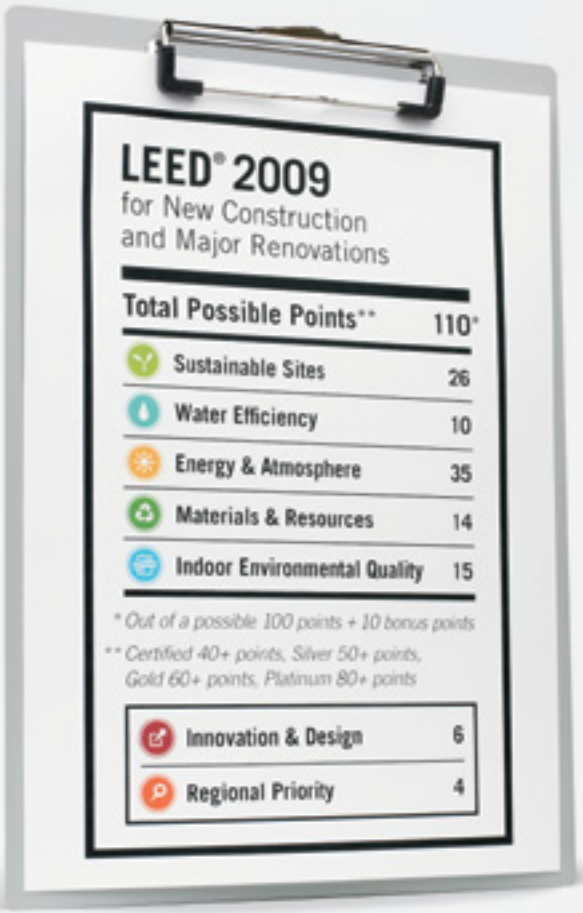
Taking our building efficiency global. To ensure ongoing excellence in the sustainable design of our operations, P&G has committed to LEED® certify all new construction of manufacturing plants, distribution centers, and office buildings.

LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building certification system. Developed by the U.S. Green Building Council (USGBC), LEED provides building owners and operators with a framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions. As the global industry standard for sustainable design, LEED evaluates a facility's potential impact in several areas, including CO_2 emissions, energy, waste, water, and environmental quality.

P&G's initial sites to pursue LEED certification include plants in Taicang, China; Box Elder, UT, USA; and the Singapore Innovation Center.

SARWAR SHAREEF, *Associate Director, P&G Global Facilities Engineering*
"LEED's primary focus is commercial buildings, so large-scale manufacturing facilities like ours bring added complexity in areas like energy performance and water efficiency. But we are adapting the LEED process globally—whether the project is in China or Brazil or Utah, you see a highly consistent level of rigor and performance. That takes a lot of education and diligence among project teams, but we continue to move toward our certification goals. It's a process that's becoming part of our everyday work."

The Taicang, China, plant is one of P&G's first sites to pursue LEED certification.



Credit: U.S. Green Building Council

Commitment to Social Responsibility

We believe that profit responsibility and social responsibility must go hand-in-hand. That's why touching and improving lives is at the heart of our business model, and it's what motivates us to make a difference in communities around the world. Through our global Live, Learn and Thrive Social Responsibility programs, we're demonstrating that doing well and doing good can flow from the same Purpose.

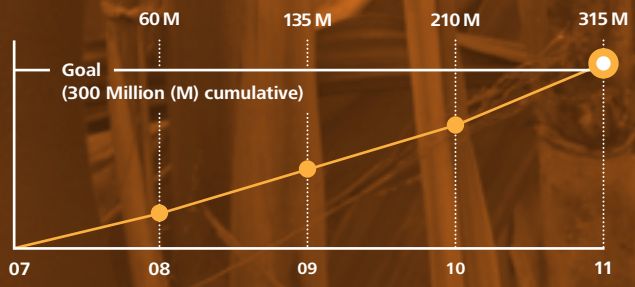
LIVE, LEARN AND THRIVE

Since July 2007

GOAL MET

315 million

Number of Children Reached



P&G CHILDREN'S SAFE DRINKING WATER PROGRAM

Since July 2007

2.9 billion

Liters of Clean Water Delivered

115 million

Days of Disease Prevented

>14,000

Lives Saved

Committed to Disaster Relief

Responding in moments of crisis. Over the past year, natural disasters had a devastating impact on people in many parts of the world. With compassion and careful planning, we have worked with relief partners to provide P&G products and services that help people feel more like themselves—and help a temporary shelter feel more like home. Through these services that are directly connected to our brands, and through donations of products and cash, we've been able to help people in Japan, Pakistan, Australia, New Zealand, Haiti, and the U.S. rebuild their lives.

IKUKO IMAMURA, *Team Leader, Fundraising Team, Marketing Department, World Vision Japan*
"After the tsunami hit, P&G provided shampoo and conditioner, which World Vision Japan included in 10,000 sanitary kits that were distributed to evacuee centers across the affected region. As we were assembling the kits, an evacuee center requested the family-size bottles of shampoo, instead of the smaller, travel-size bottles. P&G provided the bottles for World Vision to distribute. People were used to seeing the larger bottles in their own homes, and in a small way, having them gave reassurance that they would someday go back to their normal lives."

Responding to the Japan Earthquake and Tsunami In response to the Japan earthquake and tsunami in March 2011, P&G sent shipments of Pampers diapers and wipes, Whisper feminine hygiene products, shampoo and conditioner into the hardest-hit areas.

Duracell Power Relief During the past year's storms that struck many parts of the U.S., Duracell Power Relief trucks were present with flashlights, batteries, and recharging stations for mobile devices.

Tide Loads of Hope Tide Loads of Hope sent its mobile laundromat to areas across the U.S., with more than 32 energy-efficient washers and dryers that can clean over 300 loads of laundry per day.

P&G Children's Safe Drinking Water Program In July and August of 2010, we mounted our largest-ever disaster relief response to provide clean water to people in Pakistan affected by flooding.

Venezuela, Mexico, Brazil, Chile, Colombia, Argentina, Peru, Costa Rica, Guatemala and Panama

Committed to Child Development

Partnering to expand the United Way. In Latin America, P&G has helped start up new United Way organizations across Venezuela, Mexico, Brazil, Chile, Colombia, Argentina, Peru, Costa Rica, Guatemala, and Panama. P&G people play active roles in these organizations. Many of our executives serve as board members. Employees from all levels of the Company contribute their passion and expertise on various committees and activities, and also make financial donations.

P&G and the United Way have championed a flagship program called Nacer Aprendiendo (Early Learning). The program promotes broad public awareness of early learning, and has developed a variety of tools, materials and interventions ranging from Ludotecas (Learn & Play Centers) in rural areas, to qualifying "Community Mothers" who take care of children while their mothers are at work.

P&G Latin America and its employees have collected and invested millions of dollars for Nacer Aprendiendo, helping vulnerable communities across Latin America and benefiting more than 300,000 children in need.

MARIA DEL ROSARIO SINTES, *Regional Vice President Latin America, United Way Worldwide*
"From P&G, we've gained strategic insight and direction that have changed the way we think about our programs. We had a meeting with P&G where we had all of the Latin American United Way organizations together. It was an important moment because we started thinking beyond our individual, local programs, and more about a coordinated approach to regional programs. The Nacer Aprendiendo program was the result, and we're now using it to develop a model that other organizations can follow."

Committed to Employee Volunteering

Strengthening our community involvement. This year, P&G announced a renewed emphasis on connecting our employees to the Company's Social Responsibility programs as one more way all of us can experience and participate in our Purpose more deeply.

We have a long heritage of volunteerism in our Company. P&G people continue to give selflessly of their time to make our communities stronger and more vital places to live and work. This has always been part of P&G's DNA everywhere we do business.

Volunteering deepens our understanding and appreciation of those we serve and seek to serve. Whether we volunteer close to home or thousands of miles away, we see how others live. We learn about their challenges and their joys. We uncover insights. These insights lead to innovations that can help us better meet their most fundamental needs. In this way, we're helping to improve lives, not just in the moment, but for generations to come.

KIRK PERRY, *President, Family Care*

"I have been with P&G for 21 years. I have worked and lived in three countries, and have traveled the world. But I have never had the opportunity to develop the depth of relationship as I did with the people with whom we lived and worked in Mexico. We spent time in their current homes. We grew to understand their living conditions, how they got by, what they aspired to, what they wanted. As we built their new homes, we took our in-home visits to a whole new level. The team walked away with a deeper commitment to deliver to our lower income consumers in a way we never have before (regardless of where we were from). We truly saw how we, and our brands, can touch and improve consumers' lives. No focus group, 1:1 interview or in-home visit could have given us this depth."

We introduced three volunteering programs and encouraged all employees to take part.

Individual Volunteering
Opportunities in our local communities that employees can participate in on their own, or with their families.

Team Building
Opportunities for colleagues to improve life together, in communities where they live and work.

Global Service Trips
A new program for employees to assist one of three Live, Learn and Thrive programs in Mexico, China, or Malawi.

P&G volunteers perform skits on dental hygiene with migrant Chinese children.

This renewed emphasis on committing employee time to gathering consumer and market insights, while helping address some of the world's most important social challenges, is just one step on our journey to serve and improve the lives of more people, in more parts of the world, more completely. This is true in the communities where our employees live and work, but it was especially evident for employees who participated in the first round of Global Service Trips in April and May 2011.

MARCOS A. SALAS
P&G Venezuela, R&D

Global Service Trip to Mexico

Creating Homes

"Our team of 20 P&Gers had never met before, but we shared a common desire to help improve life for the three families we served. Before our visit, each family slept in shared beds … in cramped rooms … in houses with holes and asbestos in the roof. Yet they held to dreams of new homes and better opportunities for their children. As we worked side-by-side with the families, we learned the importance of community and identified opportunities for P&G innovations that could be shared by multiple families to help keep them and their children safe and healthy. What a blessing that our P&G team from around the world could help provide shelter to the hard-working families we served while committing to making a difference in the future as well."

Teaching Hygiene

"Teaching migrant children in the outskirts of Shanghai was, for lack of a better word, amazing. Our Global Service Team of 16 P&Gers witnessed firsthand the challenging conditions in which these migrant families live—tiny apartments without clean water, parents with only one day off each month, children without the right to free education outside their home town. We were able to impact the children's lives in a number of ways, but the insights we gained related to the children's health and hygiene in the schools were the most powerful. We were able to use P&G's expertise in oral care and handwashing to make a difference for the children that will continue for years (and, hopefully, generations) to come."

JURAJ SLOTA
P&G Czech Republic, Business Analyst

Global Service Trip to China

HEATHER JARRETT
P&G United States, Sales

Global Service Trip to Malawi

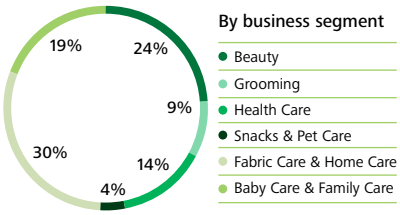
Providing Clean Drinking Water

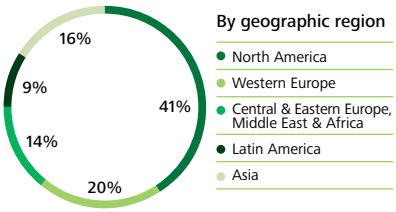
"Beyond the birth of my own children, being a part of P&G's Global Service Trip to Malawi was the most life-changing experience of my life. In our week in Africa, our team of 11 incredible employees helped provide clean water to dozens of villages and thousands of people. Not surprisingly, one of our greatest insights was the importance of access to water. While P&G's PUR technology can make contaminated water sources safe to drink, having limited access to water can inhibit the health and vibrancy of a community … imagine not being able to easily wash your hair or brush your teeth because the nearest water source is miles away. This understanding may lead to innovations that can help P&G improve the everyday lives of those we served in Malawi and around the world."

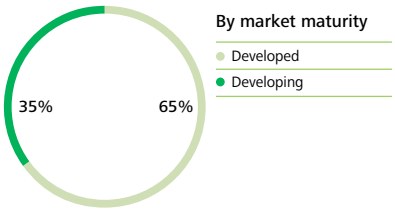
P&G at a Glance

P&G is recognized as a leading global company, including a #5 ranking on *Fortune's* "Global Most Admired Companies," the #10 ranking on *Barron's* "World's Most Respected Companies List," a #25 ranking on *Business Week's* list of "World's Most Innovative Companies," a #3 ranking on the *AMR Research Supply Chain Top 25,* top rankings on the Dow Jones Sustainability Indexes from 2000 to 2011, a ranking on the list of the Global 100 Most Sustainable Corporations in the World, and a consistent #1 ranking within our industry on *Fortune's* Most Admired list for 26 of 27 total years and for 14 years in a row. In 2010, P&G was recognized by SymphonyIRI Group as the most innovative manufacturer in the consumer packaged goods industry for the last decade—presenting the Company with its "Outstanding Achievement in Innovation" award. This year, P&G was again recognized by SymphonyIRI Group for using innovation to launch four of the ten most successful new products of 2010.

2011 Net Sales







Resource & Waste Summary

The table below reports environmental statistics for Manufacturing Operations in the Global Business Units, Technical Centers, and Distribution Centers. It reflects divestiture of Western European Tissue/Towel, Coffee, and Pharmaceutical Businesses.

	Totals (absolute units x 1,000)			2011 Global Business Unit Detail [1] (absolute units x 1,000)							
	2011	2010	2009	Beauty	Grooming	Health Care	Snacks and Pet Care	Fabric Care and Home Care	Baby Care and Family Care	Technical Centers	Distribution Centers
Production (metric tons)											
Product Shipped	**23,291**	24,213	22,936	2,045	730	1,084	1,224	13,377	4,832	0	0
Raw Materials from Recycled Sources	**593**	784	1,080	129	50	47	10	203	154	0	0
Waste (metric tons)											
Generated Waste	**1,025**	1,048	911	141	25	109	52	316	346	15	21
Percent Recycled / Reused Waste	**69%**	63%	63%	60%	88%	80%	42%	53%	89%	32%	75%
Disposed Waste (metric tons)											
Solid Waste—Non-Hazardous	**250**	287	270	51	2	18	29	113	24	9	4
Solid Waste—Hazardous	**23**	28 [2]	27	2	1	1	0	18	0	1	1
Effluents (excluding water)	**27**	34	24	4	0	2	1	14	5	1	1
Air Emissions [3]	**15**	15	19	1	0	1	1	4	9	0	0
Other											
Energy Consumption (gigajoules)	**73,998**	71,842	70,646	4,014	2,509	3,105	2,908	17,095	41,404	2,475	488
Greenhouse Gas Emissions (metric tons) [4]	**2,906**	2,795	2,625	120	59	57	106	533	1,956	63	13
Water Consumption (cubic meters)	**79,999**	80,914	78,556	6,711	833	1,954	1,873	16,747	45,893	5,989	0
SARA Releases (metric tons) [5]	**2.57**	1.83	1.91	0.05	0.00	0.23	0.00	2.22	0.07	0.00	0.00

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

(1) Beauty includes Hair Care and Personal Beauty Care. Grooming includes Blades and Razors, and Devices. Health Care includes Personal Health Care, Feminine Care and Oral Care. Snacks and Pet Care includes Snacks and Pet Care. Fabric Care and Home Care includes Fabric Care, Home Care, and Batteries. Baby Care and Family Care includes Baby Care and Family Care. Technical Centers includes each of the technical and research centers that support the business units. Distribution Centers includes facilities that distribute finished product. 2011 numbers come from P&G manufacturing sites only; they do not include production from contract manufacturing operations.

(2) Reflects corrected information listed in the 2010 report.

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

(4) Greenhouse gas emissions resulting from fuel combustion sources.

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

Long-term Environmental Sustainability Vision and 2020 Goals

P&G is the largest consumer packaged goods company in the world today. This very fact, coupled with our Purpose-inspired Growth Strategy—improving the lives of more consumers, in more parts of the world, more completely—requires us to continue to grow responsibly.

In September 2010, we announced a long-term environmental sustainability vision for our Company that establishes future expectations for our performance.

We won't reach this vision overnight; in fact, it will take decades to achieve. So, we have set goals for 2020 to hold ourselves accountable to making progress toward our vision.

Our Long-Term Environmental Sustainability Vision includes:

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

For more information on our long-term vision, go to www.pg.com/sustainability.

2020 ENVIRONMENTAL SUSTAINABILITY GOALS

Products	Replace Petroleum-Based Materials with Sustainably Sourced Renewable Materials	25%*
	Cold Water Washing	70% of total washing machine loads
	Packaging Reduction	20% (per consumer use)*
	Consumer Solid Waste	Pilot studies in both developed and developing markets to understand how to eliminate landfilled/dumped consumer solid waste
Operations	Renewable Energy Powering Our Plants	30%
	Manufacturing Waste to Landfill	<0.5% (disposed)
	Truck Transportation Reduction	20% (km/unit of volume)*

Touching lives, improving life. P&G ™

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