



P&G



Sustainability at P&G:
Vision with Purpose

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The Challenges

- Can cities move to a sustainable economy without public sector stimulus?
- Growth v sustainability?
- What role for major businesses?
- What role for innovation?
- Where do citizens and consumers come in?

Procter & Gamble

- Global Consumer Goods company
- Founded 1837 in Cincinnati, Ohio, USA
- Markets in 180 countries
- Operations in over 80 countries
- 127,000 employees
- Around 75,000 suppliers



Procter & Gamble in the North-East

- Soap making on Tyneside since 1838
- P&G in UK since 1930
- 3 sites Longbenton, Seaton Delaval, Cobalt
- R&D, Manufacturing and Shared Service Centre
- 1700 employees
- 40 R&D PhDs



P&G's Purpose:

Improving the lives of the world's consumers, *now and for generations to come*

Touching lives, improving life. **P&G™**



Purpose Inspired Growth Strategy

“We will grow P&G’s business by touching and improving more consumers’ lives in more parts of the world..more completely.”

A handwritten signature in black ink that reads "Bob McDonald".

Bob McDonald
Chief Executive Officer
Executive Sponsor of Sustainability



Strong Sustainability Heritage



Published our first environmental safety publication (1956)



Developed first test to evaluate chemical biodegradability (1973)



Co-founded the Society of Environmental Toxicology and Chemistry (1981)



Pioneered the use of Life Cycle Assessment (1990s)



One of the first corporate sustainability departments and sustainability report (1999)



Introduced global corporate cause: *Live, Learn and Thrive*[™] (2005)



Announced new Long-Term Environmental Sustainability Vision and 2020 Goals (2010)

What role for business?



Sustainable Products



Sustainable Operations



Social Responsibility



Employee Awareness



Stakeholder Engagement

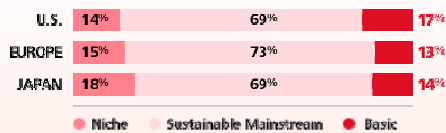


Product Innovation



Consumer Insights

Consumer Types



P&G's approach is to drive meaningful improvements in sustainability by targeting mainstream consumers



Product Innovation

Dramatic Changes in Formulation



A Dramatic Reduction in Overall Environmental Footprint

40-50%

Less water to manufacture

30-40%

Less energy to manufacture

20-50%

Less energy by washing in low temperatures

14-40%

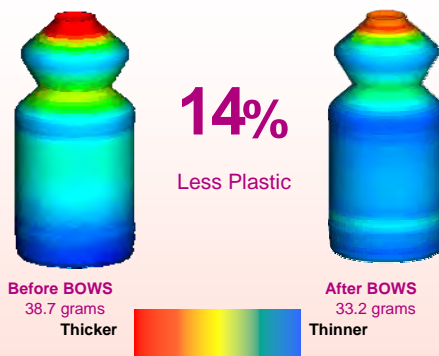
Less packaging

40-57%

Less trucks to transport

Innovation in Packaging

Partnered with the Waste and Resources Action Program (WRAP) in UK to deliver innovation that enables packaging reduction without compromising integrity.



Material change for a better environment



Operational Improvements



Operational Improvements

End-to-End Strategy



Manufacturing



Finished Product
Logistics



Supplier
Engagement

Operational Improvements

Since 2007, per unit production

11%

reduction
in CO₂

50%

reduction in
solid waste

16%

reduction
in water

14%

reduction
in energy

Strategy 2: Operations

Examples of Recycled or Reused Waste



Perfume



Paper



Soap

Industrial Ecology in action



Social Responsibility

“Business cannot
succeed in a society
that fails”



Live, Learn and Thrive

Improving life for millions of
children in need every year





Breakthrough
Product
Innovation:



Invented in Newcastle, used in over 40 countries



3 billion litres of clean water delivered

TeachFirst

Launch of Teach First in
North East on 3rd Feb 2011
at P&G Cobalt site

P&G Platinum Partner since 2009





Employee Engagement

Empowering Employees
to Lead the Way

Employee Engagement

Ongoing Events: Maintaining Involvement Year-Round

Employees participate in ongoing programs to maintain engagement:

- Sustainability Ambassador Network
- Idea Challenges
- Sustainability Weeks
- Employee Sustainability Challenges
- Volunteer events



Employee Efforts

Suppliers like Jones Lang LaSalle and Xerox innovates and reapplies ways to conserve resources at P&G facilities.

8%

REDUCTION IN ENERGY USE SINCE 2007

28%

REDUCTION IN WATER USE SINCE 2007

11 Million

FEWER PAGES PRINTED IN 2010



Long-Term Vision



Using 100% renewable materials or recycle for all our products and packaging



Powering our plants with 100% renewable energy



Having zero consumer or manufacturing waste go to landfills



Designing products that delight consumers while maximizing the conservation of resources

Key points

- Sustainability is good business – not an extra cost for business
- It's about what a business does, as well as how it does it.
- Sustainable innovation is essential
- Knowing where you are going helps – set a long term vision
- Understanding consumers is vital

The Future Challenges ...

- How do we ensure we continue to improve lives, within the limits of one planet?
- How do we make sustainable lifestyles aspirational for consumers, not restrictive?
- What is the long term vision for Newcastle and the UK?

A large rectangular area filled with a grid of orange circles. The circles are arranged in a regular pattern and vary slightly in opacity, creating a textured effect. The background is a solid orange color.

Touching lives, improving life. *P&G*[™]