

# Sustainability

**P&G**

Canada  
2010/2011



## About this publication

This is the twelfth year that P&G has reported globally on its sustainability efforts.

This Canadian publication provides an overview of the progress we've made on our 2012 goals, devoting a section to Canadian achievements against our five strategies. It concludes with an overview of P&G's new long-term environmental sustainability visions and new 2020 sustainability goals.

(Financial information is given in U.S. dollars.)

## Report Assurance

This Canadian Summary has been reviewed and approved for publication by P&G Canada Legal. This summary was not externally audited. Our full Sustainability Report, which was prepared using the Global Reporting initiative's (GRI) Guidelines, can be viewed online at [www.pg.com/sustainability](http://www.pg.com/sustainability).

## Contents

Leadership Statement	2
About P&G	3
Our Purpose and Sustainability Strategies	4
Sustainability Goals and Progress	5
Product Innovations	6
Operations	7
Social Responsibility	8
Employee Engagement	9
Supplier Engagement	10
New Environmental Sustainability Vision	11

# Leadership Statement

P&G’s Purpose – *to touch and improve lives, now and for generations to come* – inspires everything we do. It guides our strategic choices, leads to bigger and better innovation, drives brilliant execution, and compels us to make a difference in areas such as environmental and social sustainability.

“For generations to come” was added to our vision statement to reflect our commitment to making sustainability a part of our everyday business decisions. Sustainability is also an integral part of our purpose inspired growth strategy of *touching & improving more Canadian lives, more completely* – as we recognize that in order to grow we must grow responsibly.

Our Purpose is realized when we create products and services that improve people’s lives ... when we innovate and operate responsibly, ethically, and with less environmental impact ... when we create new product formulations and new distribution models that make our products more affordable ... when we create jobs, pay taxes and help make our communities a better place to live and work.

This is how we approach sustainability at P&G – by integrating a responsibility for improving lives into every aspect of our business and operations.

P&G has a long standing commitment to sustainability that goes back over 50 years. From our first environmental safety publications in the 1950’s to pioneering the science of life cycle assessment in the 1990’s, and having a formal corporate sustainability organization that has issued annual reports since 1999, we have been a recognized leader in sustainability.

We recently announced our new long-term environmental sustainability vision and goals, which are presented in the pages ahead. Committing ourselves

to a demanding vision and holding ourselves accountable with clear, stretching and measurable goals is one important way we will fulfill P&G’s Purpose.

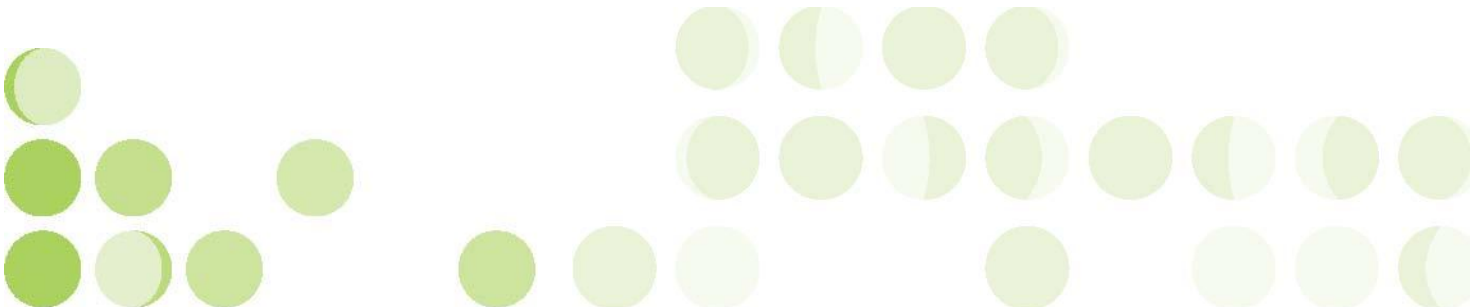
**We are proud of the progress we are making, on a global scale and, importantly, at home here in Canada. This Canadian Sustainability Summary provides an overview of our vision, goals, and strategies as well as highlights of Canadian achievements to date.**

By leveraging strengths that set us apart – innovation, consumer understanding and scale – and by working together with a vast network of external partners, we will continue to touch and improve lives, now and for generations to come. This is our Purpose, our responsibility, and an incredibly inspiring opportunity.

Sincerely,



Tim Penner  
President, Procter & Gamble Inc.



## About Procter & Gamble

Four billion times a day, P&G brands touch the lives of people around the world. The company has one of the strongest portfolios of trusted, quality, leadership brands. The P&G community includes approximately 127,000 employees working in about 80 countries worldwide.

We have a strong heritage, founded over 170 years ago in Cincinnati. Our guiding purpose is to provide branded products and services of superior quality and value that improve the lives of Canadians and world consumers, now and for generations to come. Consumers are our first priority and are at the heart of all we do.

## P&G Canada

P&G is a leading consumer products company in Canada. Our North America region (of which Canada is a part) makes up 42% of P&G's total annual sales in fiscal 2010 of \$78.9 billion. We have been in Canada since 1915 and employ approximately 2,800 people. We currently have two manufacturing facilities in Belleville and Brockville, Ontario which supply the North American market. A Canadian distribution centre is located in Brantford and the head office in Toronto with sales capabilities across Canada.

## A Great Place to Work

The people at P&G are our most important asset, and in Canada we are recognised as a recruiter of top talents and an Employer of Choice. P&G has once again been named:

- Canada's Top 100 Employers
- Canada's Best Diversity Employers
- Canada's 10 Most Admired Corporate Cultures

## Sustainability and Social Responsibility

Sustainability and social responsibility are embedded in P&G's culture. We focus on improvements that matter for the environment and social causes, now and for generations to come - from product innovations such as compacted laundry detergents and cold water washing (saving energy, water, packaging, and transportation) and end-to-end operational improvements to our Corporate Cause, a program called P&G *Live, Learn & Thrive*™. The program, which aims to help children in need, is brought to life in Canada through community programs, employee volunteers, and donations that touch the lives of underserved children.

P&G has been a member of the FTSE4Good and Dow Jones Sustainability index (DJSI) since their inception. In 2009, P&G was added to the Global 100 list of the world's most sustainable corporations.



For P&G, sustainability is a responsibility and an opportunity to make improvements that matter, and to make life better for Canadians. Our commitment begins with our Purpose, Values and Principles, in which sustainability is the driving force.

Our Purpose is to improve lives,  
now and for generations to come.

### Our five sustainability strategies:

#### Strategy 1: Products

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

#### Strategy 2: Operations

Improve the environmental profile of P&G's own operations.

#### Strategy 3: Social Responsibility

Improve children's lives through P&G's social responsibility programs.

#### Strategy 4: Employees

Engage and equip all P&G employees to build sustainability thinking and practices into their everyday work.

#### Strategy 5: Stakeholders

Shape the future by working transparently with our stakeholders to enable continued freedom to innovate in a responsible way.






# Sustainability - Goals and Progress

In 2007, P&G declared a renewed strategy and established several five-year goals targeted at improving the environmental profile of our products and operations and advancing our social investment programs. In 2009, we increased these goals in recognition of the progress made. P&G has continued to deliver strong results against these goals both globally and in Canada.

The following is a snap-shot of our global report card. The following pages provide highlights of P&G Canada's progress against our five sustainability strategies.

## 2012 Sustainability Goals 2010 Report Card

Strategy	2012 Goal	Progress															
 <b>Products</b>	Develop and market at least \$50 billion in cumulative sales of "sustainable innovation products," which are products that have an improved environmental profile.	Cumulative sales of sustainable innovation products since July 2007: <b>\$26.5 Billion</b>															
 <b>Operations</b>	Deliver an additional 20% reduction (per unit production) in CO <sub>2</sub> emissions, energy consumption, water consumption and disposed waste from P&G plants, leading to a total reduction over the decade of at least 50%.	<table border="1"> <thead> <tr> <th></th> <th>Since July 2007</th> <th>Since July 2002</th> </tr> </thead> <tbody> <tr> <td><b>Energy Usage</b></td> <td>-14%</td> <td>-50%</td> </tr> <tr> <td><b>CO<sub>2</sub> Emissions</b></td> <td>-11%</td> <td>-53%</td> </tr> <tr> <td><b>Waste Disposal</b></td> <td>-50%</td> <td>-55%</td> </tr> <tr> <td><b>Water Usage</b></td> <td>-16%</td> <td>-55%</td> </tr> </tbody> </table>		Since July 2007	Since July 2002	<b>Energy Usage</b>	-14%	-50%	<b>CO<sub>2</sub> Emissions</b>	-11%	-53%	<b>Waste Disposal</b>	-50%	-55%	<b>Water Usage</b>	-16%	-55%
	Since July 2007	Since July 2002															
<b>Energy Usage</b>	-14%	-50%															
<b>CO<sub>2</sub> Emissions</b>	-11%	-53%															
<b>Waste Disposal</b>	-50%	-55%															
<b>Water Usage</b>	-16%	-55%															
 <b>Social Responsibility</b>	Enable 300 million children to Live, Learn and Thrive. Prevent 160 million days of disease and save 20,000 lives by delivering 4 billion liters of clean water in our Children's Safe Drinking Water program.	<table border="1"> <thead> <tr> <th></th> <th>Since July 2007</th> </tr> </thead> <tbody> <tr> <td><b>Live, Learn and Thrive</b></td> <td></td> </tr> <tr> <td><b>Number of children reached</b></td> <td>210 million</td> </tr> <tr> <td><b>Children's Safe Drinking Water</b></td> <td></td> </tr> <tr> <td><b>Litres of Clean Water Delivered</b></td> <td>1.5 billion</td> </tr> <tr> <td><b>Days of Disease Prevented</b></td> <td>60 million</td> </tr> <tr> <td><b>Lives Saved</b></td> <td>7,450</td> </tr> </tbody> </table>		Since July 2007	<b>Live, Learn and Thrive</b>		<b>Number of children reached</b>	210 million	<b>Children's Safe Drinking Water</b>		<b>Litres of Clean Water Delivered</b>	1.5 billion	<b>Days of Disease Prevented</b>	60 million	<b>Lives Saved</b>	7,450	
	Since July 2007																
<b>Live, Learn and Thrive</b>																	
<b>Number of children reached</b>	210 million																
<b>Children's Safe Drinking Water</b>																	
<b>Litres of Clean Water Delivered</b>	1.5 billion																
<b>Days of Disease Prevented</b>	60 million																
<b>Lives Saved</b>	7,450																





# Product Innovation

## Delivering Benefits Without Trade-Offs

We leverage our strength of consumer understanding to deliver sustainable innovations without trade-offs in performance or value. To do this, P&G takes a scientific approach. We helped pioneer Life Cycle Assessment, which considers the environmental footprint of a product across its entire life cycle, from raw materials to manufacturing, to consumer use and disposal. By understanding the impact at each phase of the total life cycle, we can focus our sustainable innovations where they will have the most meaningful environmental improvement. Here are just a few examples of recent Canadian initiatives.

## Canadian Products with Purpose

### Revolutionizing Diapers

Pampers with Dry Max is the brand's biggest innovation in the last 25 years. Pampers conducted externally peer-reviewed Life Cycle Assessments (LCAs)\* that evaluated key environmental indicators for diaper products sold. Both internal and external LCAs showed that the sourcing and production of raw materials is the life cycle stage contributing the most to the potential environmental impact from disposable diapers. Pampers developed the Dry Max technology, which allows for the removal of the air felt (paper pulp) from the diaper core. This innovation has resulted in a diaper that is 20% thinner than before. The latest diapers from Pampers are one step better for the environment and provide performance benefits to babies. The thinner core helps provide freedom to move and play, while being Pampers' driest diaper.

PROGRESS in NUMBERS\*\*

12- 13%

less solid waste across the product life cycle

8-11%

reduction in energy demand

10%

reduction in product weight

\*Pampers conducted LCAs that were compliant with ISO 14040/14044.

\*\*Statistics are versus fiscal 2009 data from Pampers Cruisers in North America and Pampers Active Fit in Europe.

Variations are dependent on country differences (e.g., energy rates, base packaging comparisons).



### Laundry Detergent Compaction

Designed to save water, save energy and reduce waste.



up to 43% reduction in plastic

### Tide Cold Water

Designed for cold water washing.

50-80%

reduction in energy use per load (depending on washing machine-type and depending on electric water heater)



### Renewable Materials

Renewable, sustainable, sugarcane-derived plastic is being used on selected packaging of Pantene and Cover Girl. It replaces high-density polyethylene (HDPE) plastic which is made from non-renewable petroleum. The new plastic has the same look and feel as traditional plastic, and it is as recyclable as our current bottles in municipal recycling facilities which recycle HDPE.





# Operations

## Taking an End-to-End Approach to Sustainability

Last year we expanded our holistic approach to sustainability across our entire supply chain to include not only manufacturing and facility construction and operations, but also finished product logistics and supplier engagement. In addition to continued improvements on conservation measures and eco-smart design, we initiated projects in logistics that have created significant reductions in our transportation footprint. In May 2010, we also launched the Supplier Environmental Sustainability Scorecard and rating process to measure and improve the environmental performance of our key suppliers.

## Optimizing our Logistics

We have optimized our efficiency in the logistics stage of the supply chain by making changes to the rate, route, mode and method of transportation. We have also focused on eliminating inefficiencies such as loading and unloading delays, rush transport up-charges, dead legs (empty trucks) and P&G production line stops. Control Tower, our logistics optimization program, is a holistic approach to more seamlessly manage the movement of our raw and pack materials, as well as finished product, through the supply chain. More efficient transportation means an improved environmental profile. The lead logistics provider centrally controls and optimizes the product flows, delivering maximum truck fill for every kilometre travelled in the fastest possible time, in an ecologically friendly manner.

PROGRESS in NUMBERS\*\*

### 20%

reduction in truck transportation throughout Canada (km per unit of volume)

### 4 million litres

of diesel fuel saved throughout Canada

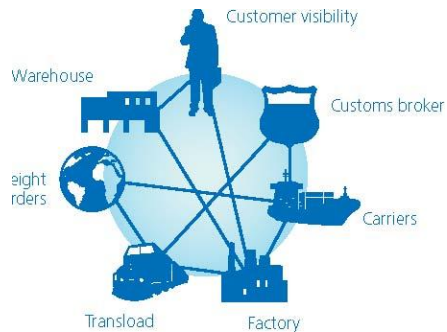
## Beneficial Reuse of Waste

We have been actively managing waste streams from our sites through supplier collaboration. By segregating waste streams and finding ways to utilize the material, significant diversion from landfill is achieved. For our Brantford-based **Canadian Distribution Centre**, this robust segregation and proactive approach has resulted in:

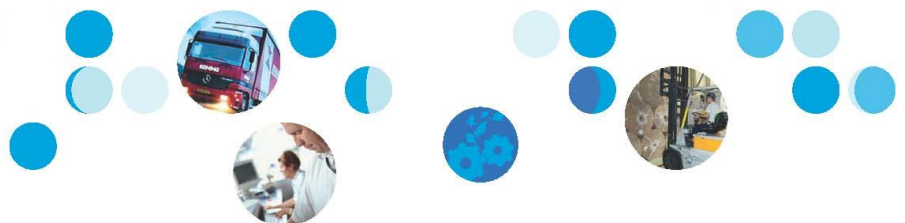
### 89%

 beneficial re-use of waste streams

TRADITIONAL NETWORK



CONTROL TOWER NETWORK





# Social Responsibility

## Living our Purpose Everyday

Social responsibility is a natural expression of our Purpose to touch and improve lives. We see it as an investment in the future that helps both children and communities thrive, now and for generations to come. Our commitment is brought to life through our many community programs, employee volunteers, monetary contributions, and product donations.

## Social Responsibility for generations to Come

### Live, Learn, and Thrive

P&G Canada's corporate charitable contributions and efforts focus on supporting our Corporate Cause **Live, Learn and Thrive** (LLT).

The aim of LLT is to help children in need, ages 0-13, **live** by ensuring a healthy start; to provide them with places, tools and programs to enhance their ability to **learn**; and to help them develop skills for life so they can **thrive**.

Some of P&G Canada's long-term LLT partnerships include United Way, Junior Achievement, Children's Aid Foundation, Kids Help Phone, Scouts and Girl Guides, Ontario Science Centre, and more.

### United Way

In 2010, P&G generated over \$2 million in Canada for the **United Way**. Through our Toronto campaign alone, just under 1,000 employees generated about \$1.6 million with an employee participation rate of 94%. Our campaign is the #1 Toronto campaign in our sector. P&G is once again a recipient of UW Canada's "Thanks a Million" National Award".

**\$2+** million generated by P&G campaign

### Food Banks Canada

We are a proud partner with **Food Banks Canada** where our product donations in 2010 reached:

**916,822** pounds

### Employee Volunteering

We also have a number of company-supported employee volunteering opportunities including **UW Days of Caring** and other events, as well as our **Junior Achievement** program where over 80 employees delivered JA programs to over 40 classrooms last year.

### Community Leaders

P&G Canada recently launched our new Community Leaders Program. Concern for charitable causes and civic responsibility has long been a part of P&G's culture and this is seen through our many employees who help those in need and give back to their communities. The purpose of the P&G Community Leaders Program is to support our employees in their philanthropic efforts in the community. Through the program, donations are awarded to organizations with whom employees are involved in a volunteer capacity.





# Employee Engagement

## Empowering Employees to Lead the Way

P&G employees are critical enablers of the Company’s sustainability efforts. We have programs to embed a sustainability mindset into everyday work, and we foster and encourage passionate employees to create “Green Teams” and integrate sustainability into work and their workplace.

### Passionate Employees

#### Elimination of Styrofoam Cups

Our employee-led corporate office Green Team took the initiative to eliminate styrofoam cups and kicked it off with the distribution of free ceramic mugs for every employee.

**730,000** cups saved from Toronto landfills last year

#### Workplace Recycling Programs

With our property management partner and help of the Green team, we have implemented ongoing efforts aimed at educating employees and influencing more sustainable workplace behaviours.

**86%** waste diverted from our Toronto workplace

#### WWF-Canada LivingPlanet@Work

*LivingPlanet@Work* is an employee engagement program in partnership with the WWF-Canada designed to engage employees through sustainability related events and activities including Earth Week, National Sweater Day (energy conservation), and Waste Reduction Week.

### Creating Partnerships with Purpose

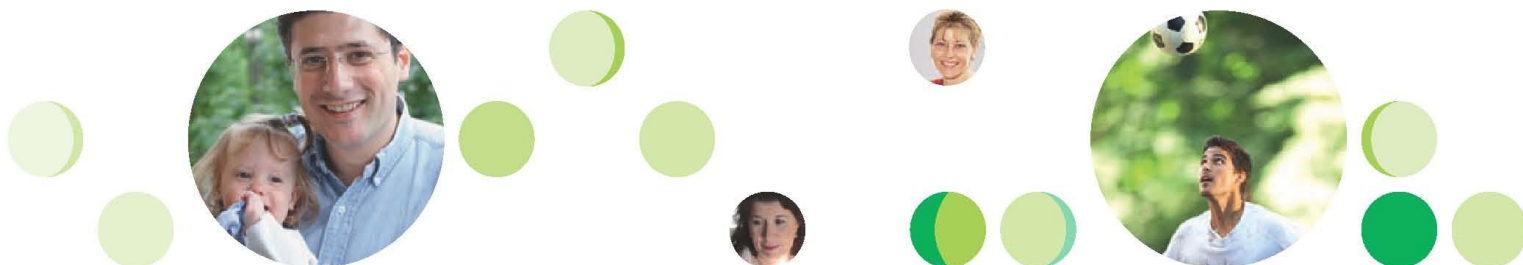
We partner with suppliers who bring expertise and innovative solutions to improve the environmental profile of our facilities, enabling employees to work in an environmentally conscious workplace.



#### Managing Printing with Xerox

Over the past year, P&G’s Global Business Services has been working with Xerox to simplify our global printing structure, bringing a network of more reliable, better serviced and more capable printers into the workplace. Now we have the ability to print anywhere in the P&G print world, scan to e-mail, print two-sided, eliminate the banner pages, and use smart color.

**39%** reduction in paper use in 2010 versus 2009



# Stakeholder Engagement



## Fostering Partnerships that Accelerate Progress

Our valued partners are also enablers of the company's sustainability efforts. While we are proud of the progress we have made, we know that we could not have come this far without the help of many external partners. We recognize that continued partnership will be key to future success.

### Supplier Environmental Sustainability Scorecard

In May 2010, P&G launched the Supplier Environmental Sustainability Scorecard and rating process to measure and improve the environmental performance of our key suppliers. The scorecard assesses P&G suppliers' environmental footprint and encourages continued improvement by measuring energy use, water use, waste disposal and greenhouse gas emissions on a year-to-year basis. The overall goal is to encourage year-on-year improvement regardless of the supplier's size or current sustainability efforts. It is hoped that this process will lay the foundation for an industry standard and that the scorecard will be able to be used by any organization to help promote common supply chain evaluations. In addition to scoring our suppliers' sustainability efforts to encourage continuous improvements, we have been working with our suppliers to improve the sustainability of our materials and products.

**View our Supplier Sustainability Scorecard at:**  
[www.pgsupplier.com/environmental-sustainability-scorecard.html](http://www.pgsupplier.com/environmental-sustainability-scorecard.html)



### Working with WWF

We are collaborating with WWF to identify areas of opportunity to improve our company's sustainability profile, and to develop strategies and plans to do so. WWF helped us to formulate our new long-term sustainability visions and work is now underway on operational areas such as palm oil sourcing, pulp procurement, energy/carbon/water reduction programs and renewable materials.

### Expert Advisory Panel\*

Since 2007, P&G Canada has benefitted from the counsel of a volunteer panel of Canadian thought leaders in areas such as environment, consumer safety and housing. Meeting twice a year to discuss upcoming product and operational innovations happening both here in Canada and globally, the panel is an example of P&G's measured approach to ensuring that sustainability is operationalized and relevant on a local level.

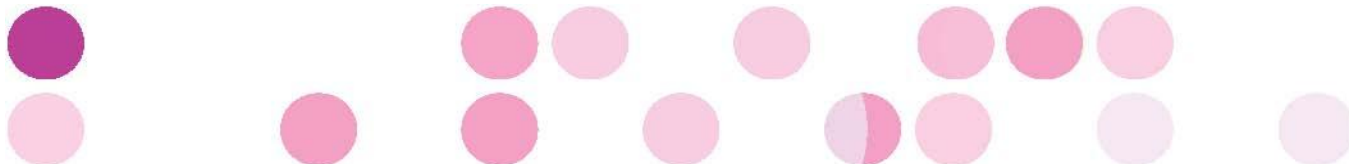
#### Expert Advisory Panel

Johanne Gélinas, *Partner, Sustainability and Climate Change*, Deloitte  
 Karel Mayrand, *Executive Director*, David Suzuki Foundation, Quebec  
 Bob Oliver, *Chief Executive Officer*, Pollution Probe  
 Mike Russill, *Principal*, Russill & Company  
 Mark Salerno, *Representative*, Canada Mortgage & Housing Corporation  
 Jo-Anne St. Godard, *Executive Director*, Recycling Council of Ontario  
 Ken Whitehurst, *Executive Director*, Consumers Council of Canada  
 John Wiebe, Ph.D., *President & CEO*, GLOBE Foundation

**\*Disclaimer:** While the Expert Advisory Panel (EAP) has offered input into this Summary, its members have not audited or verified its data.

### A Global Approach to Sustainable Packaging

The Global Packaging Project (GPP), spearheaded by the newly founded Consumer Goods Forum (CGF), brings together global manufacturers and retailers to improve collaboration across the consumer goods industry. By developing a common language and sustainability metrics, the project will improve communication about the sustainability attributes of packaging, both between companies and with consumers. P&G has been actively involved in this project, testing its metrics through pilots with customers. The project report, entitled *A Global Language for Packaging and Sustainability*, was launched in June 2010 at a Summit in London.



## A Bold New Vision

Recently, P&G announced a [new long-term environmental sustainability vision](#). We developed this vision over the course of a year, partnering with external experts and soliciting input from hundreds of P&G employees at all levels and functions. As part of P&G's strategy to grow responsibly, we will work towards a long term environmental sustainability vision that includes:

- Powering 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

## Being Accountable

As this vision will take decades to achieve, we have also announced new 10-year goals, which we will reach by 2020, that will set us on an incremental path toward our long-term vision. These goals will help us focus on efforts where we can make the most meaningful difference in environmental sustainability. The 2020 sustainability goals are in addition to our existing 2012 goals.

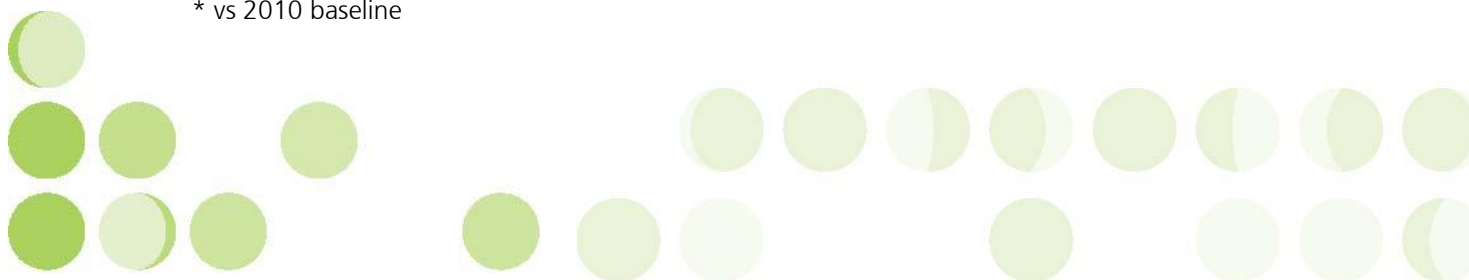


- 25%\* of petroleum-derived raw materials replaced with renewable materials that are sustainably sourced
- 70% of total washing machine loads using cold water
- 20% (per consumer use)\* reduction in packaging



- 30% renewable energy used to power our operations
- < 0.5% manufacturing waste going to land-fill
- 20% (km/unit of volume)\* reduction in truck transportation

\* vs 2010 baseline





**P&G**

Canada