



LRQA Independent Assurance Statement

Relating to P&G US Business Services Company for the Fiscal Year 2022 to 2023

This Assurance Statement has been prepared for Procter and Gamble US Business Services Company in accordance with our contract.

Terms of Engagement

LRQA, Inc. (LRQA) was commissioned by Procter and Gamble US Business Services Company (P&G) to provide independent assurance on its GHG emissions inventory (“the Report”) for the fiscal year 2022-2023, covering the period of July 1, 2022 to June 30, 2023, against the assurance criteria below to a limited level of assurance using LRQA’s verification procedure and ISO 14064 - Part 3 for greenhouse gas (GHG) emissions. LRQA’s verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered P&G’s global operations and activities under its operational control and specifically the following requirements:

- Verifying conformance with:
 - P&G’s GHG Inventory Management Plan, Review and Maintenance;
 - P&G Business Travel (Scope 3) Methodology; and
 - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas (GHG) Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data¹.
- Reviewing whether the Report has taken account of:
 - GHG Protocol Scope 2 Guidance;
 - GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard; and
 - GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - Direct (Scope 1), Energy Indirect (Scope 2) and Other Indirect (Scope 3) GHG emissions.
 - Scope 3 GHG emissions verified by LRQA only include business air travel and transportation and distribution of P&G’s finished product

The following GHG emissions were excluded from P&G’s GHG Emissions Inventory on the basis of their de minimis contribution to the total direct and indirect GHG emissions: emissions from non-manufacturing distribution centers that are within P&G’s operational control and have a total square footage less than 1,000,000 square feet; emissions from refrigeration, heating, ventilation and air conditioning (HVAC) systems; emissions from fire suppression equipment; emissions from on-site wastewater treatment facilities; and physical operations on site of P&G warehouses involving movements of the truck trailers during the drop loading phase of transportation and distribution of P&G’s finished products.

Also excluded are upstream transportation of raw and pack material as well as intermediates coming from vendors to the first P&G sites where ownership is taken.

LRQA’s responsibility is only to P&G. LRQA disclaims any liability or responsibility to others as explained in the end footnote. P&G’s responsibility is for collecting, aggregating, analysing and presenting all the data and information

¹ <http://www.ghgprotocol.org/>



within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of P&G.

LRQA’s Opinion

Based on LRQA’s approach, except for the effect of the matters described in the Basis for Qualified Opinion, nothing has come to our attention that would cause us to believe that P&G has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance² and at the materiality of the professional judgement of the verifier.

Basis for Qualified Opinion

Biogenic carbon dioxide (CO₂) emissions from upstream Transportation and Distribution (Scope 3) were not reported separately from fossil fuel emissions. This does not have a material impact on the emission value reported.

Table 1. Summary of P&G Key Data for FY22-23:

Greenhouse Gas Emissions	Data	Unit
Scope 1	2,123,103	MT CO ₂ e
Biogenic CO ₂ Emissions	45,175	MT CO ₂ e
Scope 2 GHG emissions (Location-based) ¹	2,274,577	MT CO ₂ e
Scope 2 GHG emissions (Market-based) ¹	130,291	MT CO ₂ e
Scope 3 – Business Air Travel	97,411	MT CO ₂ e
Scope 3 – Upstream Transportation and Distribution	2,047,292	MT CO ₂ e
Note 1: Scope 2, Location-based and Scope 2 Market-based are defined in the WRI/WBCSD GHG Protocol, 2015		

LRQA’s Approach

LRQA’s assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- interviewing relevant employees of the organization responsible for managing GHG emissions data and records;
- conducting screen share to review GHG data flows including data collection, data transfer and processing, emissions calculation and reporting;
- assessing P&G’s data management systems to confirm they are designed to prevent significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal quality control; and
- verifying historical GHG emissions data and records at an aggregated level for fiscal year 2022-2023.

² The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Observations

Further observations and findings, made during the assurance engagement, are:

- P&G used multiple different travel agencies' data to report Scope 3 business travel emissions. LRQA observed that the agencies were using different methods to calculate emissions. P&G should consider requesting travel agencies for the segment level data and calculating the emissions internally to ensure consistency in reporting.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed

Dated: 10/23/2023

A handwritten signature in cursive script, appearing to read 'Joycelyn Swamidoss'.

Joycelyn Swamidoss
LRQA Lead Verifier
On behalf of LRQA, Inc.,
2101 CityWest Blvd, Houston, TX 77042

LRQA reference: UQA00000438/6259922

LRQA Group Limited, its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © LRQA, 2023.