



PZ Cussons PLC PAS2060:2014 Carbon Neutrality Qualifying Explanatory Statement (FY2022-2023)

10th August 2023

Disclaimer

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1. Introduction

In accordance with BSI PAS 2060, this document presents the declaration of achievement of neutrality through a set of Qualifying Explanatory Statements and public disclosure of documentation supporting PZ Cussons plc's carbon neutrality claim for the Agecroft and Aviator Way sites, both of which are in the UK, as well as for the Child's farm in Basingstoke, the Beauty offices in London and New York, the ANZ offices based in Melbourne, the factory in Thailand, and the factory and head office in Indonesia.


1.1 General information

Information required under PAS2060 guidance	
Subject of PAS 2060 declaration	PZ Cussons plc's Scope 1 and Scope 2 (market-based) emissions from the UK Agecroft factory and Aviator Way office, the Child's farm, the Beauty and ANZ offices, the Thailand factory, and the Indonesia factory and office.
Type of conformity assessment	Other party verification – Verco Advisory Services Ltd
Application period	1 June 2022 – 31 st May 2023
Prepared by	Victoria Schutz, Verco
Date	10 th August 2023
Checked by	Tim Crozier-Cole, Verco

1.2 Declaration of achievement of carbon neutrality

“Carbon neutrality of PZ Cussons plc's Scope 1 and Scope 2 (market-based) emissions from the UK Agecroft factory and Aviator Way office, the Child's Farm, Beauty and ANZ offices, the Thailand factory, and the Indonesia factory and office achieved by PZ Cussons plc in accordance with PAS 2060 as of 10th August 2023 for the period commencing 1st June 2022 to 31st May 2023, Verco Advisory Services Ltd declared.”

This QES contains all the required information on the carbon neutrality of the given subject, and will be made publicly available on our website: <https://www.pzcussons.com/>

Name:	Joanna Gluzman
Position:	Chief Sustainability Officer
Signature:	
Date:	10 th August 2023

2. Carbon footprint

Methodology

The methodology used in this statement was applied in accordance with its provisions and the principles set out in PAS 2060 were met.

Greenhouse gas emissions have been calculated following the WRI/WBCSD GHG Protocol using automatic meter reads and company data for refrigerant emissions. Emissions factors have been taken from DEFRA 2022 and the electricity supplier E-on's market-based grid factor. For the Child's farm, Beauty offices, ANZ and Indonesia offices the energy consumption has been estimated using energy benchmarks based on floor area provided by the UK Building Energy Efficiency Survey (BEES).

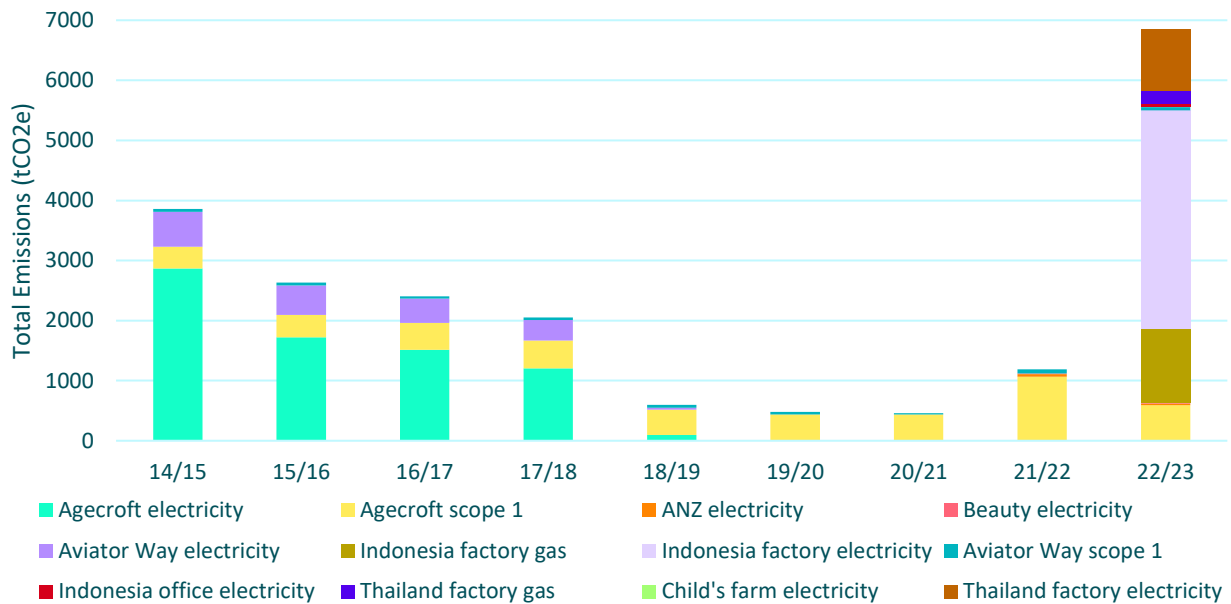
Emissions summary (FY 2022-23)

The assessment boundary of this study was scope 1 and 2 emissions for the Agecroft factory, the UK head office, the Beauty offices, the ANZ offices, the Thailand factory, and the Indonesia factory and head office (using market-based emission factor for scope 2 emissions). The following tables below summarises the emissions calculated and their respective sources.

Business Unit (tCO ₂ e/yr)	Total Scope 1	Scope 2 Location Based	Scope 2 Market Based	Total Scopes 1 + 2 Market Based
UK – Agecroft factory	590	560	0	590
UK – Aviator Way office	52	116	0	52
UK & US Beauty offices		21	21	21
Melbourne - ANZ offices		26	26	26
Indonesia factory	1,223	3,642	3,642	4,865
Indonesia office		64	64	64
Thailand factory	209	1,018	1,018	1,227
Child's farm office		3	3	3
Total	2,074	5,450	4,774	6,848

Emissions reductions to date

Site scope 1 and 2 emissions and Scope of carbon neutrality claim



The above graph illustrates the gradual decline in scope 1 and market-based scope 2 emissions from 2014/15 to 2020/21 across both Agecroft and Aviator Way. The overall reduction in tonnes of CO₂e/year is due to site energy efficiency and continuous improvement programs. In June 2018 PZ Cussons moved across to 100% renewable electricity source for those offices.

In FY21/22 the overall emissions increased as the electricity consumption for the Beauty and Australia and New Zealand (ANZ) business units were added to the scope of the carbon neutrality claim. These are leased offices in London and Melbourne respectively, and the electricity sits outside of PZ Cussons' renewable electricity purchase being supplied by the landlord.

For FY22/23 the scope of the carbon neutrality claim has been expanded further to include the Thailand factory, the Indonesia factory and head office, and the Child's farm in Basingstoke UK. While all new factories consume both gas and electricity, the offices use only electricity. The total coverage of emissions has tripled due to this expansion scope, with the addition of Indonesian operations being the most significant factor.

3. Carbon management plan

PZ Cussons currently targets a 3% reduction in operational emissions across its sites. As part of this, there is a rolling programme of reduction initiatives. The current status of opportunities can be found in Annex B.

In 2022 PZ Cussons announced a long term goal to reach net-zero emissions across all scopes by 2045. The value chain emissions of the whole group has recently been calculated, and pathway analysis is now underway with an aim of setting near-term targets aligned with the net zero goal. PZ Cussons plc is an annual responder to the CDP: <https://www.cdp.net>.

Whilst working to reduce absolute emissions, PZ Cussons is also expanding the scope of its carbon neutrality commitment. To extend carbon neutrality to all group scope 1 and 2 emissions, the final addition in 2025 will include operations in Africa.

4. Carbon offsets

In 2022 PZ Cussons purchased 13,000tCO₂e of offset credits, with a remainder of 11,732tCO₂e at the end of FY21/22, of which 7,732tCO₂e belong to Abuja Nigeria cook stoves and 4,000tCO₂e to the Rantemario 72MW Wind power, Indonesia.

The emissions detailed in section 2 (6,848tCO₂e) are offset by the above, leaving 884tCO₂e of offsets in Abuja Nigeria cook stoves and the 4,000tCO₂e from the Rantemario project for next year.

Further details of all offset purchases related to this QES are provided below:

Certificate

Partner in
climate action

PZ Cussons (International) Limited

PZ Cussons

This certificate confirms the offset of carbon emissions by additional carbon offset projects.

CO₂-equivalents

9,000,000 kg

Supported offset project

**Clean cookstoves
Abuja
Nigeria**

ClimatePartner-ID

19182-2204-1001

Issued on

07.04.2022

Use the following URL for more information about the offset and the supported carbon offset project:

climatepartner.com/19182-2204-1001

ECOACT – REGISTRE CARBON / CARBON REGISTRY
(Crédits carbone / Carbon credits)

CERTIFICAT DE TRANSFERT / TRANSFER CERTIFICATE

Type movement / Operation type: Transfer / Transfert

Date du transfert / Transfer date: 08/07/2022

Compte débité / Transferor: Carbon Clear

Compte crédité / Transferee: PZ Cussons

Quantité transférée / Quantity transferred: 4000

Numéro de série / Serial number: GS1-1-ID-GS7164-12-2020-20659-152951-156950

Projet sous-jacent / Underlying project: 72 MW Wind power project in the South Sulawesi Province of Indonesia (Rantemario Wind), based on methodology ACM0002, Version 20.0
Location: Indonesia

Vintage des VER / VER vintage: 2020-01-01 - 2020-10-30



We are delighted to confirm the retirement of
4000 Verified Emission Reductions (VERs)

for
Carbon Clear Limited

on 08/07/2022

**72 MW Wind power project in the South Sulawesi Province of Indonesia
Retired on behalf of PZ Cussons**

*These credits have been retired, saving **4000** tonnes of CO2 emissions
from being released into the atmosphere.
Thank you for investing in a safer climate and more sustainable world.*

Gold Standard

Retirement certificates are hosted on the Gold Standard Impact Registry. [view your certificate.](#)

Gold Standard | Chemin de Ballexert 7-9 1219 Châtelaine, International Environment House 2, Switzerland | goldstandard.org, +41 22 788 70 80, help@goldstandard.org

5. Annex A: PAS2060:2014 check list

No.		Section
1	Define standard and methodology use to determine its GHG emissions reduction.	1. Introduction
2	Confirm that the methodology used was applied in accordance with its provisions and the principles set out in PAS 2060 were met.	1. Introduction
3	Provide justification for the selection of the methodologies chosen to quantify reductions in the carbon footprint, including all assumptions and calculations made and any assessments of uncertainty. <i>(The methodology employed to quantify reductions shall be the same as that used to quantify the original carbon footprint. Should an alternative methodology be available that would reduce uncertainty and yield more accurate, consistent, and reproducible results, then this may be used provided the original carbon footprint is re-quantified to the same methodology, for comparison purposes. Recalculated carbon footprints shall use the most recently available emission factors, ensuring that for purposes of comparison with the original calculation, any change in the factors used is taken into account).</i>	2. Carbon footprint
4	Describe the means by which reductions have been achieved and any applicable assumptions or justifications.	3. Carbon management plan
5	Ensure that there has been no change to the definition of the subject. <i>(The entity shall ensure that the definition of the subject remains unchanged through each and every stage of the methodology. In the event that material change to the subject occurs, the sequence shall be re-started on the basis of a newly defined subject.)</i>	1. Introduction
6	Describe the actual reductions achieved in absolute and intensity terms and as a percentage of the original carbon footprint. <i>(Quantified GHG emissions reductions shall be expressed in absolute terms and shall relate to the application period selected and/or shall be expressed in emission intensity terms (e.g. per specified unit of product or instance of service)).</i>	2. Carbon footprint
7	State the baseline/qualification date.	1. Introduction
8	Record the percentage economic growth rate for the given application period used as a threshold for recognising reductions in intensity terms.	N/A
9	Provide an explanation for circumstances where a GHG reduction in intensity terms is accompanied by an increase in absolute terms for the determined subject.	N/A
10	Select and document the standard and methodology used to achieve carbon offset.	4. Carbon offsets

11	<p>Confirm that:</p> <ul style="list-style-type: none"> • Offsets generated or allowance credits surrendered represent genuine, additional GHG emission reductions elsewhere. • Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage and double counting. (See the WRI Greenhouse Gas Protocol for definitions of additionality, permanence, leakage and double counting). • Carbon offsets are verified by an independent third-party verifier. • Credits from Carbon offset projects are only issued after the emission reduction has taken place. • Credits from Carbon offset projects are retired within 12 months from the date of the declaration of achievement. • Provision for event related option of 36 months to be added here. • Credits from Carbon offset projects are supported by publicly available project documentation on a registry which shall provide information about the offset project, quantification methodology and validation and verification procedures. • Credits from Carbon offset projects are stored and retired in an independent and credible registry. 	4. Carbon offsets
12	<p>Document the quantity of GHG emissions credits and the type and nature of credits actually purchased including the number and type of credits used and the time period over which credits were generated including:</p> <ul style="list-style-type: none"> • Which GHG emissions have been offset. • The actual amount of carbon offset. • The type of credits and projects involved. • The number and type of carbon credits used and the time period over which the credits have been generated. • For events, a rationale to support any retirement of credits in excess of 12 months including details of any legacy emission savings, taken into account. • Information regarding the retirement/cancellation of carbon credits to prevent their use by others including a link to the registry or equivalent publicly available record, where the credit has been retired. 	4. Carbon offsets
13	Specify the type of conformity assessment:	1. Introduction
14	Include statements of validation where declarations of achievement of carbon neutrality are validated by a third-party certifier or second party organizations.	7. Verco verification statement

15	Date the QES and have it signed by the senior representative of the entity concerned (e.g., CEO of a corporation; Divisional Director, where the subject is a division of a larger entity; the Chairman of a town council or the head of the household for a family group).	1. Introduction
16	Make QES publicly available and provide a reference to any freely accessible information upon which substantiation depends (e.g., via websites).	QES will be made available company website.

6. Annex B: Energy audit opportunities

Opportunity	Summary	Target completion date	Annual energy saving (kWh/year)
LED lights for IC-L Factory Offices	Installation of LED lights in all the IC-L liquids offices	1 st phase completed in FY22, second phase in progress.	5,400
Heat pump	Investigate opportunities for heat pump used on site.	Investigation to be completed in FY23.	Tbc
Conversion from steam to hot water	Investigate opportunities to convert steam to hot water.	Investigation to be completed in FY23.	Tbc
Voltage regulation for Aviator Way & Agecroft	Investigate opportunities for voltage regulations.	Investigation to be completed in FY23. VO system installation in progress at our Aviator Way head office site to be followed up with a similar system installation at the Agecroft factory.	Aviator Way = 33,435 Agecroft = Tbc
PV Solar	Installation of PV Solar Panels in Aviator Way.	To be started and completed in FY23.	Tbc
Purchase of "Green" electricity	Purchase of I-REC "Green" electricity for our factory locations in Indonesia and Thailand.	To be started in June 2023.	

7. Verco validation statement

PZ Cussons plc commissioned Verco to verify the methodology and data as part of an “other party” validation process for the period 1st June 2022 to 31st May 2023 for carbon neutrality declaration for PZ Cussons plc’s Scope 1 and Scope 2 (market-based) emissions from the UK Agecroft factory and Aviator Way office, the Child’s farm office in Basingstoke, the Beauty offices in London and New York, the Australia and New Zealand (ANZ) offices, the Thailand factory, and the Indonesia factory and office.

The following activities were conducted:

1. Review of emissions footprint methodology and results
2. Review of Carbon Management Plan and verified emissions
3. Review of evidence of carbon offset purchase
4. Issuance of verification statement and completion of PAS 2060 validation process and preparation of Qualifying Explanatory Statement (QES).



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