

P&G SUPPLIER GREENHOUSE GAS REDUCTION PLAYBOOK



NET ZERO 2040
IT'S OUR HOME

WE DO NOT HAVE ALL THE SOLUTIONS, LET'S CREATE THEM TOGETHER

Dear External Business Partner,

I am Ana Elena Marziano, P&G's Chief Purchasing Officer. I want to share with you our climate ambitions on Net Zero emissions across our supply chains by 2040, and ask for your partnership and engagement to help us all do the right thing for our operations and our planet.

Some of you know that P&G's climate journey began over a decade ago – in 2010 - when we established our first Greenhouse Gas (GHG) emission reduction goals for our manufacturing sites. Since then, we have continued to evolve and accelerate our efforts to help reduce GHG emissions not only in our supply chains and operations, but across the life cycle of our products and services. In 2021, we announced our new Climate Transition Action Plan. Our commitments to address GHG emissions under the Climate pillar span from Scope 1 to Scope 3. They start with our supply chain and end with the use of our products by consumers. Our goals are big and bold and can only be achieved by working in close partnership with our entire supply ecosystem.

We need each one of you to integrate Climate thinking into your business strategies and take accountability to develop and drive your own plans. And I am asking all of you, as our trusted business partners, to collaborate with us to accelerate progress towards our Ambition 2030 goals. We need your help across several vectors, including, but not limited to, measuring emissions in our shared supply chain, setting your own goals and emissions reduction plans, and engaging in a dialogue in areas where you need support and help. This foundational work will help us make a difference not just today or tomorrow but for generations to come and for the planet which is our home.

Thank you for your commitment to being a Force for Growth and a Force for Good – whereby together, we make a positive impact to our world and our business.



A handwritten signature in black ink that reads "Ana Elena Marziano".

Ana Elena Marziano
Chief Purchasing Officer,
The Procter & Gamble Company



UNDERSTAND OUR CLIMATE GOALS TO ENABLE BETTER COLLABORATION

At P&G our aim is to deliver irresistible superiority that is sustainable. Our Ambition 2030 goals keep us focused on achieving results. Overall, our foundation is built on 4 key distinct pillars: **Climate, Water, Waste** and **Nature**.



P&G CLIMATE GOALS & AMBITIONS FOR SUPPLY CHAIN EMISSIONS

LEARN MORE AT: [P&G CLIMATE ACTION TRANSITION PLAN](#)



OUR AMBITION

NET ZERO BY 2040

We recognize that addressing concerns on climate change requires us to set bold goals and develop credible science-based action plans and programs to meet them. In 2021, we announced our ambition to reach **Net Zero GHG emissions across our supply chain and operations by 2040**. We know we may not have all the answers today, but we will not let uncertainty hold us back. Our net zero ambition reaffirms our priority to reduce emissions now, with the current tools available, while innovating toward continued reductions in the future.



40%

REDUCTION IN SUPPLY CHAIN EMISSIONS* PER UNIT OF PRODUCTION

BY 2030 VS 2020

P&G has also set science-based intermediate targets for 2030 to make meaningful progress this decade. This includes a **40% reduction in supply chain emissions* per unit of production, vs a 2020 baseline**. This means that working together with you, our supply chain partners, will play a critical role in achieving our goals.

* refers to purchased goods and services

CALL TO ACTION

WHAT WE NEED FROM YOU

In the last two years, we engaged with more than 50 of our supply chain partners to talk about Climate and Greenhouse Gas emissions reduction. We are learning together and we have identified recurring challenges and opportunities across our supply base. We are now coming back to you to clarify our key expectations and provide a call to action.



STEP A

DATA COLLECTION

Measure your emissions!

Page 5



STEP B

SHARE YOUR PLAN

Set your goals and share your GHG emissions reduction plan.

Page 7



STEP C

LEVERAGE P&G SUPPORT

and help through the P&G Climate Unlock Program!

Page 8



YOUR CARBON FOOTPRINT DATA COLLECTION

Making progress on our Net Zero emissions ambitions starts with establishing a firm foundation of knowledge and data. We therefore need your support to provide carbon footprint data per material purchased by P&G. Primary data – based on your materials, feedstocks and processes – provides a much more robust basis for us to make decisions together.

OUR KEY EXPECTATIONS FROM YOU

What we expect from you:



QUALITY DATA:

High quality & specificity of data – utilizing primary data where possible and secondary data where necessary to help guide decisions



GRANULARITY:

Emissions data splits across Scope 1, 2 and 3 per material or service



TRANSPARENCY:

Open sharing of data and process details (if necessary), dialogue on opportunities and recognition that while we may not be perfect today, understanding the problem is the key to unlocking solutions

ACTIONS WE NEED YOU TO TAKE

How you can get ready, get ahead or continue progress:



MEASURE YOUR SCOPE 1,2 AND 3 EMISSIONS

per material purchased by P&G. If you need support, external consultants can help



ENROLL & ENGAGE YOUR VALUE-CHAIN PARTNERS AND SUPPLIERS

to ensure they share the same sense of urgency and are committed to working with you to increase your ability to provide quality primary data



GET FAMILIAR WITH THE WBCSD PARTNERSHIP PROGRAM FOR CARBON TRANSPARENCY

supported by P&G
See more on next page.



Data collection



Share your plan



Leverage P&G Support



ARE YOU NEW TO CLIMATE CHALLENGE AND JARGON?

Consult our Climate Resource Guide (page 8)

YOUR CARBON FOOTPRINT DATA COLLECTION - HOW?

We know that data collection and reporting per material purchased by P&G can feel time consuming. We aim to make it as easy and simple as possible by developing integrated reporting tools and systems that use standardized methodologies. This allows you to spend less time on reporting and focus more on taking action.

WE ARE DEVELOPING:



By 2025 we aim to implement **P&G Greenchain Climate Data Platform** to enable consistent reporting via a fully automated system. Work is well underway and we will be piloting real life cases with some of our External Business Partners in 2023. **Be on the look out for more news soon!**

GREENCHAIN FOLLOWS THE APPROACH BY WBCSD – PARTNERSHIP FOR CARBON TRANSPARENCY



CURRENT:

Manual & Resource Intense Data collection

PHASE 1: 2023 - 2024

Pilot of P&G Data Collection Platform

PHASE 2: 2024-2025

Fully Automated P&G Greenchain Data Platform online for suppliers

The Partnership for Carbon Transparency (PACT), a WBCSD-hosted program, is developing reporting methodology and technological standards needed for product-level emission accounting and exchange along the supply-chain. P&G is actively supporting this initiative. You can learn more about it here: <https://www.carbon-transparency.com/>

WE ASK YOU TO CONTINUE ENGAGING WITH



Ecovadis is P&G's platform of choice providing ESG ratings, including GHG and Carbon sections

CALL TO ACTION

You should create an account in Ecovadis and ensure completion of the carbon module information



Data collection



Share your plan



Leverage P&G Support



WHAT IS THE DIFFERENCE BETWEEN P&G GREENCHAIN AND ECOVADIS?

- In **P&G Greenchain**, you will enter aggregated carbon footprint per material purchased by P&G. This will enable P&G to set baselines, report, and optimize.
- In **Ecovadis**, you will enter qualitative and quantitative information about your GHG reduction plan. This enables discussions at a corporate level.



YOUR CARBON FOOTPRINT GREENHOUSE GAS EMISSIONS REDUCTION PLAN

As we progress our efforts to drive towards Net Zero emissions goals, the challenge now is to have your GHG reduction plan per material purchased by P&G. We want to partner with you to understand where you are today and your future emission reduction plans. We also want to identify how we can work together on future solutions that will enable irresistible superiority which is sustainable!



Data collection



Share your plan



Leverage
P&G Support

OUR KEY EXPECTATIONS FROM YOU

- 1 INTEGRATE YOUR GHG PLAN INTO YOUR BUSINESS STRATEGY** and work with us to identify **JOINT VALUE CREATION** opportunities
- Implement your **OWN DIRECT INTERVENTIONS** to reduce GHG*
- 3 TAKE ACCOUNTABILITY TO LEAD** and develop your own plans – by engaging, building your plans and playing your part
- Continue to deliver against **P&G'S Responsible Sourcing Expectations of External Business Partners**, taking into account any impacts beyond GHG emissions

ACTIONS WE NEED YOU TO TAKE FOR GHG REDUCTION

- 1 SET AND SHARE YOUR GHG GOALS AND REDUCTION PLANS.** We don't expect a specific format but you should begin a dialogue with your P&G partners
- 2 COLLABORATE WITH P&G R&D LCA** scientists and your P&G Purchases partner on solutions and innovation opportunities



HELP NEEDED FOR YOUR GHG REDUCTION PLAN?

See our P&G Climate
Unlock program page 8



P&G CLIMATE UNLOCK PROGRAM FOR SUPPLIERS

We understand that the only way we can succeed in achieving our Net Zero Emission Goals is by working together and supporting each other. P&G is offering a range of resources, which we hope are useful to you, with our P&G Climate Unlock Program (CUP) for suppliers. These 3 pillars are the start of our journey - and will be enriched over time - it is just the beginning!



Data collection



Share your plan



Leverage P&G Support

1

CLIMATE & CARBON FOOTPRINT FUNDAMENTALS

We developed this resource guide to provide fundamental definitions on LCA, Climate and GHG. It includes guidelines and important resources to start your Climate journey!



Click here to download

2

TRANSITION TO RENEWABLE ENERGY

This Supplier accelerator program provides trainings and support to enable you to achieve a successful entry in renewable energy market.

Powered by



3

MANUFACTURING DECARBONIZATION

This program supports you in building your GHG reduction plan, providing access to best practices, expert advice and support.

Powered by



Scan here to register your company – act now due to limited availability



For further information or to provide feedback on this document please contact us at: citizenship.im.1@pg.com

