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30th June 2020

Dear Kari,

2019 CN@BUILDING VALIDATION STATEMENT FOR LOGITECH

Report Overview

Client:	Logitech
CN certification:	CarbonNeutral® building
CN certification period	1 st January 2019 to 31 st December 2019
Applied standards:	The CarbonNeutral Protocol (January 2020)
Verifier and author:	Luke Hobson (Principal Consultant, RSK)
Technical reviewer:	Kelly Murphy (Consultant, RSK)
Quality reviewer:	Amy Chilver (Consultant, RSK)

Background

RSK has been commissioned to verify the boundary, scope and calculations for the 2019 calendar year greenhouse gas (GHG) emissions assessment for Logitech's manufacturing facility in Suzhou, China. The following documents have been reviewed for compliance against The CarbonNeutral Protocol CarbonNeutral® building certification standard:

- *Logitech GHG Validation Calculations_CY19*
- *RSK Suzhou Annual Dashboard Reporting*

Objective

The objective of this validation assessment was to confirm whether the GHG emissions as declared within Logitech's GHG emissions assertion are fairly stated and free from material error or omission in accordance with the CarbonNeutral® building certification standard. Where possible, the validation process was guided by the principles contained within *ISO 14064-3:2019 Greenhouse Gases, Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertion*.

Approach

2019 GHG emissions calculations and underlying consumption data was submitted by Logitech for their Suzhou manufacturing facility. RSK has validated this approach and updated emissions factors where required in order meet compliance with the CarbonNeutral® building certification.

Criteria

- Reporting criteria: *A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol) developed by World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol*;

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- Assurance Standard: ISO 14064-3:2019 Greenhouse Gases, Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertion.

Reporting of Purchased Hot Water

Logitech's manufacturing facility purchases waste hot water from a nearby thermal plant which is a by-product of the plant's activities. As part of a 2016 GHG assessment conducted by ERM, purchased hot water was accounted for as a Scope 2 emissions source, citing the following guidance published by the World Resource Institute:

'Emissions from steam, heat, or cooling that is received via direct line as "waste" from an industrial process should still be reported based on the underlying emissions from the original generation process. Some companies may wish to account for these as zero emissions because the steam/heat/cooling would have been vented instantaneously if not used. However, accurate emissions accounting requires the actual emissions associated with the production of this waste to be reported.'
(WRI, GHG Protocol Scope 2 Guidance, Appendix A, page 94).

It is understood that the approach used by ERM to calculate emissions from purchased hot water includes both the embodied carbon of the water, as well as the transportation emissions. In line with Logitech's CDP submission and in agreement with Logitech and NCP, purchased hot water is reported as a Scope 3 emissions source, not Scope 2.

Validation Comments

Table 1 presents the findings from the validation. The review findings are noted as comments, recommendations or corrective actions. Recommendations are given to provide suggestions for improving the calculations or methodology used for future assessments, while corrective actions are provided where necessary to correct material errors in the current assessment scope or calculations.

Table 1. Assessment Comments, Recommendations & Corrective Actions

Area checked	Comments	Recommendation	Corrective Action
Assessment Boundary	Logitech have chosen to include mobile vehicles on a voluntary basis in addition to sources required for CarbonNeutral® building compliance. Well-to-tank emissions for petrol use was not included within the assessment.	None.	RSK has calculated the well-to-tank upstream emissions for electricity.
Scopes	GHG emissions have been reported accurately for all scopes. The approach taken to report purchased hot water as	None.	None.

Area checked	Comments	Recommendation	Corrective Action
	a Scope 3 source is deemed acceptable.		
Methodology	The methodology applied accords with the GHG Protocol and CarbonNeutral Protocol requirements.	None.	None.
Conversion Factors	The DEFRA emission factors applied relate to the 2018 reporting period, not 2019. Emissions therefore required recalculation. All other emission factor sources have been applied correctly.	Ensure the most relevant and up-to-date emissions factors in carbon dioxide equivalent (CO ₂ e) are applied for future assessments.	RSK has re-calculated emissions for: diesel, petrol and well-to-tank emissions using DEFRA factors relating to the 2019 reporting year. This results in a small decrease in GHG emissions.

Validated GHG Emissions Summary

The results of the validation assessment are shown in Table 2, categorised according to the CarbonNeutral® building certification standard.

Table 2. GHG Validation Summary for Logitech Manufacturing Facility (Suzhou, China)

Scope	Emissions Source Category		Required or Recommended	Included ?	tCO ₂ e
1	Direct emissions from owned, leased or directly controlled stationary sources that use fossil fuels or emit fugitive emissions		Required	✓	445.3
	Direct emissions from owned, leased or directly controlled mobile sources		Voluntary Inclusion	✓	25.2
2	Emissions from the generation of purchased electricity, heat, steam or cooling	Electricity consumption – Market based	Required	✓	13,472.8
		Electricity consumption – Location based			13,472.8
3	Purchased goods & services	Water supplied to subject	Recommended	✓	112.3
		Purchased hot water	Recommended	✓	559.5
	Fuel and energy related activities	Upstream emissions of purchased electricity and fuels	Recommended	✓	2,505.0
		Transmission and distribution losses	Required	✓	1,044.8
	Upstream transportation and distribution	Outbound courier deliveries of packages	Recommended	n/a	--
	Waste generated in operations	Wastewater	Recommended	✓	244.3
Other waste		Required	✓	24.9	
Overall Compliance (tCO₂e) – Location-based approach				✓	18,434.3
Overall Compliance (tCO₂e) – Market-based approach				✓	18,434.3
TOTAL FOR OFFSET (tCO₂e)					18,435

Validation Statement

RSK has conducted a validation exercise for Logitech's Suzhou manufacturing facility for the 2019 calendar year reporting period to ensure compliance with the CarbonNeutral® building certification standard. For future assessments, Logitech should continue to report all 'required' and 'recommended' emissions sources where relevant and include Scope 3 calculations within their data submission. To ensure a high degree of accuracy emissions factors for all sources should be updated annually where possible to account for any changes to carbon intensity.

Yours sincerely,

On behalf of RSK Environment Ltd

A handwritten signature in black ink, appearing to read 'L. Hobson'.

Luke Hobson
Principal Consultant

A handwritten signature in black ink, appearing to read 'K. Murphy'.

Kelly Murphy
Consultant