

TT2 Ltd Qualifying Explanatory Statement

Carbon Neutral for period Reporting
period: 01/08/2020 - 31/07/2021

Written by:

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Approved by:

Phil Smith

Chief Executive



**Tyne
Tunnels**





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PAS 2060 Qualifying Explanatory Statement (QES) Introduction

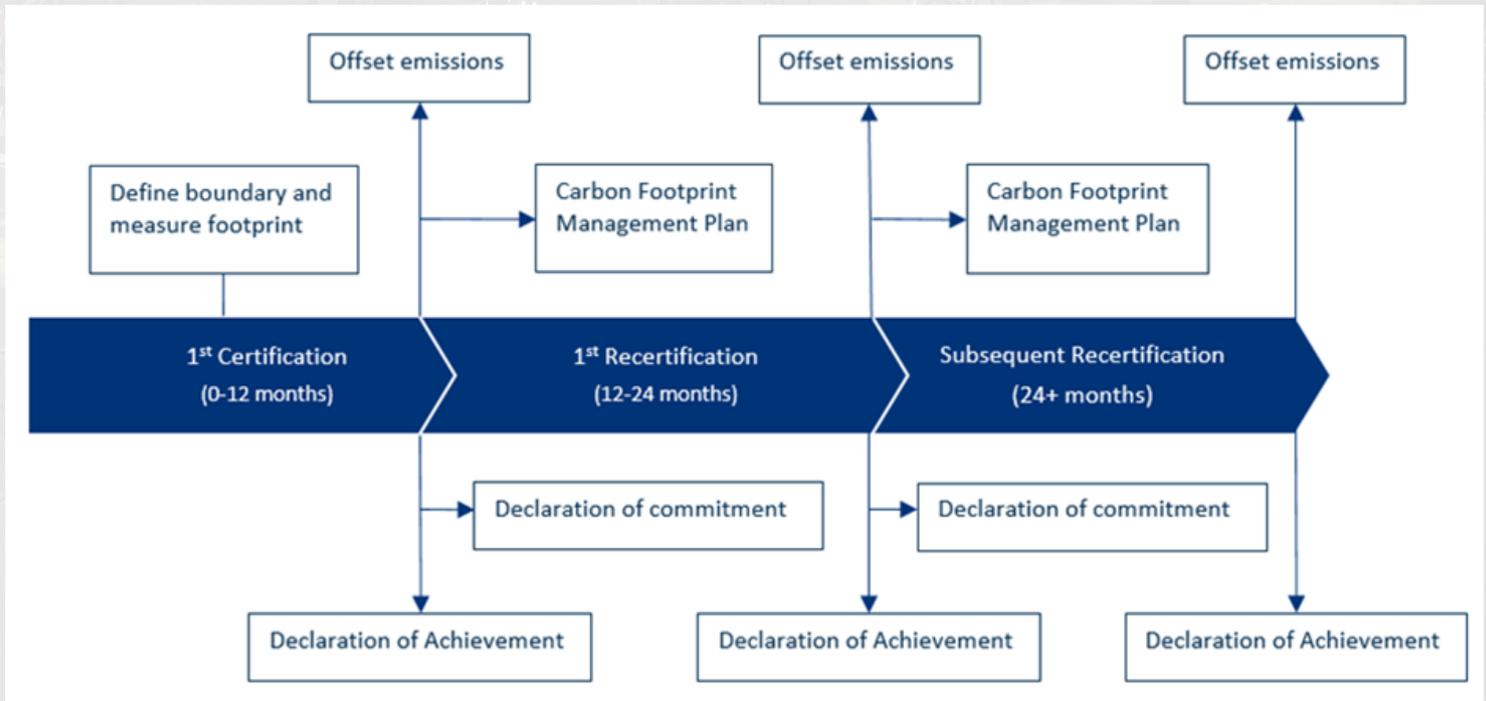
This document forms the Qualifying Explanatory Statement to demonstrate that TT2 Limited has achieved carbon neutrality for its own operations (scope 1 and 2 emissions) for the period commencing 01/08/2020 to 31/07/2021. TT2 Limited has also committed to maintaining carbon neutrality for its own operations (scope 1 and 2 emissions) until 2025.

The carbon neutrality declaration has been made and the collected supporting evidence has been provided in accordance with the requirements prescribed by PAS 2060:2014 – Specification for the demonstration of carbon neutrality.

This Qualifying Explanatory Statement contains information pertaining to the subject’s carbon neutrality. Any and all information herein is believed to be correct at the time of publishing. Should any information come to light that would affect the validity of the statements herein, this document will be updated to accurately reflect the current status of any carbon neutral statement made by TT2 Limited.

The methodology used for the certification to Carbon Neutral is shown in Fig:1 below:

Figure 1: PAS 2060 Certification Process



Source: Carbon Trust. Adapted from “BSI - PAS 2060:2014: Specification for the demonstration of carbon neutrality: Figure 1 – Illustration of the cyclical process for demonstrating carbon neutrality, taking into account permitted baseline period exceptions”. [Simplified version]

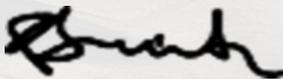


SECTION 1 General Information

Pas 2060 Requirement	Response
Entity making PAS 2060 declaration:	TT2 Limited
Subject of PAS 2060 declaration:	All UK operations for the period 01/08/2020 to 31/07/2021
Description of Subject:	<p>TT2 Limited is the appointed Concessionaire and is responsible for the management, operation, maintenance and administration of the Tyne Tunnels. TT2 Ltd has three shareholders: Aberdeen Infrastructure (No3) Limited, Infrared Infrastructure Yield Holdings Limited and Bouyges Travaux Publics SA. The company is responsible for:</p> <ul style="list-style-type: none"> • 153 employees (direct and agency) • 2 tunnels. • 1 office, control room and workshop complex. • 7 road licensed vehicles. • 1 MEWP. • 5 maintenance and extract fan buildings.
Rationale for selection of the subject:	The subject reflects TT2's owned emissions that the business has control over covering scope 1 and 2. This includes all buildings, offices workshops, internal vehicle fleets, tunnels and tunnel infrastructure operated and maintained by TT2 Limited.
Control Approach	In line with footprint - operational control
Type of conformity assessment:	Independent 3rd Party Certification
Baseline data for PAS 2060 programme:	01/08/2019
Individuals responsible for the evaluation and provision of data necessary for declaration:	Ian Turbull Safety and Assurance Manager at TT2 Limited

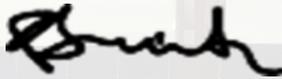


SECTION 2 Declaration of Achievement of Carbon Neutrality

Pas 2060 Requirement	Response
Declaration of achievement:	Carbon neutrality of all UK operations achieved by TT2 Limited in accordance with PAS 2060 at 6th May 2022 for the period commencing 1st August 2020 to 31st July 2021, certified by Carbon Trust Assurance.
Recorded carbon footprint of the subject during the period stated above	50.03 (tCO ₂ e) under a market-based approach
Carbon footprint reduction target for period	<p>For the period of 1st August 2019 to 31st July 2020, TT2 Limited generated emissions under a market-based approach of:</p> <ul style="list-style-type: none"> ·55.46 (tCO₂e) scope 1 emissions. ·679.50 (tCO₂e) scope 2 emissions. ·734.96 (tCO₂e) Total emissions scope 1 & 2. <p>The reduction target for 1st August 2020 to 31st July 2021 was a 70% reduction on the above total emissions figure.</p>
Carbon offsets purchased	51 (tCO ₂ e)
Location of GHG emissions report supporting this claim:	Section 4
Location of the Carbon Footprint Management Plan:	Section 7
Location of the details describing the carbon offsets:	Section 6
Location of the details describing internal reductions achieved (recertification only)	Section 5
Name of Senior Representative: Name: Phil Smith Role: CEO Date: 08/04/2022	



SECTION 3 Declaration of On-going Commitment to Carbon Neutrality

Pas 2060 Requirement	Response
Declaration of on-going commitment:	TT2 commits to maintain carbon neutrality for scope 1 and 2 emissions of all UK operations in accordance with PAS 2060, for the period commencing on 1st August 2021 to 31st July 2022 and for the next 3 years following until 2025.
Location of the Carbon Footprint Management Plan:	Section 7
Name of Senior Representative: Name: Phil Smith Role: CEO Date: 08/04/2022	

SECTION 4 Carbon Footprint Breakdown

Pas 2060 Requirement	Response
Scope 1 (mandatory): Location Based Own Vehicles (vehicles owned by the organisation) Refrigerant Gases	Diesel 50.03 tCO ₂ e R410A 0 tCO ₂ e
Scope 1 (mandatory): Market Based Own Vehicles (vehicles owned by the organisation) Refrigerant Gases	Diesel 50.03 tCO ₂ e R410A 0 tCO ₂ e
Scope 2 (mandatory): Location Based Electricity	Electricity 529.68 tCO ₂ e
Scope 2 (mandatory): Market Based Electricity	Electricity 0 tCO ₂ e
Scope 1&2 Exclusions:	N/A
Scope 3 (optional): Purchased goods and services Capital goods Fuel and energy related activities Transportation and distribution Waste generated in operations Business travel Employee commuting Leased assets Processing of sold products Use of sold products End-of-life treatment of sold products Franchises Investments	N/A
Total Carbon Footprint - Location based	579.71 tCO ₂ e
Total Carbon Footprint - Market based	50.03 tCO ₂ e



Standard and Methodology used

TT2 categorises its Greenhouse Gas (GHG) Emissions as Scope 1, 2 or 3. In establishing the company's GHG emissions, the principles of the GHG protocol were used alongside the ISO 14064-1 standard for guidance. The provisions of the methodology for calculating the carbon footprint was applied as detailed and the principles set out in PAS 2060 were met. The conversion factors for calculating emissions related activities were provided by the UK government's Greenhouse Gas Conversion Factors for Company Reporting (2019 and 2020 where applicable). The Carbon Trust provided third-party verification to the ISO 14064-3 standard at the end of this process.

In quantifying GHG emissions, primary data was used and the market-based approach was followed to reflect the purchasing of renewable electricity. The different emissions activities were categorised into three scopes and presented in tonnes of carbon dioxide equivalent (tCO₂e). For the company's claim of carbon neutrality, only scope 1 (direct emissions) and scope 2 (indirect electricity emissions) have been measured and verified. Scope 3 was excluded due to time constraints and a lack of reliable data at the time of data collection. However, it is expected all future emissions calculations shall include activities relating to scope 3.

Data Quality

Confidence in the data quality used to calculate TT2's carbon footprint is high. Over 95% of TT2's Scope 1 & 2 emissions were accounted for within for the perspective scope boundaries. Only primary data only was used, derived from invoices and fuel consumption figures covering the reporting period. All data used and quantified has been reviewed and verified by the Carbon Trust. The footprint verification found no exclusions. The table below presents the data source and data quality for each source of emissions included in the footprint.

Emissions Source	Data Source	Data Quality
Scope 1		
Vehicles		
Diesel (100% mineral diesel)	Delivery invoices. A fuel tank which is located on site is refilled and then this fuel is used to refuel the company vehicles used for tunnel operations	Adequate
Scope 2		
Premises		
Electricity	Monthly consumption is collected from fiscal meters and invoices	Good

SECTION 5 Carbon Reduction

Pas 2060 Requirement	Response				
<p>Reductions achieved - market based footprint</p>	<p>The carbon footprint reductions between the current carbon footprint (see section 4) and the baseline period are as follows:</p> <ul style="list-style-type: none"> ·Absolute reduction: 684.90 (tCO₂e). ·Percentage absolute reduction: 93.1%. ·Intensity reduction: 33.08 (tCO₂e/£m Revenue). 				
<p>Baseline period</p>	<p>For the period of 1st August 2019 to 31st July 2020, TT2 Limited generated emissions under a market-based approach of:</p> <ul style="list-style-type: none"> • 55.46 (tCO₂e) scope 1 emissions. • 679.50 (tCO₂e) scope 2 emissions. • 734.96 (tCO₂e) Total emissions scope 1 & 2 • 35.98 (tCO₂e/£m Revenue) 				
<p>Economic growth rate</p>	<table data-bbox="711 1093 1289 1178"> <tr> <td>Aug-19 to Jul-20</td> <td>£17,233,332</td> </tr> <tr> <td>Aug-20 to Jul-21</td> <td>£20,426,952</td> </tr> </table> <p>Economic growth rate: 18.74%</p>	Aug-19 to Jul-20	£17,233,332	Aug-20 to Jul-21	£20,426,952
Aug-19 to Jul-20	£17,233,332				
Aug-20 to Jul-21	£20,426,952				
<p>Confirmation that there has been no change to the definition of the subject</p>	<p>TT2 Limited can confirm that there has been no change to the definition of the subject through each stage of the methodology.</p>				
<p>Description of the means by which reductions have been achieved and any applicable assumptions or justifications.</p>	<p>TT2 Limited moved to a fully green energy contract from the 1st August 2020 therefore reducing our Scope 2 emissions to 0 tCO₂e.</p>				

SECTION 6 Carbon Offsets

Pas 2060 Requirement	Response
<p>Offset Methodology</p>	<p>For this certification period (1st August 2020 to 31st July 2021) TT2 Limited generated 50.03 (tCO₂e) scope 1 emissions and 0 (tCO₂e) scope 2 emissions following a market-based approach.</p> <p>A total of 51 credits were acquired to offset these emissions, supporting an Upgradation, Operation and Maintenance of 200 TPD Composting facility at Okhla, Delhi.</p> <p>These certified emission reduction (CER) credits, have been purchased from the Clean Development Mechanism (CDM). The Clean Development Mechanism (CDM) is part of the United Nations Framework Convention on Climate Change (UNFCCC) and is a project based GHG offset mechanism under the Kyoto Protocol.</p> <p>These offsets were purchased through the United Nations Carbon Offset Platform, and the project's emission reductions have been achieved between 22 Jun 09 - 21 Jun 16</p> <p>TT2 retired the offsets on 31st March 2022. Further information can be found in the links below:</p> <p>https://offset.climateneutralnow.org/vchistory/details?orderId=23175 CDM: Upgradation, Operation and Maintenance of 200 TPD Composting facility at Okhla, Delhi (unfccc.int)</p>

Pas 2060 Requirement	Response
Offset Confirmation	<p>The offsets generated represent genuine, additional GHG emission reductions elsewhere. Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage, and double counting.</p> <p>Carbon offsets are verified by an independent third-party verifier.</p> <p>The credits from the selected carbon offset projects are:</p> <ul style="list-style-type: none"> • only issued after the emission reduction has taken place. Link to offset registry is below https://offset.climateneutralnow.org/vchistory • retired within 12 months from the date of the declaration of achievement. • supported by publicly available project documentation on a registry which provides information about the offset project, quantification methodology and validation and verification procedures. • stored and retired in an independent and credible registry
Offsets	Full details of the carbon offsets included in making this declaration are provided in Appendix B



SECTION 7 Carbon Management Plan

Pas 2060 Requirement	Response
<p>Targets for GHG reduction for the defined subject appropriate to the timescale for achieving carbon neutrality</p>	<p>For this certification period (1st August 2020 to 31st July 2021) TT2 demonstrated the following reductions:</p> <ul style="list-style-type: none">• Absolute reduction: 684.90 (tCO₂e).• Percentage absolute reduction: 93.1%. <p>For the next recertification of PAS 2060, period (1st August 2021 to 31st July 2022) TT2 Limited shall demonstrate a reduction of 5% from the 1st August 2020 to 31st July 2021 figure of 50.03 tCO₂e, equating to 2.5 t CO₂e on a market-based approach footprint.</p>
<p>Planned means of achieving and maintaining GHG emissions reduction including:</p> <p>Assumptions made and any justification of the techniques and measures to be employed to reduce GHG emissions;</p>	<p>Scope 1 Emissions Reduction Plan</p> <p>All TT2's scope 1 emissions come from our vehicle fleet.</p> <p>Moving forward, the focus of carbon reduction will come from TT2's scope 1 emissions. Diesel consumption from our fleet makes up 100% of our carbon footprint from a market-based approach. To reduce Scope 1 emissions for the next recertification, we will look to replace our current vehicles with electric or hybrid options as current hire agreements expire and when the technology becomes available.</p>

SECTION 7 Carbon Management Plan

Pas 2060 Requirement	Response
	<p>Scope 2 Emissions Reduction Plan</p> <p>The largest part of TT2 Limited's footprint results from Scope 2 emissions, which constitute 91% of the total footprint for 2020-2021, according to the location-based method and 0% according to the market-based method. Within this category, the main contributor, making up 100% of the Scope 2 footprint, is electricity.</p> <p>TT2 Limited has sourced 100% REGO backed purchased electricity for all operations from 1st August 2020 and this will continue to be the purchasing policy for all future contracts. TT2 Limited has several further plans in place to reduce energy use and these are detailed below.</p> <ol style="list-style-type: none"> 1. Look at the feasibility of wind, solar and ground source heating for our operations. 2. Optimise operational setting on all high energy use assets across the site such as Tunnel extract fans. 3. Implementing energy reduction initiatives through the office.
<p>The offset strategy to be adopted</p>	<p>Offset and Renewable Energy Strategy</p> <p>Our strategy for achieving carbon neutrality will be to validate the Scope 1 and market-based Scope 2 carbon emissions. We will then procure the required number of offsets for any residual emissions. However, our dependence on carbon offsets will diminish over time through emission reductions plan put in place by TT2.</p>



SECTION 7 Carbon Management Plan

Pas 2060 Requirement	Response
	<p>To meet our carbon neutrality commitment, any carbon emissions remaining after reduction efforts for the period of 1st August 2020 to 31st July 2021 will be offset by purchasing high-quality carbon offsets.</p> <p>Scope 1 & 2 Emissions</p> <p>Scope 1 Emissions</p> <p>We will purchase carbon offsets as needed to achieve carbon neutrality. Under PAS 2060, these carbon credits must be from specified and audited sources, such as the Clean Development Mechanism (CDM), Gold Standard and Verified Carbon Standard (VCS), to ensure no double counting occurs and that the projects are actively removing carbon emissions. Our estimated scope 1 emissions for the period 1st August 2021 to 31st July 2022 will be circa 47.5 (tCO₂e).</p> <p>Scope 2 Electricity Emissions</p> <p>Our carbon reduction strategy for Scope 2 emissions for the period 1st August 2021 to 31st July 2022 will be achieved through the purchase of 100% renewable energy. Under market-based Scope 2 accounting, the emission factor for renewable electricity is 0 tCO₂e/kWh, as they are zero-carbon energy sources.</p>



Appendix A Independent Third-Party Assurance

Certificate of Achievement of Neutrality

Source: Organisational Carbon Neutrality Certification Letter (CERT-13278) issued by the Carbon Trust to TT2 Limited on 6th May 2022.



Certificate of Achievement

TT2 Limited

has achieved carbon neutrality related to the 01/08/2020 – 31/07/2021 application period and is committed to on-going carbon neutrality of the total carbon footprint for

Scope 1&2 emissions for all UK operations

Carbon Trust Assurance Limited certifies that this company has correctly calculated its carbon footprint for the year 01/08/2020 – 31/07/2021 and satisfactorily offset this to achieve carbon neutrality, in accordance with:

- PAS 2060:2014 – Specification for the demonstration of carbon neutrality

A detailed list of certified results can be found in the associated Certification Letter CERT-13278.

Awarded: 06 May 2022

for and on behalf of Carbon Trust Assurance Ltd,

Hugh Jones,
Managing Director

This certificate is for presentation purposes only. Please do not copy or circulate this certificate without the Certification Letter and associated Annexes where full details on the scope of the certification are documented. This certificate remains the property of Carbon Trust Assurance Limited and is bound by the conditions of the contract. Information and Contact: Carbon Trust Assurance Limited is registered in England and Wales under Company number 06547658 with its Registered Office at Dorset House, Stamford Street, London, SE1 9NT. Telephone: +44 (0) 20 7 170 7000. Carbon Trust Assurance Limited is a fully owned subsidiary of the Carbon Trust.

Appendix B All Offsets

Project name	Country	Project type	Standard	Type of Credits	Total Credits	Generation Period	Retirement Date	Reference No. & link to registry	Offset volume (tCO ₂ e)
Upgradation, Operation and Maintenance of 200 TPD Composting facility at Okhla, Delhi	India	Avoidance of methane emissions through composting	VOLUNTARY CANCELLATION CERTIFICATE (VCC)	CDM	51	22 Jun 09 - 21 Jun 16	31st March 2022	https://offset.climateneutralnow.org/vchistory United Nations online platform for voluntary cancellation of certified emission reductions (CERs) (climateneutralnow.org) CDM: Upgradation, Operation and Maintenance of 200 TPD Composting facility at Okhla, Delhi (unfccc.int)	51
Total tonnes (tCO₂e) offset									51



United Nations
Framework Convention on
Climate Change

DATE: 31 MARCH 2022
REFERENCE: VC23175/2022

VOLUNTARY CANCELLATION CERTIFICATE

Presented to

TT2 Limited

Project

Upgradation, Operation and Maintenance of 200 TPD Composting facility at Okhla, Delhi

Reason for cancellation

I am offsetting greenhouse gas emissions for my company

Number of units
cancelled

51 CERs

Equivalent to 51 tonne(s) of CO₂

Start serial number: IN-5-192765702-2-2-0-2470
End serial number: IN-5-192765752-2-2-0-2470

The certificate is issued in accordance with the procedure for voluntary cancellation in the CDM Registry. The reason included in this certificate is provided by the cancellor.



Appendix C Additional Supporting Information for Interested Parties

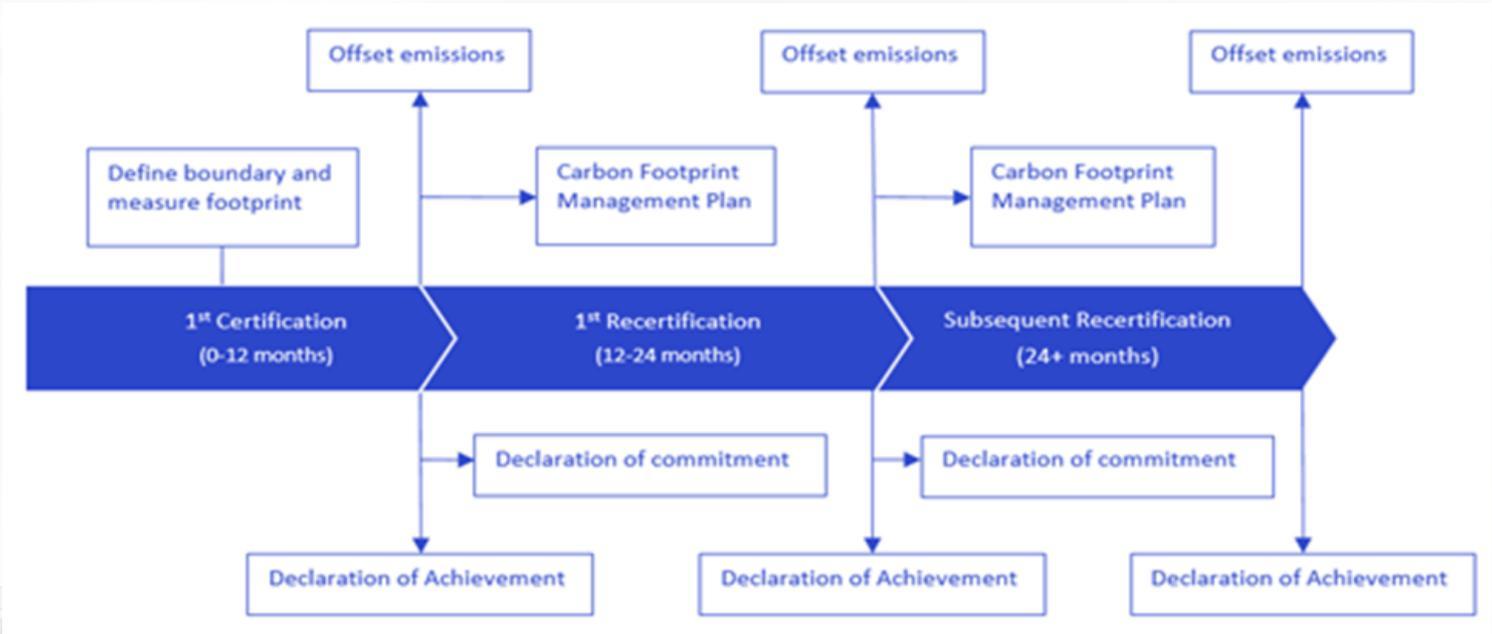


Figure 1. PAS 2060 certification process

Source: Carbon Trust. Adapted from "BSI - PAS 2060:2014: Specification for the demonstration of carbon neutrality: Figure 1 – Illustration of the cyclical process for demonstrating carbon neutrality, taking into account permitted baseline period exceptions". [Simplified version]

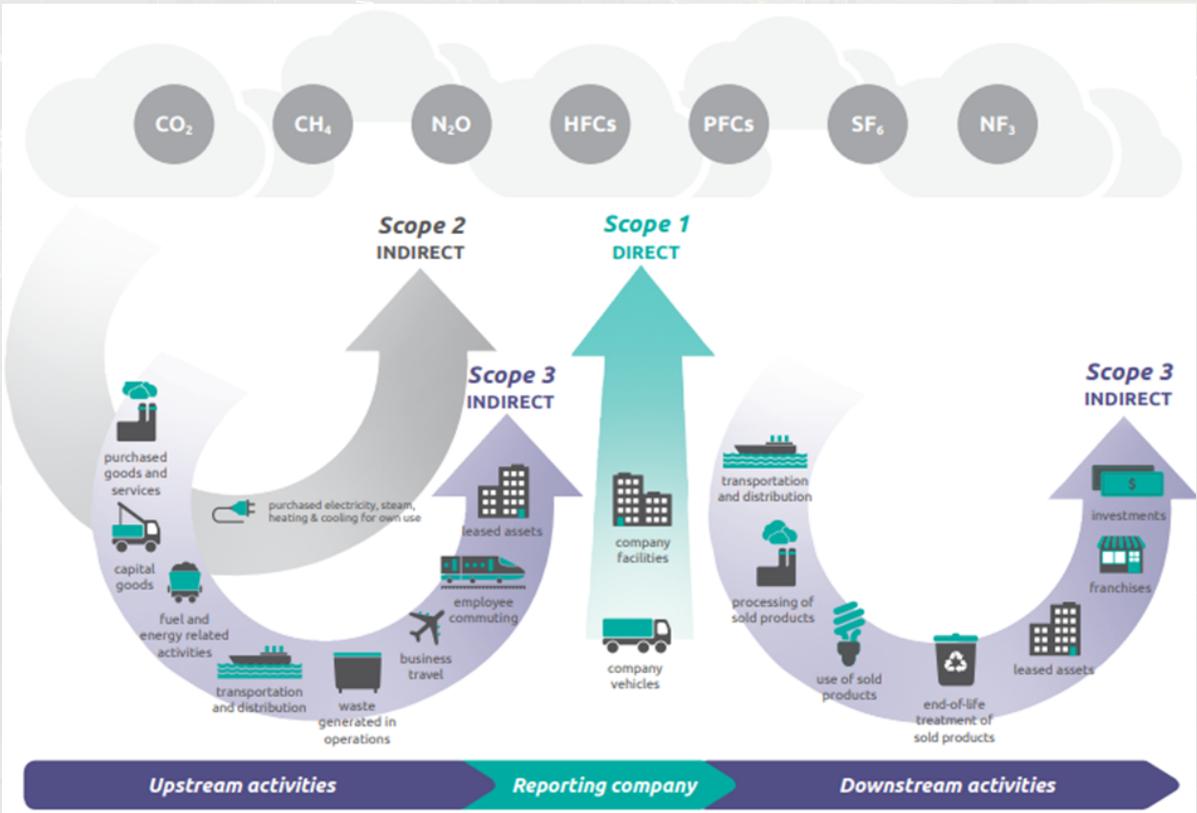


Figure 2. Organisational carbon footprinting

Source: Greenhouse Gas Protocol: <http://ghgprotocol.org/>

