

2020

TT2 Qualifying Explanatory Statement Carbon Neutral

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Approved by: Phil Smith CEO



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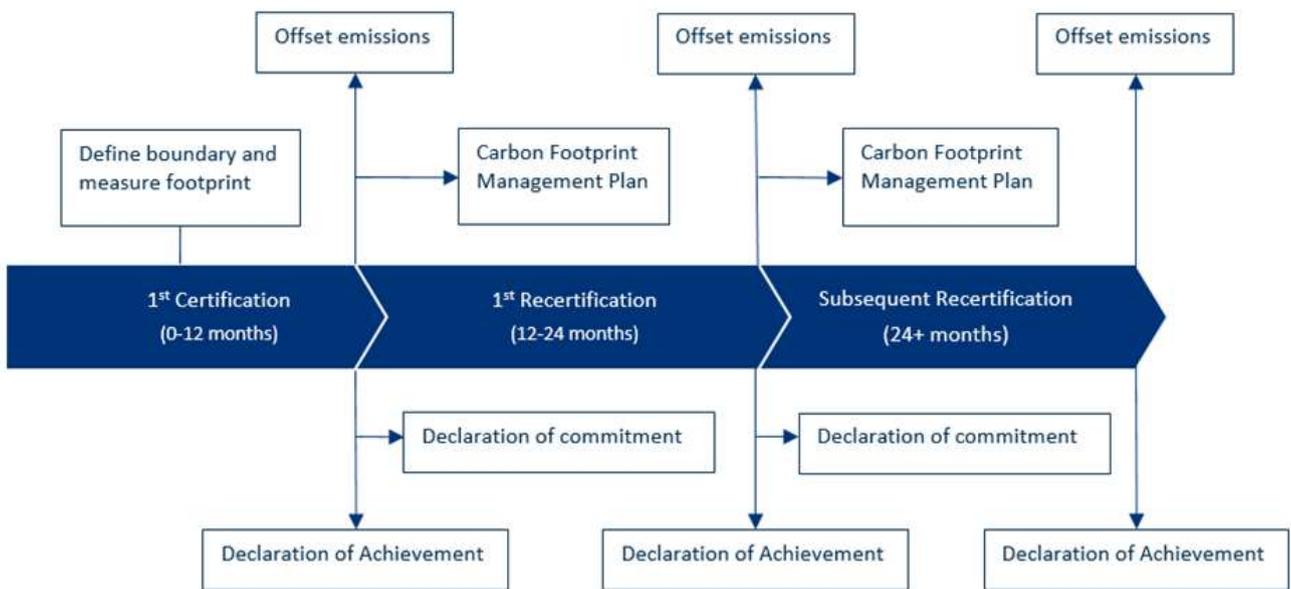
PAS 2060 Qualifying Explanatory Statement (QES) Introduction

This document forms the Qualifying Explanatory Statement to demonstrate that TT2 Ltd has achieved carbon neutrality for its own operations for the period commencing 01/08/2019 to 31/07/2020.

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 Ltd.

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]

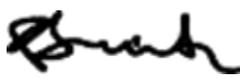


SECTION 1 General Information

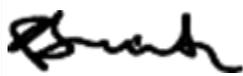
PAS 2060 Requirement	Response
Entity making PAS 2060 declaration:	TT2 Limited
Subject of PAS 2060 declaration:	All UK operations.
Description of Subject:	<p>TT2 is the appointed Concessionaire and is responsible for the management, operation, maintenance and administration of the Tyne Tunnels. TT2 has 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"> • 73 employees (direct and agency) • 2 tunnels. • 1 office, control room and workshop complex. • 8 road licenced 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.
Type of conformity assessment:	Independent 3 rd Party Certification
Baseline date for PAS 2060 programme:	01/08/2019 to 31/07/2020
Individuals responsible for the evaluation and provision of data necessary for declaration:	Ian Turnbull Safety and Assurance Manager at TT2



SECTION 2 Declaration of Achievement of Carbon Neutrality

PAS 2060 Requirement	Response
Declaration of achievement:	Carbon neutrality of all UK operations achieved by TT2 in accordance with PAS 2060 at 12 th October 2020 for the period commencing 1 st August 2019 to 31 st July 2020, certified by Carbon Trust Assurance.
Recorded carbon footprint of the subject during the period stated above	734.96 (tCO ₂ e) under a market-based approach
Carbon footprint reduction target for period	n/a
Location of GHG emissions report supporting this claim:	Section 4
Location of the Carbon Footprint Management Plan:	Section 5
Location of the details describing the carbon offsets:	Section 5
Location of the details describing internal reductions achieved (recertification only)	n/a
Name of Senior Representative: Name: Phil Smith Role: CEO Date: 07/10/2020	

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 all UK operations in accordance to PAS 2060 for the period commencing on 1 st August 2019 to 31 st July 2020 and for the next 3 years following until 2023.
Location of the Carbon Footprint Management Plan:	Section 5
Name of Senior Representative: Name: Phil Smith Role: CEO Date: 07/10/2020	

Section 4: Carbon Footprint Breakdown

Guidance: PAS 2060 requires every individual/organisation to provide an appropriate carbon footprint breakdown by scope in their Qualifying Explanatory Statement (QES) in accordance with Greenhouse Gas Protocol guidelines. Further information on Greenhouse Gas Protocol categorisation for organisational footprints can be found within 'Figure 2: Organisational Carbon Footprinting' in the Annex A.

Organisational footprint breakdowns should cover at least 95% of the organisation's carbon scope 1 and 2 emissions. Scope 3 emissions should also be included, if feasible. If excluded, an explanation should be provided.

PAS 2060 Requirement	Tyne Tunnels Response	
<p><i>Scope 1 (mandatory):</i> <i>Own Vehicles (vehicles owned by the organisation)</i> <i>Refrigerant Gases</i></p>	<p>Diesel</p> <p>R410A</p>	<p>55.46 tCO₂e</p> <p>0 tCO₂e</p>
<p><i>Scope 2 (mandatory):</i> <i>Electricity</i></p>	<p>Electricity</p>	<p>679.50 tCO₂e</p>
<p><i>Scope 3 (optional):</i> <i>Purchased goods and services</i> <i>Capital goods</i> <i>Fuel and energy related activities</i> <i>Transportation and distribution</i> <i>Waste generated in operations</i> <i>Business travel</i> <i>Employee commuting</i> <i>Leased assets</i> <i>Processing of sold products</i> <i>Use of sold products</i> <i>End-of-life treatment of sold products</i> <i>Franchises</i> <i>Investments</i></p>	<p>n/a</p>	



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 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, a market-based approach and only primary data were used. 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 the emissions accounted 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.



Section 5: Carbon Management Plan

PAS 2060 Requirement	Response
Statement of commitment to carbon neutrality for the defined subject	Carbon neutrality of scope 1 and 2 emissions was achieved by TT2 in accordance with PAS 2060 (October 2020), for the period commencing 1 st August 2019 to 31 st July 2020. This has been certified by the Carbon Trust Assurance. TT2 commits to maintaining carbon neutrality status for the next 3 years following until 2023.
Timescale for achieving carbon neutrality	Through the use of offsets, carbon neutrality will be achieved in October 2020.
Targets for GHG reduction for the defined subject appropriate to the timescale for achieving carbon neutrality	For the baseline year 1 st August 2019 to 31 st July 2020, all GHG emissions shall be mitigated through carbon offsets. Until the next recertification of PAS 2060, TT2 shall demonstrate a reduction of 70% in its GHG emissions.
Planned means of achieving and maintaining GHG emissions reduction including: <ul style="list-style-type: none"> Assumptions made and any justification of the techniques and measures to be employed to reduce GHG emissions; 	<p>Scope 1 Emissions Reduction Plan</p> <p>The majority of TT2's scope 1 emissions come from our vehicle fleet. 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> <p>Moving forward, the focus of carbon reduction will come from TT2's scope 1 emissions. Diesel consumption from our fleet which makes up 8% of our carbon footprint.</p> <p>Scope 2 Emissions Reduction Plan</p> <p>Electricity usage made up 92% of TT2's total GHG emissions for the baseline year. Over the past year TT2 has introduced LED lighting to 75% of its operations. A reduction in electricity-related GHG emissions shall be the primary focus in the subsequent year of achievement of carbon neutrality. As a part of this, TT2 has sourced 100% REGO backed purchased electricity for all operations in August 2020.</p> <p>TT2 has several further plans in place to reduce energy use and these are detailed below.</p> <ol style="list-style-type: none"> Fit individual circuit monitoring to the main office building to understand and ultimately reduce energy consumption across the building. Optimise operational setting on all high energy use assets across the site such as Tunnel extract fans.



	<p>3. Install LED lighting in both tunnels</p> <p>4. Implementing energy reduction initiatives through the office.</p>
<p>If the entity has made offsets and achieved carbon neutrality to-date, a description of these offsets should be provided here. Information should include:</p> <ul style="list-style-type: none"> • Which GHG emissions have been offset; • The type of offset and projects involved; • The scheme through which the offsets were made; • The number and type of carbon credits alongside the time-period over which the credits were generated and the date(s) of their retirement. 	<p>Offsetting the Balance</p> <p>To meet our carbon neutrality commitment, any carbon emissions remaining after reduction efforts for the period of 1st August 2019 to 31st July 2020 will be offset by purchasing high-quality carbon offsets.</p> <p>Scope 1 & 2 Emissions</p> <p>For the period of 1st August 2019 to 31st July 2020, TT2 generated 55.46 (tCO₂e) scope 1 emissions and 679.50 (tCO₂e) scope 2 emissions under a market-based approach. A total of 735 credits were acquired to offset these emissions, supporting a Wind Power Project through the Clean Development Mechanism. These offsets were purchased through the United Nations Carbon Offset Platform within the second commitment period, therefore the project's emission reductions have been achieved between 2013 and 2020. TT2 retired the offsets on 5th October 2020. Further information can be found in the links below:</p> <p>https://offset.climateneutralnow.org/ https://offset.climateneutralnow.org/vchistory/details?orderId=16110 https://offset.climateneutralnow.org/san-antonio-el-sitio-wind-power-project-6973-?searchResultsLink=%2FAIIProjects%3FCoBenefitsId%3D436</p>
<p>The offset strategy to be adopted to meet the achievement to carbon neutrality element of PAS 2060. This should include:</p> <ul style="list-style-type: none"> • An estimate of the quantity of GHG emissions to be offset; • The nature of the offsets; • The likely number and type of credits. 	<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 amount 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> <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</p>

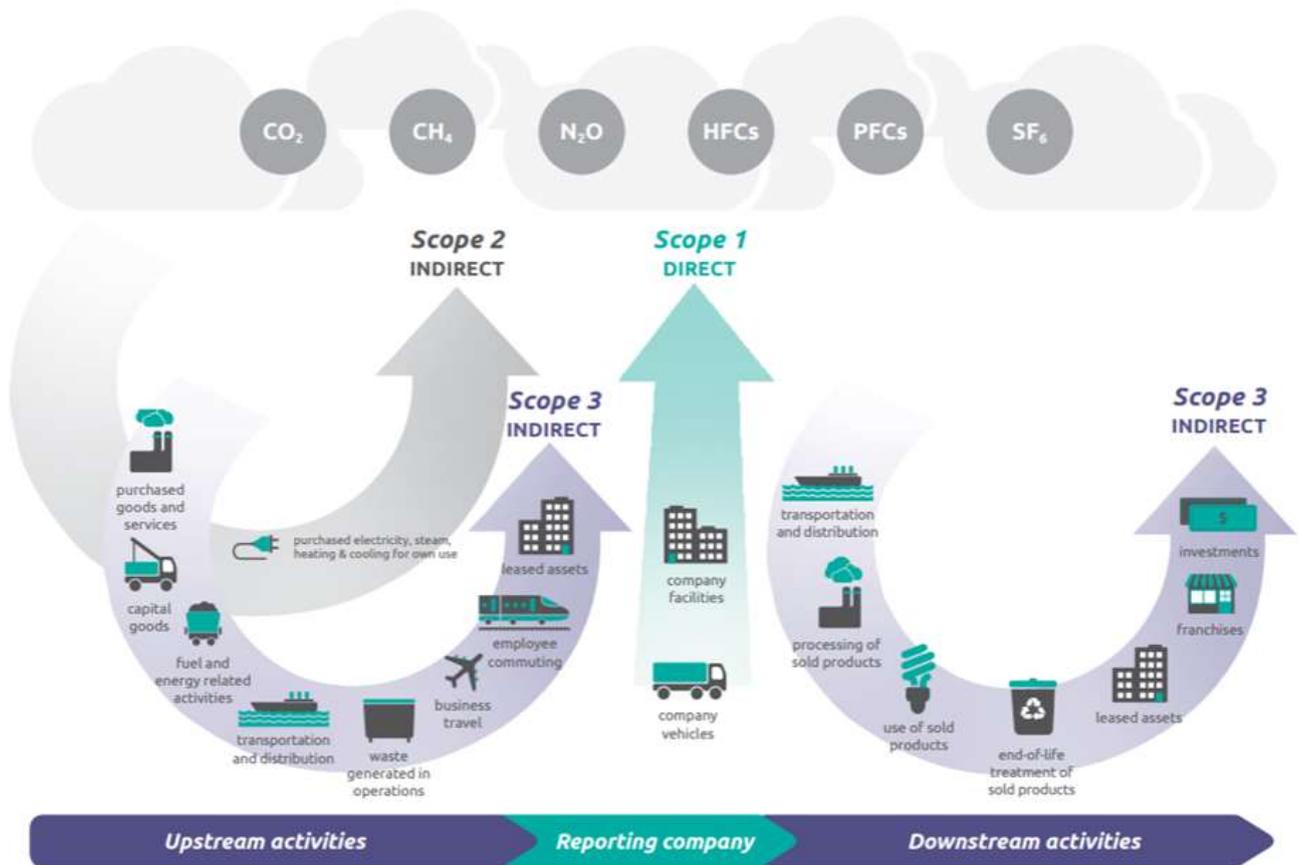


	<p>occurs and that the projects are actively removing carbonemissions. Our estimated scope 1 emissions for the period 1st August 2020 to 31st July 2021 will be circa 55 (tCO2e).</p> <p>Scope 2 Electricity Emissions Our carbon reduction strategy for Scope 2 emissions for the period 1st August 2020 to 31st July 2021 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>
<p>Statement on the fact that PAS 2060 certification has been provided by a third-party verifier.</p> <p>What type of conformity assessment has been undertaken?</p>	<p>Carbon Trust Assurance Limited certifies that TT2 Limited has correctly calculated its carbon footprint for the year between 1st August 2019 to 31st July 2020 and satisfactorily offset the to achieve carbon neutrality, in accordance with PAS 2060:2014.</p>



Annex A Organisational Carbon Footprinting

Source: Greenhouse Gas Protocol: *Corporate Value Chain (Scope 3) Accounting & Reporting Standard*. Available from: http://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf



[Figure 3: Certificate of Achievement of Neutrality](#)



Certificate of Achievement

TT2 Limited

has achieved carbon neutrality related to the 1st August 2019 – 31st July 2020 baseline period and is committed to on-going carbon neutrality of the total carbon footprint for

UK Operations

Carbon Trust Assurance Limited certifies that this company has correctly calculated its carbon footprint for the year 1st August 2019 – 31st July 2020 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-12872.

Awarded: [12th October 2020](#) Valid Until: [11th October 2021](#)

for and on behalf of Carbon Trust Assurance Ltd,

A handwritten signature in black ink, appearing to read "Morgan Jones".

Morgan Jones, Head of Assurance

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 05547658 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.

Source: [Product Carbon Neutrality Certification Letter \(CERT-12872\) issued by the Carbon Trust to TT2 Limited on 12th October 2012.](#)

