onetwozero

Start your climate journey today

CCL Secure Ltd

BSI PAS 2060 Qualifying Explanatory Statement

For sustainability reasons, please do not print this cover page. Thank you.

REDSHAW advisors ltd

+44 20 3637 1055 | info@redshawadvisors.com | www.redshawadvisors.com

Contents

1. Introduction

CCL Secure Ltd is the world's leading experts in polymer banknotes. CCL Secure Ltd is based in Wigton, England, where banknote substrate is produced for a number of clients across the world. CCL Secure Ltd is committed to reducing our impact on the environment. Our 'Aim for Zero' strategy focuses on key areas such as people, equality, diversity, health & safety, and continually reducing our carbon footprint on our journey to carbon neutrality. At CCL Secure we understand and embrace our commitment to operate sustainably for generations to come. Our commitment is backed by significant investment that produces quantifiable, measurable results. CCL Secure Ltd measure their carbon emissions and have set a pathway to reducing these vs. a 2018 baseline.

This document forms the Qualifying Explanatory Statement that demonstrates CCL Secure Ltd commitment to achieving carbon neutrality of the given subject. The definition of carbon neutrality used in this report is in line with BSI PAS 2060:2014 reporting requirements. Carbon neutrality has been achieved via purchased and retired carbon credits that offset CCL Secure Ltd's carbon footprint for the following product produced between October 2021 to March 2022.

- 13,000 production units

2. Declaration of carbon neutrality

Signed by

Gary Frizell
Engineering & Sustainability Manager

3. Summary

Entity making PAS 2060 declaration:	CCL Secure Ltd
Subject of PAS 2060 declaration:	13,000 production units between October 2021 to March 2022 for a certain high-profile CCL Secure Ltd client (name confidential)
Description of entity:	CCL Secure Ltd, Station Rd, Wigton CA7 9BG, banknote producer. CCL Secure have measured and verified their carbon footprint for 2020. The carbon footprint is measured on absolute terms and as kg CO2 / kg final product.
Emissions reported:	Scope 1, 2 and Scope 3: cradle to gate. Raw materials (embodied carbon), incoming transport, upstream processing of raw materials (energy and waste) to CCL Secure Ltd gate
Rationale for the selection of reported emissions:	The scope of BSI PAS 2060:2014 includes cradle-to-gate production related emissions based on the greenhouse gas inventory carried out in accordance to the Greenhouse Gas Protocol Product Life Cycle Accounting and Reporting Standard (GHGP Product Standard, Value Chain Standard, Corporate Accounting)

Type of conformity assessment:	Independent third party. Footprint and carbon neutrality internally validated with the help of third party Verco Advisory Serviced Ltd according to BSI PAS 2060:2014. Carbon credits purchased through a third party (Redshaw Advisors).
Baseline period for PAS 2060 conformity assessment:	Footprint measured and certified based on data from the period 1st January 2020 to 31st December 2020.
Achievement period:	October 2021 to March 2022
Commitment period:	October 2021 to March 2022

4. Scope

The commitment to achieve carbon neutrality covers all Scope 1, 2 and upstream scope 3 emissions that arise from the operations of CCL Secure Ltd. The carbon footprint was measured using data provided by CCL Secure Ltd. This was calculated based on data from projected sales volumes for the production units.

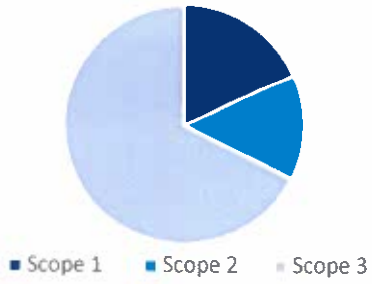
Scope 1	Scope 2	Scope 3
• Fuel 18%	• Purchased Electricity – Location Based 14%	• Raw materials (embodied carbon), incoming transport, upstream processing of raw materials (energy and waste) 68%

5. Quantified carbon footprint

The 2020 total carbon footprint of CCL Secure Ltd has been calculated according to the methodology set out in this document.

Scope 1, 2 and 3 breakdown

Emission category	Total tCO_2e %
Scope 1	18%
Scope 2	14%
Scope 3	68%



Carbon intensity metrics (for the subject of this QES)
Carbon footprint / Production Unit - 136kgCO_2e

As set out in the chart, most of CCL Secure Ltd emissions originate from activities covered by Scope 3, including Purchased Goods and Services, Fuel- and energy-related activities (not included in scope 1 or scope 2), Upstream transportation and distribution and Waste generated in operations.

6. BSI PAS 2060 carbon neutrality

PAS 2060 is a BSI standard that stipulates the requirements for companies to demonstrate carbon neutrality.

The baseline period of this statement corresponds to the period 1st January 2020 to 31st December 2020. CCL Secure Ltd has achieved carbon neutrality for the Subject by offsetting its carbon footprint (measured in tonnes of CO2e) and permanently retiring 1765 number of carbon offsets equivalent to the number of tonnes emitted. To maintain carbon neutrality status under PAS 2060, CCL Secure Ltd has established a draft pathway for reducing its carbon footprint by 37% in the next 5 years. Should any changes occur that affect the validity of the statement, this QES shall be updated accordingly.

7. Methodology

The method for quantification of CCL Secure Ltd carbon footprint is based on the documents listed below:

- PAS 2060:2014
- DEFRA Conversion Factors 2020
- GHG Protocol Corporate Reporting and Accounting Standard
- GHG Protocol Product Life Cycle Accounting and Reporting Standard

Under the 2013 DEFRA reporting guidelines and the GHG Protocol Corporate Reporting and Accounting Standard, company footprints must include Scope 1 and Scope 2 emissions. There is flexibility when choosing which Scope 3 emissions to measure and report. This can be tailored, transparently, to reflect a company's environmental and commercial strategies and goals.

We have selected the GHG Protocol Corporate Reporting and Accounting Standard and Product Life Cycle Accounting and Reporting Standard as it is the most recognised and frequently applied standard to quantify the climate impact of companies and products, as such, is explicitly endorsed by PAS 2060.The carbon footprint of the selected subject is calculated based on a cradle-to-gate approach. Under the cradle-to-gate approach, a company accounts for emissions from the production process through to the sale of the product. Emissions from electricity and steam have been calculated using national grid fuel mix data and CHP-generated electricity data from adjacent facilities.

The following greenhouse gases have been included in the calculations:

- Carbon dioxide (CO_2)
- Methane (CH_4)
- Nitrous Oxide (N_2O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SH_6)

The corresponding global warming potential of each gas is obtained from the IPCC Assessment report 5 (2014). Total emissions are measured in carbon dioxide equivalent (CO_2e).

We have carried out a materiality assessment to determine our main sources of carbon emissions. We use a combination of our M&T system (Carbon Desktop) to track materials and utilities and apply emissions factors according to the GHG Protocol and DEFRA to calculate annual emissions; as absolute and emission intensities. Carbon Desktop can do this by allowing us to enter emissions factors in as a conversion with respect to 1 unit of energy or waste (for example kgCO2e/kWh electricity). You can then select to see your data in graphical form in energy or carbon consumption. This is updated annually based on latest emission factors for all material emissions.

We have developed an Excel model to consistently calculate our full value chain emissions year on year. The methodology is line with the requirements provided by BSI PAS2050 standard the relevant GHG Protocol standards (Corporate accounting, Corporate value chain, Product standards). The scope of the assessment covers all emissions sources that make a material contribution to the overall footprint.

All emissions factors are updated annually with the latest version of best available sources (such as Defra's conversion factors for company reporting, Ecoinvent v3 database and Plastics Europe Ecoprofiles). The reporting outputs include detailed emissions breakdowns that allow to easily monitor trends within each life-cycle stage.

- Categories quantified in Scope 3: cradle-to-gate. Raw materials (embodied carbon), incoming transport, upstream processing of raw materials (energy and waste) to CCL Secure Ltd gate.

Scope 1 emissions

Scope 1 emissions are created by direct emissions from combustion of fuel and other sources on site, which are apportioned to the production process.

Scope 2 emissions

Scope 2 emissions are created by consumption of electricity and steam from a mix of grid (electricity) and an adjacent CHP facility (electricity and steam) relating to the production process.

Scope 3 emissions

The following category of Scope 3 emissions are relevant and have been quantified:

- Category 1 – Purchased Goods and Services
- Category 3 – Fuel- and energy-related activities (not included in Scope 1 or Scope 2)
- Category 4 – Upstream transportation and distribution
- Category 5 – Waste generated in operations

8. Data

According to BSI PAS 2060, primary data should be obtained for carbon footprint quantification. In the absence of primary data, secondary data can be used to create estimates or averages. In the quantification of CCL Secure Ltd carbon footprint, primary and secondary sources of data have been used. All activity data has been reported by CCL Secure Ltd.

Emission factors that have been used to quantify the carbon footprint of CCL Secure Ltd are sourced from databases and sources including DEFRA Data Services, Ecoinvent v3 database and Plastics Europe Ecoprofiles.

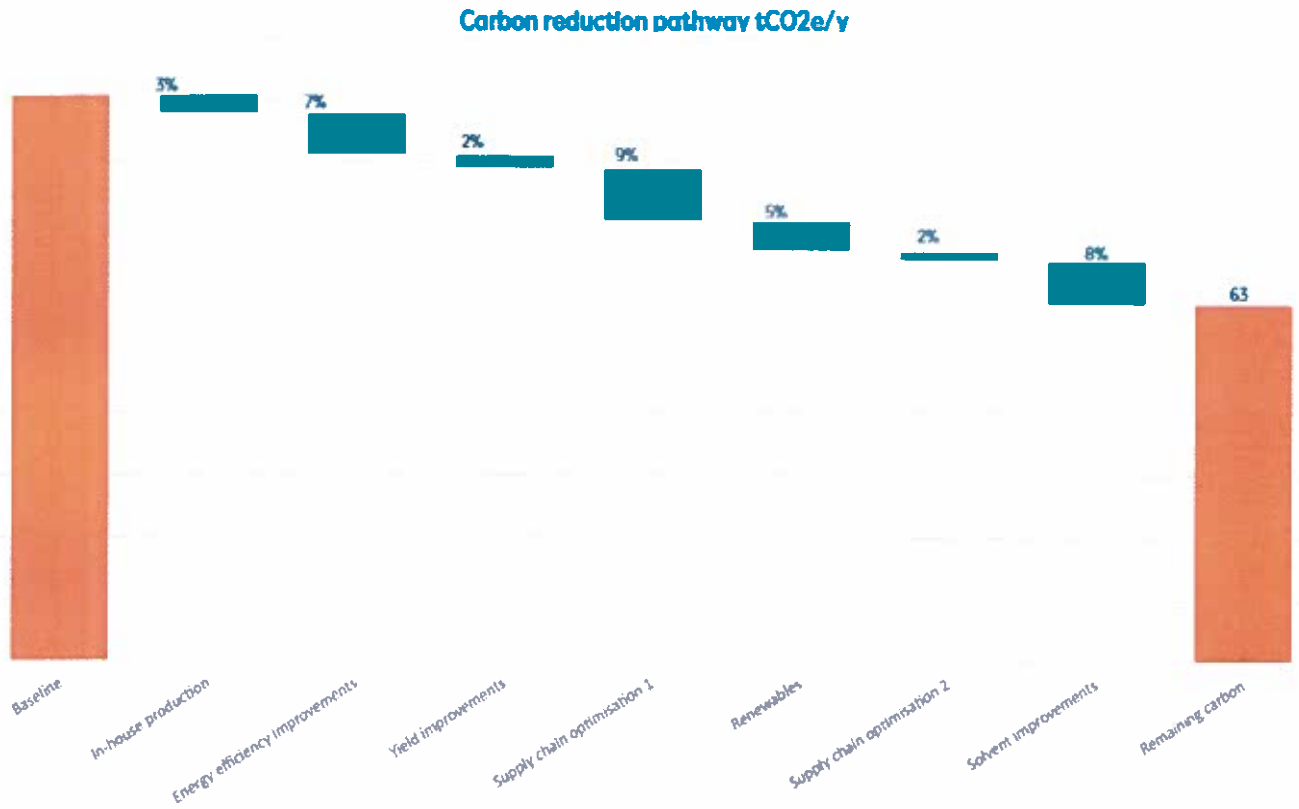
9. Margin of error

The methodology is line with the requirements provided by BSI PAS 2060 standard the relevant GHG Protocol standards (Corporate accounting, Corporate value chain, Product standards). The scope of the assessment covers all emissions sources that make a material contribution to the overall footprint. All emissions factors are updated annually with the latest version of best available sources (such as Defra's conversion factors for company reporting, Ecoinvent v3 database and Plastics Europe Ecoprofiles). Where supplier-specific carbon intensities cannot be obtained / are not available then proxies from databases (as per above) have been used.

10. Emissions reduction pathway

The entity is committed to achieve carbon neutrality of the subject in accordance with BSI PAS 2060 This commitment can be broken down as follows:

- Installation of additional sub-metering and connected to building management system to enable us to drill down to what areas of plant are not running efficiently and where we need to focus our attention.
- Complete phase 1 of LED lighting installation. All lighting will be LED by end 2022.
- Capital investment to bring some manufacturing process in house completed.
- Active plans to optimise supply chain to reduce emissions from raw materials and transport.



11. Carbon offsetting plan

CCL Secure Ltd has purchased and retired credits with Redshaw Advisors, associated with the production of 13,000 units as per above description.

The total amount of carbon offset and the project details below:

Quantity of retired VCU: 1,765
Serial numbers: 9670-116325173-116326937-VCS-VCU-261-VER-BR-14-1329-22052014-21052015-0
Date of retirement: Mar 11 2022 2:45PM
Beneficial Owner: CCL Secure Ltd
Retirement reason details: Retirement for Person or Organization; To balance emissions for CCL Secure Ltd for 13000 units of product under contract for Client (Confidential) between the dates of 2021 and 2022
Public URL: https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=160925

Maisa REDD+ Project

Project type: Agriculture Forestry and Other Land Use
Project country: BR

UNIT INFORMATION REPORT

UNIT INFORMATION

Verification Period	22/05/2013-21/05/2020
Vintage Period	22/05/2014-21/05/2015
Originating Program	NA
Serial Number	9670-116325173-116326937-VCS-VCU-261-VER-BR-14-1329-22052014-21052015-0
Additional Certification(s)	NA
Unit Type	VCU
Quantity of Units	1,765

Serial Number Help

ORIGINATING PROJECT INFORMATION

Project ID	1329
Project Name	Maisa REDD+ Project
Primary Project Type	Agriculture Forestry and Other Land Use
Additional Project Type(s)	NA
Project Site State/Province	Para State
Project Site Country	Brazil (BR)
Project VVB	Rainforest Alliance, Inc. (Rainforest Alliance)
Crediting Period Start Date	NA
Crediting Period End Date	NA
Project Document	View

Back

12. Carbon offsetting certificate

plannet zero
YOUR CARBON PARTNER

Certificate

Retirement of carbon credits

CCL Secure Ltd

has purchased.

1,765tCO_2e

of verified carbon credits to balance emissions for 13000 units of product under contract for Client (Confidential) between the dates of 2021 and 2022.

CCL Secure Ltd has invested in carbon credits, on behalf of **Client**, from the following project:

Maisa REDD+ Project, Moju, Brazil

Project Highlights:

28.739 hectares of forest protected

Protected habitat for high conservation value species

67,458 tonnes of CO2 emissions avoided each year

SUSTAINABLE DEVELOPMENT GOALS

Registry:

VERRA

279-283 Greenwich High Road, Greenwich, London SE10 8NB
info@plannetzero.org | www.plannetzero.org

Registry partner
REDSHAW advisors ltd

Appendix – Qualifying Explanatory Statement Checklist

Items		Status
1	Identify the individual responsible for the evaluation and provision of data necessary for the substantiation of the declaration including that of preparing, substantiating, communicating, and maintaining the declaration.	☐
2	Identify the entity responsible for making the declaration.	☐
3	Identify the subject of the declaration.	☐
4	Explain the rationale for the selection of the subject. (The selection of the subject should ideally be based on a broader understanding of the entire carbon footprint of the entity so that the carbon footprint of the selected subject can be seen in context; entities need to be able to demonstrate that they are not intentionally excluding their most significant greenhouse gas [GHG] emissions [or alternatively can explain why they have done so]).	☐
5	Define the boundaries of the subject.	☐
6	Identify all characteristics (purposes, objectives, or functionality) inherent to that subject.	☐
7	Identify and take into consideration all activities material to the fulfilment, achievement or delivery of the purposes, objectives, or functionality of the subject.	☐
8	Select which of the three options within PAS 2060 you intend to follow.	☐
9	Identify the date by which the entity plans to achieve the status of 'Carbon Neutrality' of the subject and specify the period for which the entity intends to maintain that status.	☐
10	Select an appropriate standard and methodology for defining the subject, the GHG emissions associated with that subject and the calculation of the carbon footprint for the defined subject.	☐
11	Provide justification for the selection of the methodology chosen. (The methodology employed shall minimise uncertainty and yield accurate, consistent and reproducible results).	☐
12	Confirm that the selected methodology was applied in accordance with its provisions and the principles set out in PAS 2060.	☐
13	Describe the actual types of GHG emissions, classification of emissions (Scope 1, 2, or 3) and size of carbon footprint of the subject exclusive of any purchases of carbon offsets. a) All greenhouse gases shall be included and converted into tCO2e. b) 100% Scope 1 (direct) emissions relevant to the subject shall be included when determining the carbon footprint. c) 100% Scope 2 (indirect) emissions relevant to the subject shall be included when determining the carbon footprint. d) Where estimates of GHG emissions are used in the quantification of the subject carbon footprint (particularly when associated with Scope 3 emissions) these shall be determined in a manner that precludes underestimation. e) Scope 1, 2 or 3 emission sources estimated to be more that 1% of the total carbon footprint shall be taken into consideration unless evidence can be provided to demonstrate that such quantification would not be technically feasible or cost effective. (Emission sources estimated to constitute less than 1% may be excluded on that basis alone.) f) The quantified carbon footprint shall cover at least 95% of the emissions from the subject. g) Where a single source contributes more than 50% of the total emissions, the 95% threshold applies to the remaining sources of emissions. h) Any exclusion and the reason for that exclusion shall be documented.	☐

14	Where the subject is an organization/company or part thereof, ensure that: a) Boundaries are a true and fair representation of the organization's GHG emissions (i.e. shall include all GHG emissions relating to core operations including subsidiaries owned and operated by the organization). It will be important to ensure claims are credible – if an entity chooses a very narrow subject and excludes its carbon intensive activities or if it outsources its carbon intensive activities, then this needs to be documented. b) Either the equity share or control approach has been used to define which GHG emissions are included. Under the equity share approach, the entity accounts for GHG emissions from the subject according to its share of equity in the subject. Under the control approach, the entity shall account for 100% of the GHG emissions over which it has financial and/or operational control.	☐
15	Identify if the subject is part of an organization or a specific site or location and treat as a discrete operation with its own purpose, objectives, and functionality.	☐
16	Where the subject is a product or service, include all Scope 3 emissions (as the lifecycle of the product/service needs to be taken into consideration).	☐
17	Describe the actual methods used to quantify GHG emissions (e.g. use of primary or secondary data), the measurement unit(s) applied, the period of application and the size of the resulting carbon footprint. (The carbon footprint shall be based as far as possible on primary activity data.) Where quantification is based on calculations (e.g. GHG activity data multiplied by greenhouse gas emission factors or the use of mass balance/lifecycle models) then GHG emissions shall be calculated using emission factors from national (Government) publications. Where such factors are not available, international or industry guidelines shall be used. In all cases the sources of such data shall be identified.	☐
18	Provide details of, and explanation for, the exclusion of any Scope 3 emissions.	☐
19	Document all assumptions and calculations made in quantifying GHG emissions and in the selection or development of greenhouse gas emission factors. (Emission factors used shall be appropriate to the activity concerned and current at the time of quantification.)	☐
20	Document your assessments of uncertainty and variability associated with defining boundaries and quantifying GHG emissions including the positive tolerances adopted in association with emission estimates. (The statement could take the form of a qualitative description regarding the uncertainty of the results, or a quantitative assessment of uncertainty if available [e.g. carbon footprint based on 95% of likely greenhouse gas emissions; primary sources are subject to variation over time; footprint is best estimate based on reasonable costs of evaluation]).	☐
21	Document Carbon Footprint management plan: a) Make a statement of commitment to carbon neutrality for the defined subject. b) Set timescales for achieving carbon neutrality for the defined subject. c) Specify targets for GHG reduction for the defined subject appropriate to the timescale for achieving carbon neutrality including the baseline date, the first qualification date and the first application period. d) Document the planned means of achieving and maintaining GHG emissions reductions including assumptions made and any justification of the techniques and measures to be employed to reduce GHG emissions. e) Specify the offset strategy including an estimate of the quantity of GHG emissions to be offset, the nature of the offsets and the likely number and type of credits.	☐

22	Implement a process for undertaking periodic assessments of performance against the Plan and for implementing corrective action to ensure targets are achieved. The frequency of assessing performance against the Plan should be commensurate with the timescale for achieving carbon neutrality.	☐
23	Where the subject is a non-recurring event such as weddings or concert, identify ways of reducing GHG emissions to the maximum extent commensurate with enabling the event to meet its intended objectives before the event takes place and include post-event review to determine whether the expected minimization in emissions has been achieved.	☐ N/A
24	For any reductions in the GHG emissions from the defined subject delivered in the period immediately prior to the baseline date and not otherwise taken into account in any GHG emissions quantification (historical reductions), confirm: (a) the period from which these reductions are to be included; (b) that the required data is available and that calculations have been undertaken using the same methodology throughout; and (c) that assessment of historical reduction has been made in accordance with this PAS, reporting the quantity of historical reductions claimed in parallel with the report of total reduction.	☐ N/A
25	Record the number of times that the declaration of commitment has been renewed without declaration of achievement.	☐ N/A
26	Specify the type of conformity assessment: a) independent third-party certification b) other party validation c) self-validation	C
27	Include statements of validation where declarations of commitment to carbon neutrality are validated by a third-party certifier or second-party organizations.	☐
28	Date the Qualifying Explanatory Statement (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).	☐
29	Make QES publicly available and provide a reference to any freely accessible information upon which substantiation depends (e.g. via websites).	☐
30	Update the QES to reflect changes and actions that could affect the validity of the declaration of commitment to carbon neutrality.	☐