

PAS 2060 Qualifying Explanatory Statement (QES)

On behalf of

Vado

21 November 2022

THG / ECO

Formal Notes

Client: Vado

Date: 21 November 2022

Reporting Period: 5 April 2021 to 3 April 2022

This is a PAS2060 Qualifying Explanatory Statement (QES) to demonstrate that Vado has achieved Carbon Neutrality and is committed to being carbon neutral in line with PAS 2060:2014 reporting requirements.

This QES has been produced by THG Eco and MyCarbon on behalf of Vado. MyCarbon is acting as an independent "other party" on behalf of Vado to conduct carbon inventories of its Scope 1, 2, and partial Scope 3 activities in the form of a corporate carbon footprint. The contents of this PAS 2060 QES are also produced by THG Eco and MyCarbon and have been reviewed by the following two representatives of MyCarbon:



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Carbon Neutrality Declaration

Vado intends to reduce emissions associated with its activities from Scope 1, 2, and Scope 3 business travel as far as reasonably possible. A hotspot analysis has been conducted to identify the key sources of emissions associated with Vado’s operations. The QES will be publicly available online at this location [2].

To ensure the environmental impact of Vado’s operations are kept as small as possible, all residual emissions associated with its operations will be offset in line with PAS 2060 requirements to result in carbon neutrality. Vado will ensure carbon neutrality by offsetting the resulting carbon footprint in advance of the 2022/2023 fiscal year and plans to continue carbon neutrality until at least the end of the 2023/24 fiscal year.

An “other party” (MyCarbon - Carbon Green Ltd) has conducted the corporate carbon footprint [1] and produced the PAS 2060 QES with accurate data provided by Vado. Vado declares that the content of this report is accurate, and the business has successfully achieved carbon neutrality under PAS 2060 guidelines based on “self-declaration”. The QES requirements checklist has been completed and is available in the appendix in **Table 5**.

Company Name: Vado

Representative Name/Job Title: Tim Langford - Senior Account Manager

Representative Signature: 

The QES contains all the required information on the carbon neutrality of the titled product. All information in this report has been reviewed by an “other party” and is believed to be correct. If provided with any evidence in opposition to the validity of the information in this report, the report will be updated accordingly, and any necessary steps will be taken to ensure the carbon neutrality of the titled product.

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1 Introduction

1.1 Introductory Statement

This document forms the Qualifying Explanatory Statement (QES) to demonstrate Vado have achieved carbon neutrality across its Scope 1, 2 and partial Scope 3 emissions in accordance with PAS 2060:2014 for the fiscal year 2021 and with a calculated carbon footprint in accordance with the WRI GHG Protocol - corporate accounting and reporting standard. This corporate greenhouse gas assessment can be found in the location designated in the references section [1].

Vado has a carbon reduction strategy in accordance with PAS 2060:2014 that is available online [2] as of November 2022.

1.2 General information

Category	Answer
Entity making the PAS 2060 declaration	Vado
Individuals responsible for ensuring the availability of high-quality data for the chosen product necessary for the carbon neutrality substantiation	Tim Langford- Senior Account Manager
Name of "other party". A competent party producing the PAS 2060 documentation for the declaration of carbon neutrality on behalf of the entity	Michael Greenhough - Director of MyCarbon (Carbon Green Ltd)
Subject of PAS 2060 claim	Carbon neutrality of Vado's Scope 1, 2 & partial Scope 3 operations
Carbon inventory method selected	Greenhouse Gas Protocol - Corporate Accounting & Reporting Standard
Boundaries of the select inventory method	Corporate footprinting of the business- Scope 1, 2 & business travel Scope 3
Rationale for the selected boundaries	These boundaries contain value chain processes that Vado have reasonable control over.
Type of conformity assessment	An "other party" has produced the documentation, but due to the lack of completion of an appropriate verification process such as ISO 14064:3, the conformity assessment is self-validated against PAS 2060:2014 10.3.4 as a self-declaration of carbon neutrality.
Baseline date for PAS 2060 programme	5 th April 2021 - 3 rd April 2022
Achievement period	5 th April 2021 - 3 rd April 2022
Commitment period	3 rd April 2023 - 31 st March 2024

1.3 Scope

The achievement and commitment for Vado to maintain carbon neutrality covers operations from Scope 1, 2 and business travel Scope 3. Vado commits to maintain this carbon neutrality for a minimum 3-year period.

1.4 Timeline of PAS 2060 carbon neutrality

To commit to and attain PAS2060 Carbon Neutrality, Vado is adhering to the declaration periods listed in figure 1.

The first period is the baseline period, which runs from April 5th, 2021, to April 3rd, 2022. The subject and its carbon footprint have been identified and approved for Baseline Period 1.

The second period is the commitment period for PAS2060 Carbon Neutrality, which runs from April 4th, 2022, to April 2nd, 2023. The third period represents the commitment period for PAS2060 Carbon Neutrality which starts on 3rd April 2023 and ends on 31st March 2024 (see figure 1).

Baseline Period 1

Declaration of Achievement of PAS2060 Carbon Neutrality for Period 1 (2021-2022) based on implemented reduction and offset

Period 2

Declaration of Achievement of PAS2060 Carbon Neutrality for Period 2 (2022-2023) based on implemented reduction and offset

Period 3

Declaration of Achievement of PAS2060 Carbon Neutrality for Period 3 (2023-2024) based on implemented reduction and offset

Figure 1: Timeline of PAS2060 Carbon Neutrality achievement and commitment

1.5 Boundaries of the subject

Defining the boundary for the carbon assessment was based on the principles set out in the GHG Protocol Corporate Standard and applied in line with the requirements set out in PAS 2060 Carbon Neutrality. The boundaries of the subject can be found in the corporate GHG report under section 4.2 [1].



Quantification and Analysis

2 Quantification of Carbon Footprint

2.1 Emissions sources

PAS 2060 mandates that every business include a comprehensive breakdown of their carbon footprint by scope in their QES Statement according to the standards of the Greenhouse Gas Protocol.

THG Eco and MyCarbon have performed a corporate carbon footprint of Vado's Scope 1 & 2 operations and business travel from Scope 3. Vado intends to quantify and reduce additional Scope 3 emissions when it is suitable in future certifications.

All Scope 1, 2 & 3 emissions are summarized in Table 1. The result is a total carbon footprint of 252.80 tonnes CO₂e.

Figure 1 is a doughnut chart of the sources of emissions. The emissions intensity per unit of product sold from Vado's core range is 0.22 kg CO₂e.

The results include a 5% risk factor to account for uncertainties arising from data quality. The key source of emissions for the business are associated with the consumption of fuel (68%), entirely in the embodied emissions of fuel burned in company owned or controlled sources.

Purchased electricity produced the second highest source of emissions resulting in 54.52 tonnes CO₂e. The remaining emissions from business travel taken via flight, rail and taxi transport methods result in emissions of 24.60 tonnes CO₂e.

The emissions sources included in the corporate carbon footprint are included in the appendix in **Table 3** and the GHG inclusion checklist is included in the appendix in **Table 5**.

Table 1- Summary of Emissions

Emissions Scope	Description	t CO ₂ e	Scope Contribution
Scope 1	Direct emissions from combustion of natural gas, LPG, petrol, and diesel	173.70	68%
Scope 2	Indirect emissions associated with the purchase of energy for Vado offices (electricity)	54.52	21%
Scope 3	Indirect emissions associated with: <ul style="list-style-type: none"> Business Travel 	24.60	11%

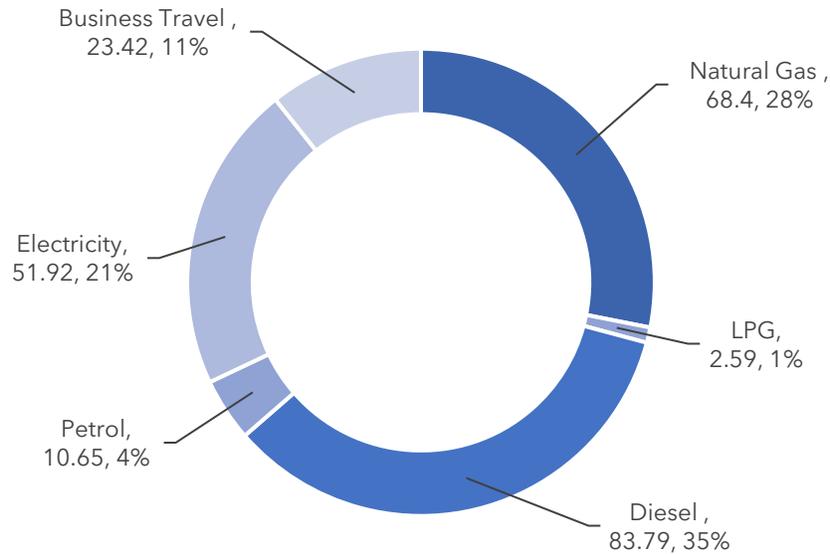


Figure 1: Sources of Emissions by % and tonnes CO₂e from Vado [1]

2.2 Methodology

PAS 2060 requires that a recognized methodology be used to quantify the carbon footprint of the identified subject. The methodology adopted for the assessment of Vado is based on the GHG Protocol. Emissions have been calculated as tonnes of carbon dioxide equivalent (tCO₂e) for Scope 1, 2 & business travel from scope 3, primarily using the latest conversion factors listed in UK Government Defra Greenhouse Gas Conversion Factors for Company Recording. All Scope 2 emissions are calculated using the location-based method.

Wherever possible, primary data has been used to assemble the carbon footprint of Vado. However, where this data was not available, secondary data was used as an appropriate estimation method.

2.3 Data sources

Three forms of data were used as part of the Corporate Carbon Footprint [1]:

Primary Data: Data collected from within the production value stream e.g., component mass, travel distance and production energy requirements.

Emissions Factors: Emissions conversion factors were taken from peer reviewed literature, government databases or life cycle assessment databases.

Secondary Data: Secondary data comes in the form of market / financial data e.g., ONS average spend data or energy costs.

The data collected is believed to be representative of the total carbon emissions of Vado. No emissions sources have been knowingly excluded.

2.4 Assumptions and limitations

For Scope 1, 2 and business travel Scope 3, no assumptions were made.

2.5 Exclusions

See section 4.3 Exclusions from the Corporate Carbon Footprint [1]

2.6 Uncertainties

The results include a 5% risk factor to account for uncertainties arising from data quality.

3 Carbon Management Plan

A carbon management plan will be included as part of the PAS 2060 process. The assessment has been conducted in the form of a hotspot analysis, with the results listed within **Table 2**. This analysis assesses the top three emission sources within Scope 1 and 2 activities & Scope 3 business travel from Vado and suggests reduction activities. The consumption of fuel resulted in 68% of Vado's total emissions, purchased electricity attributed to 21% while business travel resulted in 11% of total emissions. To reduce emissions from these categories, three suggestions have been made:

- Utilize renewable energy sources over fossil fuels
- Switch to 100% renewable energy
- Reduce non-essential business travel

Corporate GHG Hotspot Analysis

Table 2: Hotspot analysis of Vado [1]

Category	Hotpot Analysis	Total Footprint (%)	Notes
Consumption of fuel	Embodied emissions in fuel burned in company owned or controlled sources.	68%	Where feasible, replace company cars with electric/hybrid models. Choose vehicles with smaller engines. Move any fossil fuelled operational equipment to electricity.
Purchased electricity	Embodied emissions in fuel burned to produce electricity.	21%	Purchase Renewable Energy Guarantees Origin (REGO) certified 100% renewable electricity for all locations where Vado is directly responsible for energy procurement.
Business Travel	Embodied emissions in fuel burned for transportation.	11%	Fly economy rather than business. Host online meetings where feasible.



Carbon Offsetting

4 Carbon Offsetting

Carbon credits totaling 253 tCO₂e have been purchased and retired by Vado with the rationale that this will cover the full 12-month baseline period from 05.04.2021 to 03.04.2022. Additional carbon credits will be purchased when necessary, and this report will be updated to ensure that Vado remains carbon neutral in advance.

A single carbon credit project was used for the purpose of offsetting the residual emissions from Vado's operations. The project is based in Mexico and is called "CUIDEMOS Mexico (Campana De Uso Inteligente De Energia Mexico) - Smart Use of Energy." The project is certified as Clean Development Mechanism Certified Emissions Reductions (CDM CER), is Kyoto-compliant and aligns with the requirements of PAS 2060:2014. A CER is a carbon credit produced after the removal or avoidance of emissions has already been conducted, allowing the claim of carbon neutrality to be made through the retirement of this product. The credits produced within the scope of this project were produced between July 2009 and July 2016.

This certification standard guarantees that the offset represents genuine, additional GHG reductions meeting the criteria of additionality, permanence, leakage and double counting and detailed information for this project can be found here [4]. This certification standard requires verification by a trained, independent third party that ensures accuracy of measurement of reduced or avoided emissions. The ledger of created and retired CDM CER carbon credits can be found here [5] and the retirement certificates for Vado can be found here [2]. This independent registry ensures that only properly validated carbon credits can be stored, that any retirements are permanent and that multiple entities cannot take responsible for the same retirements. The verified project design documentation for this project was produced in 2014 and followed up with annual monitoring reports up to the date 2019 [4].

MyCarbon have conducted the due diligence of the selected project to ensure it meets the requirements of Carbon Neutrality according to PAS 2060:2014.

5 References

[1] - Corporate Carbon Footprint of Vado, MyCarbon on behalf of Vado, 2022, located online

[2] - Location of Carbon Neutrality Statement- <https://www.vado.com/carbon-policy>, 2022

[3] - UNFCCC, "PoA 2535 : CUIDEMOS Mexico (Campana De Uso Inteligente De Energia Mexico) - Smart Use of Energy Mexico," *cdm.unfccc.int*.
<https://cdm.unfccc.int/Projects/DB/DNV-CUK1141464500.33/view> (accessed Nov. 01, 2022).

[4] - United Nations Framework Convention on Climate Change, "CDM: CDM Registry," *Unfccc.int*, 2015. <https://cdm.unfccc.int/Registry/index.html> (accessed Nov. 01, 2022).

6 Appendix

Table 3: Emissions source justifications

Emissions Source	Description	Inclusion / Exclusion Justification
Purchased goods and services	The embodied emissions stored in the materials and services purchased to produce the component	Excluded: Out of scope
Upstream transport	Transport required in the supply chain to supply raw materials for the production	Excluded: Out of scope
Downstream transport	Transport required in the distribution network for the fully assembled component	Excluded: Out of scope
Employee commuting	Transport taken by employees to arrive in their primary place of work	Excluded: Out of scope
Waste disposal (operations)	Transport and waste processing / biodegradation-based emissions associated with any waste produced during the production process	Excluded: Out of scope
Waste disposal (end of life)	Transport and waste processing / biodegradation-based emissions associated with any waste produced at the product end of life	Excluded: Out of scope
Water consumption	Emissions associated to the sourcing and disposal of water	Excluded: Out of scope
Investments	Emissions associated to the ownership of turnover generating capital	Excluded: Out of scope
Purchased capital equipment	Embodied emissions of high value capital equipment used in the production of a component	Excluded: Out of scope
Franchises	Emissions associated to the licensing of a revenue generating franchise	Excluded: Out of scope
Upstream / downstream leased assets	Embodied emissions of high value leased equipment used in the production of a component	Excluded: Out of scope
Energy consumption	Heat	Excluded: No purchased heat
Energy consumption	Steam	Excluded: No purchased heat
Energy consumption	Electricity	Included: Electricity usage consumed + data supplied from utility bills.
Energy consumption	Transmission losses and extraction emissions	Included: Electricity usage predicted using secondary data [1]
Energy consumption	Burning of fuels	Included: Combustion of natural gas, LPG, petrol, and diesel.

Business travel of employees	Emissions associated to employee travel whilst engaging in company activities	Included: Business travel of employee whilst overseeing operation
Other direct emissions	Emissions associated to any direct release of greenhouse gases e.g., chemical processes	Excluded: not relevant
Refrigeration	Refrigerants used in air conditioning and other cooling system have high global warming potentials	Excluded: No refrigerants directly used in the value chain

Table 4: Justification of inclusion of different forms of greenhouse gases (GHG's)

GHG Description	Inclusion / Exclusion Justification
CO ₂ Carbon dioxide	Included
CH ₄ Methane	Included
N ₂ O Nitrous oxide	Included
HFC Hydro fluorocarbon	Excluded - Not applicable to this process as no refrigeration required in the component life cycle
PFC Perfluorocarbons	Excluded - Not applicable to this process. Any embodied emissions in the electrical components are already accounted for in the emissions factors
SF ₆ Sulphur hexafluoride	Excluded - Not applicable to this process. Any embodied emissions in the electrical components are already accounted for in the emissions factors
NF ₃ Nitrogen trifluoride	Excluded - Not applicable to this process. Any embodied emissions in the electrical components are already accounted for in the emissions factors

Table 5: QES checklist

Requirements	Section?
1) Define standard and methodology use to determine its GHG emissions reduction.	2
2) Confirm that the methodology used was applied in accordance with its provisions and the principles set out in PAS 2060 were met.	2
3) Provide justification for the selection of the methodologies chosen to quantify reductions in the carbon footprint, including all assumptions and calculations made and any assessments of uncertainty. (The methodology employed to quantify reductions shall be the same as that used to quantify the original carbon footprint. Should an alternative methodology be available that would reduce uncertainty and yield more accurate, consistent, and reproducible results, then this may be used provided the original carbon footprint is re-quantified to the same methodology, for comparison purposes. Recalculated carbon footprints shall use the most recently available emission factors, ensuring that for purposes of comparison with the original calculation, any change in the factors used is considered).	2

4) Describe how reductions have been achieved and any applicable assumptions or justifications.	N/A - Baseline
5) Ensure that there has been no change to the definition of the subject. (The entity shall ensure that the definition of the subject remains unchanged through each and every stage of the methodology. In the event that material change to the subject occurs, the sequence shall be re-started on the basis of a newly defined subject.)	N/A - Baseline
6) Describe the actual reductions achieved in absolute and intensity terms and as a percentage of the original carbon footprint. (Quantified GHG emissions reductions shall be expressed in absolute terms and shall relate to the application period selected and/or shall be expressed in emission intensity terms (e.g., per specified unit of product or instance of service)).	N/A - Baseline
7) State the baseline/qualification date.	1.4
8) Record the percentage economic growth rate for the given application period used as a threshold for recognising reductions in intensity terms.	N/A - Baseline
9) Provide an explanation for circumstances where a GHG reduction in intensity terms is accompanied by an increase in absolute terms for the determined subject.	N/A - Baseline
10) Select and document the standard and methodology used to achieve carbon offset.	4
11) Confirm that:	
a) Offsets generated or allowance credits surrendered represent genuine, additional GHG emission reductions elsewhere.	4
b) Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage, and double counting. (See the WRI Greenhouse Gas Protocol for definitions of additionality, permanence, leakage, and double counting).	4
c) Carbon offsets are verified by an independent third-party verifier.	4
d) Credits from Carbon offset projects are only issued after the emission reduction has taken place.	4
e) Credits from Carbon offset projects are retired within 12 months from the date of the declaration of achievement.	4
f) Provision for event related option of 36 months to be added here.	N/A
g) Credits from Carbon offset projects are supported by publicly available project documentation on a registry which shall provide information about the offset project, quantification methodology and validation and verification procedures.	4
h) Credits from Carbon offset projects are stored and retired in an independent and credible registry.	4
12) Document the quantity of GHG emissions credits and the type and nature of credits purchased including the number and type of credits used and the time period over which credits were generated including:	
a) Which GHG emissions have been offset.	4
c) The type of credits and projects involved.	4
d) The number and type of carbon credits used and the time period over which the credits have been generated.	4
e) For events, a rationale to support any retirement of credits in excess of 12 months including details of any legacy emission savings, taken into account.	N/A

f) Information regarding the retirement/cancellation of carbon credits to prevent their use by others including a link to the registry or equivalent publicly available record, where the credit has been retired.	4
13) Specify the type of conformity assessment:	
a) independent third-party certification;	
b) other party validation;	
c) self-validation.	1.2
14) Include statements of validation where declarations of achievement of carbon neutrality are validated by a third-party certifier or second party organizations.	Formal Notes
15) Date the 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).	Carbon Neutrality Declaration
16) Make QES publicly available and provide a reference to any freely accessible information upon which substantiation depends (e.g., via websites).	Carbon Neutrality Declaration
Entities should satisfy themselves that the QES	
1) Does not suggest a reduction which does not exist, either directly or by implication.	Yes
2) Is not presented in a manner which implies that the declaration is endorsed or certified by an independent third-party organization when it is not.	Yes
3) Is not likely to be misinterpreted or be misleading as a result of the omission of relevant facts.	Yes
4) Is readily available to any interested party.	Yes