

Bentley Motors Limited.

**Qualifying Explanatory Statement
in support of PAS 2060:2014
third-party certification**

November 2020

Introduction

This document forms the Qualifying Explanatory Statement to demonstrate Bentley Motors Limited (BML) has achieved carbon neutrality under the guidelines of PAS 2060:2014 and is committed to achieving carbon neutrality under the guidelines of PAS 2060:2014.

Section 1: General Information

PAS 2060 Information Requirement	Information as it relates to BML
<i>Entity making PAS 2060 declaration:</i>	Bentley Motors Limited
<i>Subject of PAS 2060 declaration:</i>	The Bentley Motors Limited site situated on Pyms Lane, Crewe and Service Parts Distribution Centre on Orion Park, Crewe in Cheshire. The site includes vehicle manufacture and test areas, development offices and all associated supporting teams.
<i>Description of Subject:</i>	Bentley Motors Ltd is a manufacturer and developer of high-quality luxury cars. Bentley has 4,000 employees based in the Pyms lane headquarters.
<i>Rationale for selection of the subject:</i>	<p>The subject was selected given it represents the operational control boundary of BML as defined by <i>The UK Government Environmental Reporting Guidelines (Including streamlined energy and carbon reporting guidance)</i>. The boundary includes all the emissions required to be disclosed by unquoted large companies according to the above standard, namely:</p> <p>Scope 1 emissions</p> <ul style="list-style-type: none"> - Combustion of gas - Combustion of fuel for transport purposes <p>Scope 2 emissions</p> <ul style="list-style-type: none"> - Purchased electricity (location and market-based) <p>Scope 3 emissions</p> <ul style="list-style-type: none"> - Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel <p>For further information and justification behind the choice of the standard please see Section 4.</p>
<i>What type of conformity assessment has been/is to be undertaken?</i>	Independent 3 rd Party
<i>Baseline date for PAS2060 programme</i>	1 st January 2018 – 31 st December 2018
<i>Achievement Period</i>	1 st January 2019 – 31 st December 2019


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<i>Commitment Period</i>	1 st January 2018 – 31 st December 2025
<i>Individuals responsible for evaluation and provision of data necessary for declaration:</i>	Darren Oakes: Environmental & CDM Functional Manager

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 BML.


Section 2: Declaration of Achievement of Carbon Neutrality

PAS 2060 Information Requirement	Information as it relates to BML
<i>Declaration of achievement</i>	Carbon neutrality of the Subject was achieved by BML in accordance with PAS 2060 in November 2020 for the period commencing on 01/01/2019 and ending on 31/12/2019. This was certified by Carbon Trust Assurance.
<i>State the period during which the entity is demonstrating achievement of carbon neutrality of the subject.</i>	1 st January 2019 – 31 st December 2019
<i>Recorded carbon footprint of the subject during the period stated above</i>	28,980 tCO ₂ e (location-based) 13,138.4 tCO ₂ e (market-based)
<i>How have the reductions in GHG emissions during this period been achieved?</i>	Internal reductions, procurement of ReGo certified renewable electricity and procurement of RGGO certified Green Gas
<i>Location of GHG emissions report supporting this claim:</i>	Section 4
<i>Location of the Carbon Footprint Management Plan:</i>	Section 5
<i>Location of the details describing the carbon offsets:</i>	Section 5
<i>Location of the details describing internal reductions achieved (recertification only)</i>	Section 5

Name of senior representative	Signature of senior representative
Andrew Robertson, Head of Site Planning	
Date: 03.11.2020	

Section 3: Declaration of On-going Commitment to Carbon Neutrality (optional)

PAS 2060 Requirement	Client Response
Declaration of on-going commitment:	BML commits to maintain carbon neutrality for the Subject in accordance to PAS 2060 for the period commencing on 01/01/2020 and ending on 31/12/2025.
Location of the Carbon Footprint Management Plan:	Section 5

Name of senior representative	Signature of senior representative
Andrew Robertson, Head of Site Planning	
Date: 03.11.2020	

Section 4: Carbon Footprint Breakdown

PAS 2060 requires every individual/organisation to provide an appropriate carbon footprint breakdown by scope in their Qualifying Explanatory Statement (QES) in accordance with one of the methodologies listed in Annex C of the PAS 2060 Standard (shown in Figure 2 in the Annex of this document).

The methodology outlined in *The UK Government Environmental Reporting Guidelines (Including streamlined energy and carbon reporting guidance)* for unquoted large companies was used to measure the GHG emissions and reductions of the Subject in this certification. This methodology is aligned with the *WBCSD/WRI GHG Protocol, Corporate Accounting and Reporting Standard* (which was used in the previous PAS2060 certification of the Subject) in the way emissions sources are categorised. All the emission sources from the previous certification were calculated in the same way and were included in this certification, therefore a re-baselining calculation was not needed. Employee travel (Scope 3) was the only additional emission source requirement by the new methodology and as part of this certification, the Subject expanded the boundary of the footprint accordingly¹. This additional Scope 3 emission source is part of the BML’s ongoing intention to assess and address those Scope 3 emission sources that are technical feasible and cost effective to quantify in future certifications.

The chosen methodology also provides updated guidance on dual-reporting (e.g. location and market-based) for gas consumption and how to account for “green gas”. This was directly relevant to the BML given that the procurement of Renewable Gas Guarantee of Origins (RGGOs) was one of the main planned means of reducing GHG emissions for this certification.

¹ Employee travel was added, limited to the requirements of the methodology used: “Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)” (p.55, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SECR_31March.pdf)

Data from GHG emissions sources contributing over 90% of the footprint was obtained via direct metering or derived from fuel consumption, with appropriate National or International emissions factors applied. This allows for a high confidence in the data.

Carbon Footprint (01/01/2019-31/12/2019)	Location-based (tCO₂e)	Market-based (tCO₂e)
Scope 1 (mandatory):	Gas: 17,052.1 Oil: 41.2 Refrigerants: 0 Owned transport Diesel vehicles: 285.9 Petrol vehicles: 417.1 Anti-Spark Fuel: 884.3	Gas: 11,322.7 Oil: 41.2 Refrigerants: 0 Owned transport Diesel vehicles: 285.9 Petrol vehicles: 417.1 Anti-Spark Fuel: 884.3
Scope 2 (mandatory):	Purchased electricity: 10,112.3	Purchased electricity: 0
Scope 3 (optional):	Grey fleet: 179.3 Hire car (diesel): 4.2 Hire car (petrol): 3.7	Grey fleet: 179.3 Hire car (diesel): 4.2 Hire car (petrol): 3.7
Total	28,980	13,138.4

As mentioned above, BML has expanded the boundary of the calculated footprint to include those Scope 3 emissions required by the newly adopted methodology. As part of the previous certification, BML committed to assess those Scope 3 emission sources that are technical feasible and cost effective to quantify in future certifications. Given the impact of COVID-19 on the business, BML has decided to limit the inclusion of Scope 3 emissions to the activities required by the newly adopted methodology for this certification (namely, “Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)”). BML’s ongoing intent is to include other Scope 3 activities in future certifications.

BML have a recognised industry intensity metric which is tCO₂e / Vehicle manufactured. This measure accommodates the fluctuation in vehicles produced as this has a direct correlation on energy consumption. As shown in the table below, BML reduced market-based emissions by 24.8% and the carbon intensity of its production by 44.6%. The location-based emissions increased by 4.8% due to an increase in vehicle production of 35.8%.

Year	Location-based (tCO₂e)	Change (%)	Market-based (tCO₂e)	Change (%)	Vehicle Volume	Change (%)	Intensity Metric (tCO₂e/vehicle)	Change (%)
2018	27,661	-	17,482	-	9,385	-	1.86	-
2019	28,980	4.8%	13,138	-24.8%	12,749	35.8%	1.03	-44.6%

Section 5: Carbon Management Plan

PAS 2060 Requirement	Client Response
<p><i>Statement of commitment to carbon neutrality for the defined subject</i></p>	<p>BML commits to achieve carbon neutrality for the Subject in accordance to PAS 2060 for the period commencing on 01/01/2019 and ending on 31/12/2019. This will be certified by Carbon Trust Assurance.</p>
<p><i>Timescale for achieving carbon neutrality</i></p>	<p>Carbon neutrality will be achieved in November 2020.</p>
<p><i>Targets for GHG reduction for the defined subject appropriate to the timescale for achieving carbon neutrality</i></p>	<p>On-going Emissions Reduction Plan – for the PAS 2060 Commitment Period (01/01/2018-31/12/2025). The on-going plan to reduce emissions over the commitment is summarised below:</p> <ul style="list-style-type: none"> ○ Bentley Environmental Management Manual which is designed to encourage energy efficiency ○ Derivation of Science Based Target (SBT) to reduce operational greenhouse gas emissions in line with a 1.5C scenario by the end of 2021*. ○ Derivation of Science Based Target (SBT) to reduce Greenhouse Gas footprint by the end of 2021*. ○ Continued commitment to carbon neutral operations (scope 1 and 2) up to and including December 2025 <p>The targets set for and achieved within this certification period were:</p> <ul style="list-style-type: none"> ○ Procurement of ReGo certified BioGas for all on-site operations in 2019; ○ Rollout of the ‘Sustainability’ Bentley Behaviour to all Colleagues in 2019 to increase engagement and awareness. <p>* Commitment has had to be extended due to the exceptional circumstances of the global pandemic in 2020.</p>
<p><i>Planned means of achieving and maintaining GHG emissions reduction including:</i></p> <ul style="list-style-type: none"> ● <i>Assumptions made and any justification of the techniques and measures to be employed to reduce GHG emissions;</i> ● <i>[Optional] Where historical reductions are to be taken into account, the period over which those reductions are to be calculated and confirmation that the necessary data is available and that calculation is to be undertaken using precisely the same methodology as that to be employed to assess and calculate future reductions;</i> 	<p>The following measures will be followed to assess performance against the plan.</p> <ul style="list-style-type: none"> ○ Renewal of Carbon Trust ‘Carbon’ standard in January 2019 ○ Gap Analysis of ISO 50001 2018 in September 2018 and renew to the update standard by end of 2020 ○ Inclusion of above commitment into Bentley’s ‘Environmental & Energy Policy Statement’ for 2020 ○ Inclusion of above into within Environmental Objectives/Targets 2020 which are reviewed quarterly with Senior Management <p>Additionally, historical emission activity to date is summarised below.</p> <p>BML have undertaken various activities, in line with our own and Parent Companies (VW Group) targets, relating to climate change. BML will continue to act to reduce our Greenhouse</p>

	<p>Gas emissions over time. Our website section ‘Bentley and the Environment’ and ‘Responsible Manufacturing’ publicly document our achievements to date.</p> <p>Some of BML’s significant achievements relating to our Carbon Footprint are detailed below:</p> <ul style="list-style-type: none"> ○ First automotive manufacturer to be certified to the ISO 14001 Environmental Management System in 1999 and has been renewed since ○ First Automotive manufacturer to be certified to the ISO 50001 Energy Management standard in 2011 and has been renewed since ○ Carbon Trust ‘Carbon Standard’ certified since 2012 ○ 100% ReGo certified electricity purchase since 2017 ○ Introduction of 5MW Solar array on site roof space in 2013 and subsequent 2.7MW Solar Array on the carpark installed 2018 ○ Replacement of boilers completed at the end of 2018. Power consumption reduced from 5 x 12MW to 3 x 5.5MW
<p><i>Actual reductions achieved in certification period (01/01/2019-31/12/2019) compared to baseline period for neutrality programme (01/01/2018-31/12/2018)</i></p>	<p>The market-based footprint in the baseline period amounted to 17,482 tCO₂e. As part of the targets set for BML ongoing neutrality programme, reductions of 4,343.6 tCO₂e were achieved during the period 01/01/2019-31/12/2019, lowering the market-based footprint to 13,138.4 tCO₂e. These reductions were primarily driven by internal reductions, procurement of ReGo certified renewable electricity and procurement of RGGO certified Green Gas.</p>
<p><i>If the entity has made offsets and achieved carbon neutrality to-date, a description of these offsets should be provided here. Information should include:</i></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>BML offset all the GHG emissions of its footprint, calculated via a market-based approach. During the period this amounted to 13,138.4 tCO₂.</p> <ul style="list-style-type: none"> ○ In total, 13,500 carbon credits relating to the period will be offset ○ The nominated project for the carbon credits is as follows: https://katinganproject.com/ ○ 100% of these carbon credits were verified to the Voluntary Carbon Standard and were retired in NYSE Blue VCS Registry, which can be found here: https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=121187
<p><i>The offset strategy to be adopted to meet the achievement to carbon neutrality element of PAS 2060. This should include:</i></p>	<ul style="list-style-type: none"> ● VW Group hold a portfolio of Carbon Instruments in excess of the Bentley’s requirement for the period.

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<ul style="list-style-type: none"> • <i>An estimate of the quantity of GHG emissions to be offset;</i> • <i>The nature of the offsets;</i> • <i>The likely number and type of credits.</i> 	<ul style="list-style-type: none"> • VW Group manage this portfolio on behalf of Bentley • Bentley advise VW Group on the volume of carbon instruments that need to be retired to cover the operational emissions for that period • Carbon Instruments relating to the application period 1st January 2019 - 31st December 2019 will be retired in November 2020
<p><i>Statement on the fact that PAS 2060 certification has been provided by a third-party verifier.</i></p> <p><i>What type of conformity assessment has been undertaken?</i></p>	<p>Independent 3rd Party Certification</p>

Section 6: Offsets

The table below sets out the offsets purchased.

Project name	Country	Technology	Standard	Reference No and link to registry	Volume (tCO2e)
Katingan Project	Malaysia	Agriculture Forestry and Other Land Use	VCS	Serial No.: 8789-45896015-45909514-VCS-VCU-263-VER-ID-14-1477-01012018-31122018-0 Registry: https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=121187	13,500
Total tonnes offset					13,500



Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 02 Nov 2020, 13,500 Verified Carbon Units (VCUs) were retired on behalf of:

Bentley Motors Ltd.

Project name:

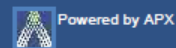
Katingan Peatland Restoration and Conservation Project

VCU serial number:

8789-45896015-45909514-VCS-VCU-263-VER-ID-14-1477-01012018-31122018-0

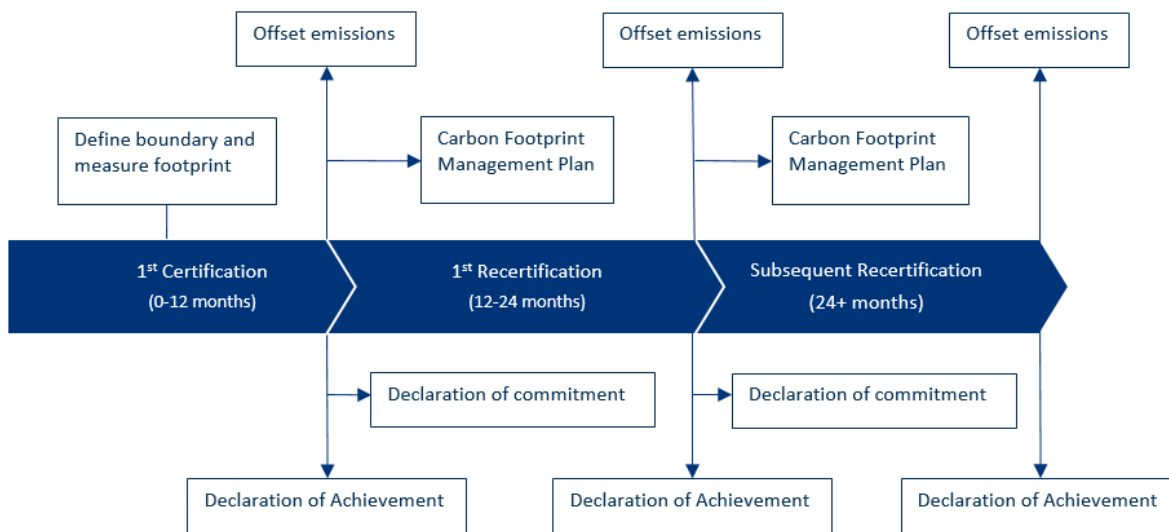
Additional Certifications:

Additional details on this retirement can be found on the Verra Registry.



Annex: Additional information

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*”.

Figure 2: PAS 2060 Accepted methodologies.

Annex C (informative) Standards and methodologies that can be presumed to meet the principles of this PAS

Table C.1 – Examples of documents providing methodologies appropriate for use in the quantification and reduction of GHG emissions

Application	Standards and codes
Organizations	BS EN ISO 14064-1, Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
	WBCSD/WRI GHG Protocol, Corporate Accounting and Reporting Standard
	UK Govt Environmental Reporting Guidelines
Products and Services	Publicly Available Specification – PAS 2050 Specification for the assessment of the life cycle greenhouse gas emissions of goods and services
	ISO/TS 14067, Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification and communication*
	WBCSD/WRI GHG Protocol, Product lifecycle accounting and reporting standard
Landuse	UNFCCC Good practice guide for landuse, landuse change and forestry
Projects	BS EN ISO 14064-2, Greenhouse gases – Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements

NOTE 1 The entry identified* as an ISO/TS cannot be used to support certification.

NOTE 2 Attention is drawn to the fact that legislation applicable at any particular location could impose requirements to use other methodologies. Similarly, there may be nationally relevant guidelines based upon international standards that entities need to follow. It is the responsibility of the entity applying this PAS to check for any applicable legislation or national guidelines.

Source: Carbon Trust. Adapted from “BSI - PAS 2060:2014: Specification for the demonstration of carbon neutrality