



Verification Report

Altaterra



06/08/2021

Executive Summary

This project covers the verification of the emissions from anthropogenic sources of greenhouse gases, included within the organisation's boundary and meeting the requirements set out in ISO 14064-3: *Specification with guidance for the validation and verification of greenhouse gas assertions*.

- Organisational boundary: All global sites and operations
- Control approach: Operational Control
- Reporting periods: 01/01/2019 - 31/12/2019 and 01/01/2020 - 31/12/2020
- GHG sources included:
 - Scope 1 - Direct Greenhouse Gas Emissions
 - Scope 2 - Electricity Indirect Greenhouse Gas Emissions

Based on the work we have undertaken and the evidence provided by Altaterra, nothing has come to our attention that leads us to believe that the organisation's footprint has not been properly prepared, in all material respects. This is in accordance with the criteria defined in the GHG Protocol.

2019 Footprint:

The total verified footprint was 428 tCO₂e, according to the location-based method and 443 tCO₂e, according to the market-based method. The breakdown by scope is:

- Scope 1: 375.26 tCO₂e
- Scope 2 (location-based): 53.28 tCO₂e
- Scope 2 (market-based): 68.18 tCO₂e

2020 Footprint:

The total verified footprint was 223 tCO₂e, according to the location-based method and 232 tCO₂e, according to the market-based method. The breakdown by scope is:

- Scope 1: 182.21 tCO₂e
- Scope 2 (location-based): 41.24 tCO₂e
- Scope 2 (market-based): 50.05 tCO₂e

During this project, the verification team identified several different recommendations that Altaterra should act upon. More details about these can be found under the Conclusions section of this report.



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Project Summary

Project name	Altaterra - ISO 14064-3 Footprint Verification - 2019 and 2020
Client	Altaterra
Reporting criteria	GHG Protocol
Verification criteria	ISO 14064-3: Specification with guidance for the validation and verification of greenhouse gas assertions
Verification period	01/01/2019 - 31/12/2020
Level of assurance	Limited
Communication channel	GHG Report
Organisational boundary	All global sites and operations
Control approach	Operational Control
Operational boundary	Scope 1 - Direct Greenhouse Gas Emissions Scope 2 - Electricity Indirect Greenhouse Gas Emissions
Excluded emissions (if applicable)	None
Materiality	5% materiality threshold per scope or source when reported separately



Project Team

Verification team

Lead Auditor Martin Hockaday

Peer Reviewer Francesca Messeri

Client's team

Main Contact Danielle King

Other team members Attila Groman

Footprint Analysis

The total carbon footprint of Altaterra's operations from 01/01/2019 - 31/12/2020 amounted to 652 tCO₂e, according to the location-based method and 676 tCO₂e, according to the market-based method. This footprint includes the following:

- Scope 1 - Direct Greenhouse Gas Emissions
- Scope 2 - Electricity Indirect Greenhouse Gas Emissions

Footprint breakdown

The graphs below show how the organisation's footprint is broken down by scope and by emissions source. The only contributor to Scope 2 emissions is Electricity so no breakdown is presented.

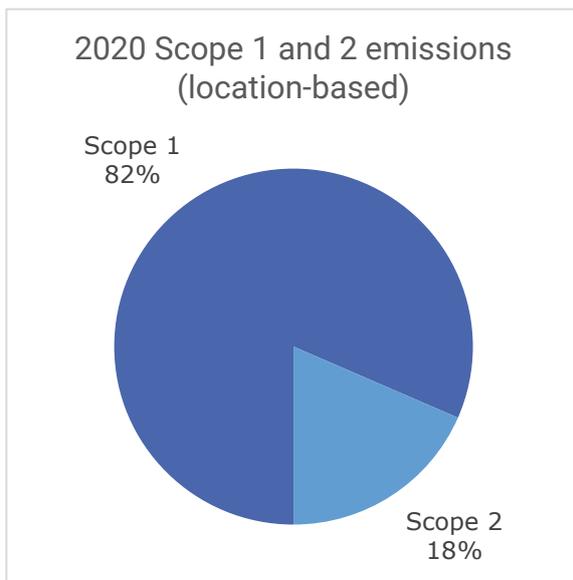


Figure 1. Total 2020 footprint broken down by scope (location-based).

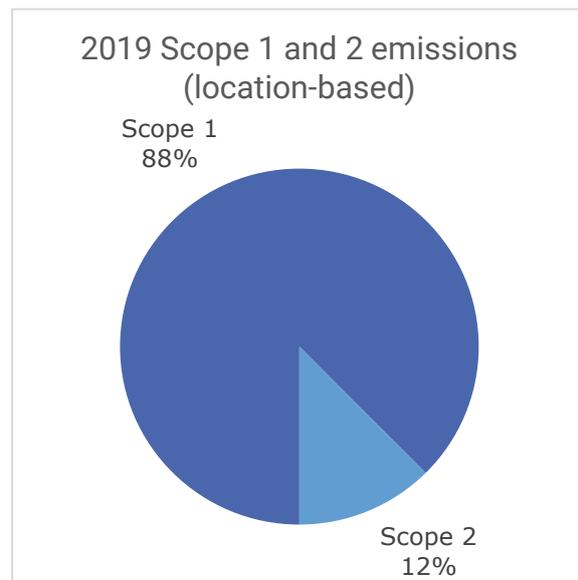


Figure 2. Total 2019 footprint broken down by scope (location-based).

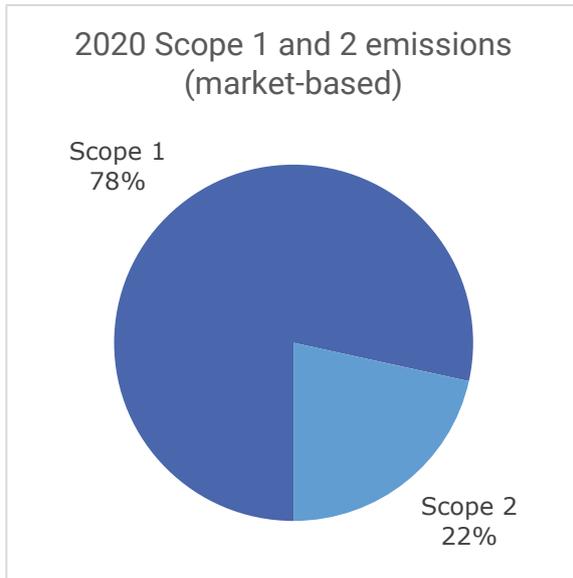


Figure 3. Total 2020 footprint broken down by scope (market-based).

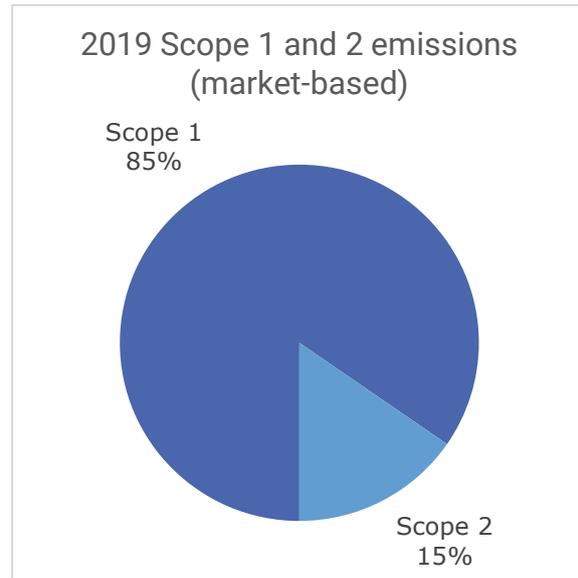


Figure 4. Total 2020 footprint broken down by scope (market-based).

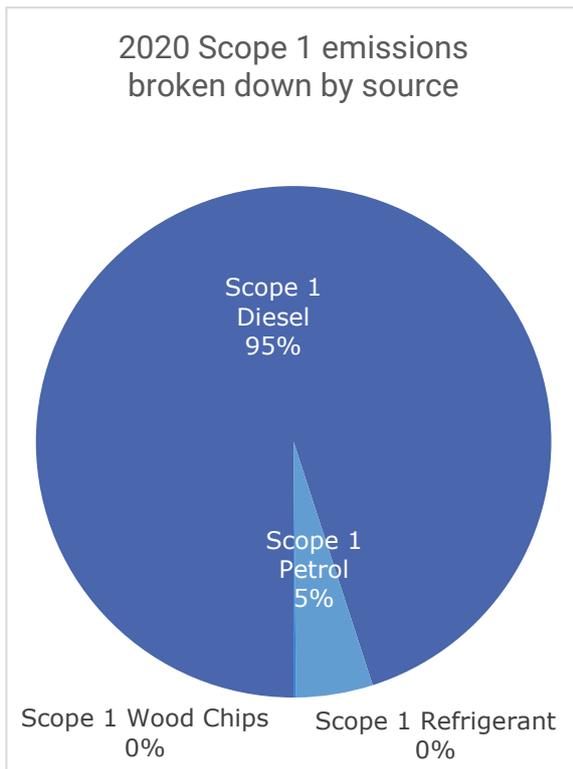


Figure 5. 2020 Scope 1 emissions, broken down by source.

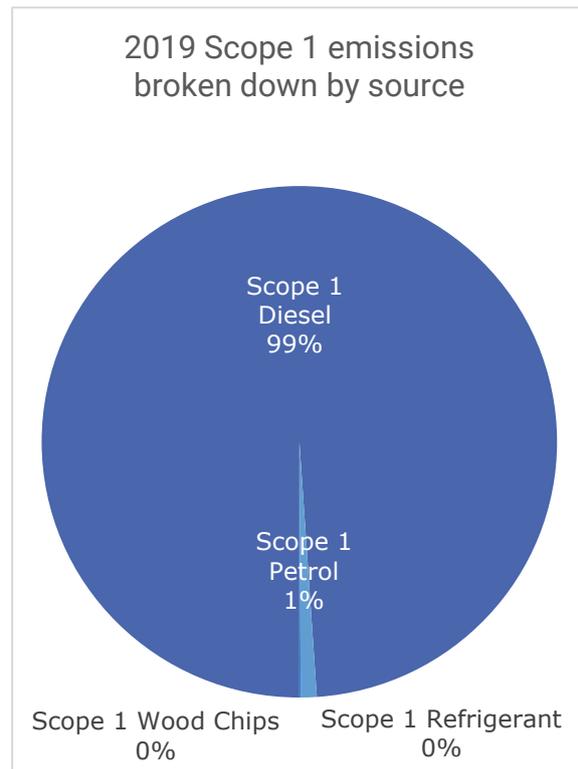


Figure 6. 2019 Scope 1 emissions, broken down by source.

The largest part of Altaterra’s footprint results from Scope 1 emissions, which constitute (based on the combined 2020 and 2019 footprint) 86% of the total footprint, according to the location-based method and 83%, according to the market-based method. Within this category, the main contributor, making up 98% of the Scope 1 footprint, is diesel.

Scope 2 emissions amounted to 14% of the footprint (based on the combined 2020 and 2019 footprint), according to the location-based method, and 17% of the footprint, according to the market-based method.

Footprint breakdown by scope and source

The graphs below show the breakdown of total footprint by scope and source. The largest contributor (based on the combined 2020 and 2019 footprint) is diesel (83%), followed by electricity from grid (14%), according to the location-based method. For the market-based method, the largest contributor is diesel (81%), followed by electricity from grid (17%).

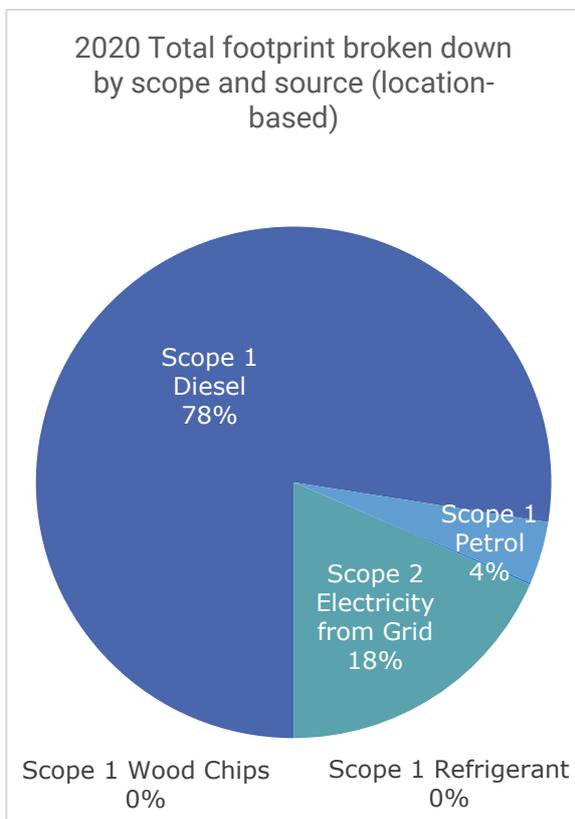


Figure 7. Total 2020 footprint broken down by scope and source (location-based).

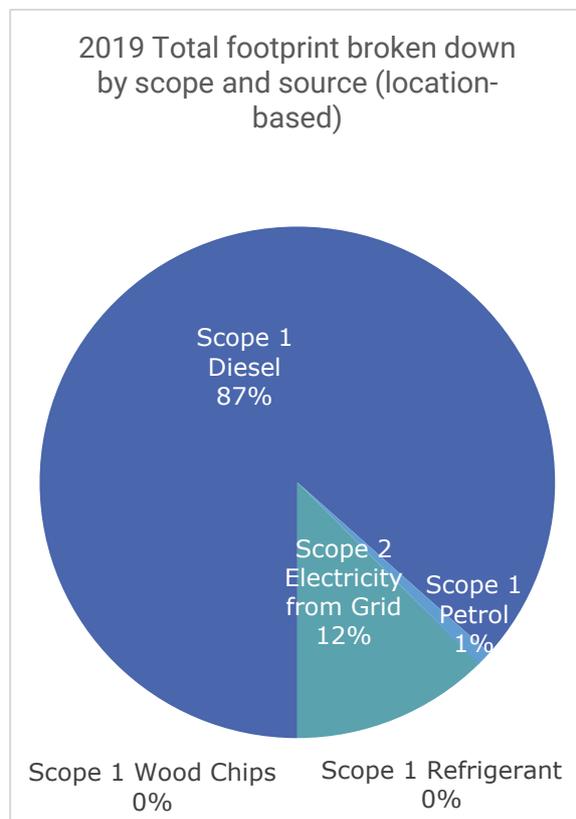


Figure 8. Total 2020 footprint broken down by scope and source (location-based).

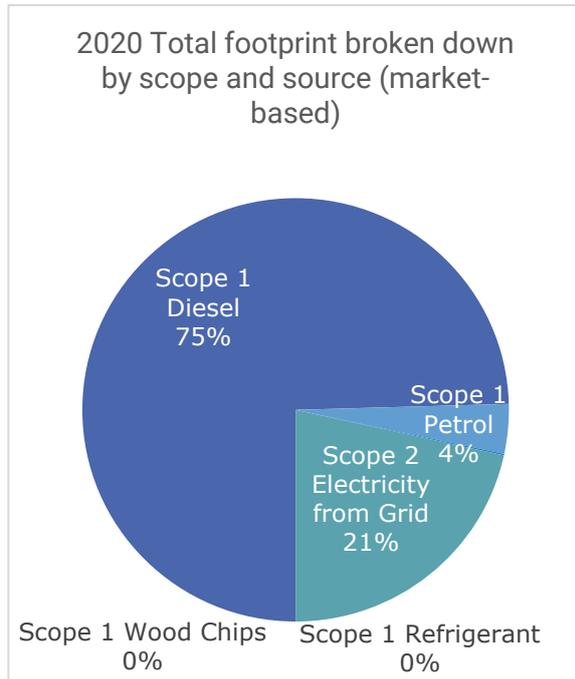


Figure 9. Total 2020 footprint broken down by scope and source (market-based).

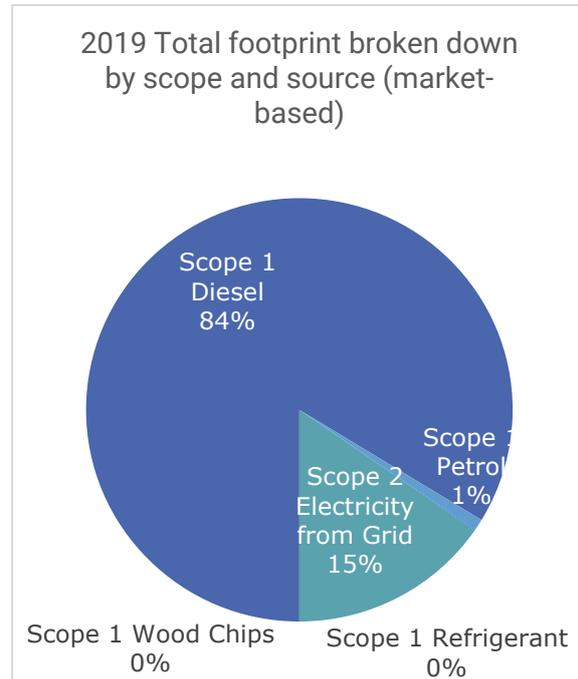


Figure 10. Total 2020 footprint broken down by scope and source (market-based).

Data quality analysis

An important step to calculate a verifiable footprint, is the access to data of good quality, preferably deriving from primary sources. Table 1 presents the data source, for each source of emissions.

Table 1. Data quality evaluation by emissions source

Scope & Source	Data Source	Data Quality
Scope 1		
Premises		
Wood Chips	Information regarding consumption provided by Velux.	Adequate data quality
Refrigerant	Records provided by servicing and maintenance contractors confirming no refrigerant leaks.	Adequate data quality
Vehicles		
Diesel	Data (litres) are obtained from fuel report spread sheets provided by Lease Plan. These are supported by fuel receipts, etc.	Good data quality

Petrol	Data (litres) are obtained from fuel report spread sheets provided by Lease Plan. These are supported by fuel receipts, etc.	Good data quality
Scope 2		
Premises		
Electricity from Grid	Evidence provided by landlords regarding electricity consumption	Adequate data quality



Site Visit

Location	N/A (Remote Interview)
Address	N/A
Date	18/05/2021
Auditor(s)	Martin Hockaday
Client members interviewed	Danielle King

Summary of the site visit

Owing to the COVID-19 pandemic a site visit was not deemed necessary as per the requirements of ISO 14064-3. However, discussions with Altaterra company representative - Danielle King - took place regarding data collection, data management and internal quality assurance processes.

Fuel card reports are provided by Lease Plan in each country where they have a sales team. The organisation has one contract covering multiple countries. The contract covers long term leased cars, which the organisation is provided with for a number of years up to a certain mileage. Lease Plan data is an extract from a Lease Plan system, which is received from them in spread sheets. In Germany, however, there is only one sales manager and as such this is managed as part of Velux's lease instead.

It was confirmed that they do also retain copies of every fuel invoice that have been scanned which could be used to for doing data validation spot checks in the future.

The electricity consumption report is provided by Velux for re-invoicing purposes. Data for this is provided by sub-meter.

It was confirmed that there is no natural gas consumption by the organisation - heating and hot water are provided by biomass for the Head Office, and electric for the other two sites.

It was confirmed that there are no on-site generators, etc.

It was advised that the organisation has been acting more independently of Velux recently with regards to their sustainability aims, but when looking at Scope 3 they will need to take a joined-up approach (as they will form part of each other's footprint)."

Materiality Assessment

The verification team created a sampling plan in order to provide limited assurance for the verification. This sampling plan was based on a Risk Assessment, which evaluated each emissions source against its contribution to the footprint, the quality of the data, the data collection and monitoring processes, as well as their effectiveness.

As seen in the Footprint breakdown section above, according to the location-based method, diesel is the largest contributor to the total footprint, constituting 83%. The next largest contributor is electricity from grid, which constitutes 14% of the total footprint.

As per the Footprint breakdown section above, according to the market-based method, diesel is the largest contributor to the total footprint, constituting 81%. The next largest contributor is electricity from grid, which constitutes 17% of the total footprint.

Table 2. Risk Assessment

Scope & Source	2020 Footprint		2019 Footprint		Risk: High, Medium, Low
	Value (tCO ₂ e)	% of total footprint	Value (tCO ₂ e)	% of total footprint	
Scope 1					
Premises					
Wood Chips	0.27	0.1%	0.31	0.1%	LOW - misstatement will not impact the footprint in a material way
Refrigerant	0.00	0.0%	0.00	0.0%	LOW - misstatement will not impact the footprint in a material way
Vehicles					
Diesel	173.16	77.5%	371.21	86.6%	HIGH – Any errors in data collection and aggregation could lead to a material misstatement
Petrol	8.78	3.9%	3.75	0.9%	LOW - misstatement will not impact the footprint in a material way
Scope 2					
Premises					
Electricity from Grid	41.24	18.5%	53.28	12.4%	MEDIUM - misstatement could have the potential to impact materiality

The sampling plan is shown in the table below.

Table 3. Sites included in the sampling

Scope	Site	Emissions source(s)
1	All	Vehicle Fuel (Company Cars)
2	All	Electricity

The sampling plan remained unchanged during the verification process as a large part of the non-conformities were closed by updating the calculations according to the auditor's feedback, by presenting the requested evidence, or by presenting additional evidence to confirm the numbers reported.

Assessment findings log

This section provides the details of all assessment findings that have been raised and (where appropriate) closed during the verification process.

Assessment findings are accordance to three types of classification, as follows:

- **Corrective Action Requests (CAR)** when we have identified an issue with your data or analysis that needs action on your part to be corrected.
- **Clarification Requests (CL)** when we need further information to evaluate the correctness/completeness of your data and calculation.
- **Opportunity for Improvement (OFI)** when we identify an opportunity for you to improve your data collection processes or calculation.

Corrective Action Requests are further graded based on the severity of the nonconformity that they represent:

- **Minor non-conformities** are expected to have a small impact in the results of the footprint (<1% impact)
- **Major non-conformities** are expected to have a significant impact in the results of the footprint (>1% impact). All of these issues should be resolved by the end of the Verification Process.

Corrective action requests log

Reference	Scope	Emissions source	Reference file	Finding	Severity	Clarification/Action taken	Status	Date opened	Date closed
CAR 0.1	Scope 1	Heating (Bio Mass)	N/A	It has been confirmed (see CL 0.1) that heating and hot water at the HQ is provided via bio mass (wood chip) combustion. This needs to be included in the footprint.	Minor	Wood Chip data provided and included in the footprint.	Closed	01/06/2021	05/07/2021

Clarification requests log

Reference	Scope	Emissions source	Reference file	Finding	Clarification/Action taken	Status	Date opened	Date closed
CL 0.1	Scope 1	Heating	N/A	Please could you confirm how heating and hot water are provided at your sites. If this is provided from landlord controlled plant we may need to review whether it should be included as a scope 2 emission.	Central heating and hot water (in HQ) are NOT electric based. Altaterra receives the heating water from Velux and then DHW is prepared locally in an indirect hot water tank. (Heating water is prepared by using wood chips boilers in Velux factory).	Closed	21/05/2021	01/06/2021
CL 0.2	Scope 2	Electricity	N/A	Please could you confirm how Velux calculate the kWh of electricity that they recharge you for – e.g. is this apportioned on a square foot basis or is the supply sub-metered?	It is based on a sub meter.	Closed	21/05/2021	01/06/2021
CL 0.3	Scope 1	Fuel	N/A	We have checked the records from the recent Velux carbon footprint verification and cannot find any data relating to your German sales manager, Florian Hunt. As this hasn't been included in their footprint it probably should be included in yours. Are you able to obtain the data for this?	Data for Florian Hundt provided in data collection spreadsheet and the distance records in the Fuel Consumption – Germany folder	Closed	21/05/2021	21/05/2021



Opportunities for improvement log

Reference	Scope	Emissions source	Reference file	Finding	Status	Date opened	Date closed
OFI 0.1	Scope 2	Electricity	N/A	The organisation may benefit from requesting further (e.g. more granular) data regarding electricity consumption from their landlords, etc. For example, monthly (or more frequent) submeter data where possible.	Open	21/05/2021	

Conclusions

Based on the work undertaken and the evidence provided by Altaterra, it was confirmed with Limited Assurance that nothing has come to our attention that leads us to believe that the organisation's CO₂e emissions have not been properly prepared, in all material respects, in accordance with the criteria defined in the GHG Protocol.

2019 Footprint:

The total verified footprint was 428 tCO₂e, according to the location-based method and 443 tCO₂e, according to the market-based method. The breakdown by scope is:

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Recommendations

The following recommendations have been identified from the suspended Corrective Action Requests, Clarification Requests and Opportunities for Improvement listed above. These should be acted upon and/or resolved by the time of the next GHG emissions verification audit.

Reference	Scope	Recommendation
R1	Scope 2	The organisation may benefit from requesting further (e.g. more granular) data regarding electricity consumption from their landlords, etc. For example, monthly (or more frequent) submeter data where possible.