

CARBON NEUTRALITY REPORT 2018 OF YETI AIRLINES PVT. LTD.



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Yeti Airlines

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FOREWORD

Corporate sustainability starts with enacting a company's value system and principles-based approach to doing business by upholding basic responsibilities to people and the planet. Globally, companies are taking leadership in showing unprecedented interest to help achieve sustainable development goals, for long-term prosperity by integrating strategies for economic success, environmental quality, and social equity.

In a bid to contribute to the sustainable development efforts, Yeti Airlines over the last decade has been active in supporting social and environmental projects within the country through social initiative programs. Yeti Airlines undertook Yeti Green reforestation project, Green Far west project, Everest Clean Up campaign and other causes.

To continue our journey to become a carbon neutral airline, in 2017, Yeti Airlines adopted UN wide **Greening the Blue** initiatives in partnership with United Nations Development Programme (UNDP) in Nepal to understand carbon emissions and prepare emission reduction and carbon offsetting plans. As a result, Yeti Airlines has been using carbon footprint calculation tools to assess its annual carbon emissions from its aircraft, vehicles and facilities operation.

Yeti Airlines has upgraded its fleet with more fuel-efficient aircraft. As there is no viable alternative to carbon-based aircraft fuel for the aviation sector yet, for this Yeti Airlines purchased credible and certified offsets from United Nations Framework Convention on Climate Change (UNFCCC) Climate Neutral Now Platform to offset 100 % of emissions from its 2018 business operation.

Yeti Airlines is constantly looking for ways where we can operate more sustainably; contributing to adaptation or mitigation projects in Nepal, optimizing its aircraft feet and operations, introducing electric buses, actively managing flight loads, implementing paperless ticketing, waste management, water conservation etc. These efforts will contribute to the Government of Nepal voluntary commitments made with International Civil Aviation Organization (ICAO) as well as our leadership in sustainability issues.

We look forward to joining in our sustainable aviation initiatives and hope this will inspire you to take lead in corporate sustainability in your sector.



Umesh Chandra Rai

Chief Executive Officer



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Letter of Appreciation

In cooperation with UNDP Nepal, Yeti Airlines replicated the UN 'Greening the Blue' approach to achieve carbon neutrality in its operations. Following the UN-wide Greenhouse Gas Emissions calculation methodology, Yeti Airlines calculated total Greenhouse Gas emissions associated with its 2018 flights, buildings and vehicle operations totalling 19,665 metric tonnes of CO₂e and procured Certified Emission Reductions via UNFCCC's Climate Neutral Now Platform. In addition, Yeti Airlines identified and took steps to reducing its climate footprint including upgrading to fuel-efficient aircrafts.

With this action, Yeti Airlines sets an aviation industry example for incorporating climate impact responsibility into its operations. UNDP welcomes Yeti Airlines leadership in sustainability management and in supporting the Sustainable Development Goals.

A handwritten signature in black ink that reads "Andrew Hudson".

Andrew Hudson
Green Team Leader and Principal Technical Advisor
United Nations Development Programme
New York

Acronyms

ATR	Avions de Transport Regional
CERs	Certified Emission Reductions
CDM	Clean Development Mechanism
CH ₄	Methane
CO ₂ e	Carbon di-oxide equivalent
CAAN	Civil Aviation Authority in Nepal
GHGs	Green House Gases
HFCs	Hydro-fluro carbons
ICAO	International Civil Aviation Organization
IPCC	Inter -Governmental Panel on Climate Change
J-41	Jetstream 41
NO _x	Nitrous Oxide
PFCs	Per-fluorinated compounds
SDGs	Sustainable Development Goals
SO ₂	Sulphur di-oxide
SF ₆	Sulphur hexa-fluoride
UNFCCC	United Nations Framework Convention on Climate Change

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1 INTRODUCTION

Yeti Airlines is a pioneer airliner in Nepalese domestic market. In partnership with United Nations Development Programme (UNDP) to help meet the Sustainable Development Goals (SDGs), the organization aims to protect the environment and blaze a trail towards a new sustainable vision for the aviation sector in Nepal.

Yeti Airlines has adopted the United Nation's (UN) four-step approach (*Measure, Reduce, Offset and Report*) to carbon neutrality as implemented by the UN **"Greening the Blue"** initiative. In 2017, Yeti Airlines in partnership with UNDP (Nepal) initiated assessing carbon emissions resulting from Yeti Airlines operations as well as prepare emission reduction and carbon offsetting plans in Nepal.

This report is based on the original 2017 GHG inventory completed for Yeti Airlines. The inventory seeks to recognise and measure those emission sources which fall under the Greenhouse Gas (GHG) Protocol of Scope 1 and Scope 2 emissions¹. Scope 3, an optional category, is measurement of any indirect emission sources has not been included for the baseline assessment of the company. This inventory has allowed the company to better understand the baseline carbon footprint and strategically consider options to reduce and offset carbon emissions to achieve carbon neutrality, which the company did for 2018.

Utilization of this approach enables the company to be transparent and credible while reporting with progress along the journey towards carbon neutrality.

2 BACKGROUND

Climate change has emerged as one of the most urgent and serious challenges of our time. More than a core environmental issue, climate change seriously undermines efforts to achieve the Sustainable Development Goals (SDGs). Its adverse impacts are already in evidence and are likely to disproportionately affect the most vulnerable regions.

Aviation contributes to 2% of manmade GHG emissions worldwide. As the aviation industry grows rapidly, this contribution is expected to grow further in the future. In

¹ Scope 1 emissions accounts for fuel consumption from airplanes and Scope 2 accounts for GHG emissions from the generation of purchased (grid) electricity and/or heating/cooling. The Yeti Airlines inventory management plan provide details on the scope of the assessment.

order to take action towards minimizing this share and combating climate change, the International Civil Aviation Organization (ICAO) defined two goals for the international aviation sector:²

- i. 2% annual fuel efficiency improvement by 2050; and
- ii. Carbon neutral growth from 2020 onwards.

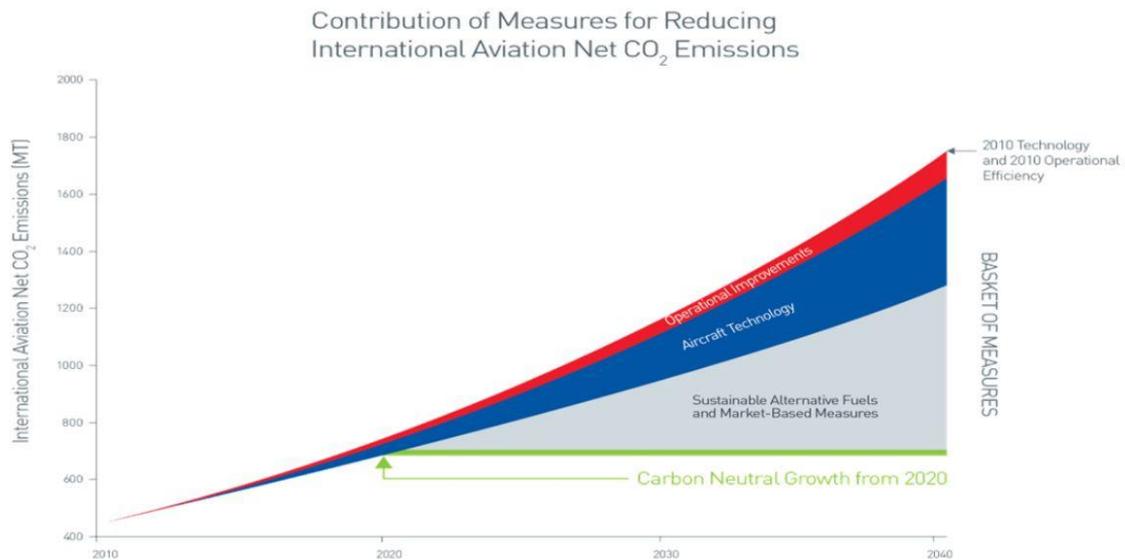


Figure 1 Contribution of measures for reducing international aviation net CO2 emissions. ³

In Nepal, the aviation industry plays a particularly important role in transportation sector. As a landlocked and mountainous country with limited road infrastructure, aviation is the main mode of long distance transport. Due to its geographic complexity, Nepal has the second highest aviation activity in the South Asian region after India with rapidly increasing passenger numbers. Furthermore, aviation plays a critical role for one of Nepal's most important sectors - Tourism.

But while aviation is needed for tourists to access the mountains and exceptional sights of Nepal, heavy pollution has led to the mountains not being clearly visible any longer. Hence while tourism depends on a reliable aviation industry, existing operations pose a risk to the vital tourism industry in Nepal. Health risks related to pollution and climate change induced disasters are likely to gain its severity and

² ICAO, "Resolution A3-19," 2013. Available: https://www.icao.int/environmental-protection/37thAssembly/A37_Res19_en.pdf

³ <https://www.icao.int/environmental-protection/Pages/Environmental-Trends.aspx>

have been specifically noted in the Nepal National Adaptation Programme of Action (NAPA)⁴ and Nepal Health Sector Program (NHSP-II).⁵

The Government of Nepal has therefore committed to implement the ICAO goals in the Nepal aviation⁶ industry by:

- i. Reviewing air routes and installing navigational aid to improve average fuel efficiency,
- ii. Building another international airport providing alternative routes in order to reduce overall air travel; and
- iii. Reducing air traffic by holding and diversion.

The UNDP Nepal supports the domestic private sector to contribute to the defined goals and to support achievement of the Sustainable Development Goals (SDGs). Yeti Airlines, which provides the largest network of flight routes in Nepal, has committed to demonstrate its leadership by taking early action towards the defined goals and achieving carbon neutrality before the 2030 goal. By committing to reducing local pollution as well as offsetting its carbon footprint, Yeti Airlines contributes to achieving several SDGs in Nepal, including in particular SDGs 3, 9, 12, 13 and 15.

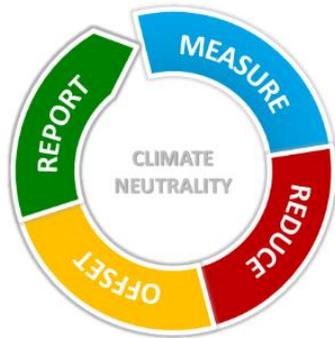


⁴ <https://www.adaptation-undp.org/resources/assessments-and-background-documents/nepal-national-adaptation-programme-action-napa>

⁵ Nepal Health Sector Program – <http://nhssp.org.np/>

⁶ CAAN, "Nepal's Action Plan on CO₂ emission reduction," 2013 - https://www.icao.int/environmental-protection/Documents/ActionPlan/Nepal_ActionPlan_CO2_En.pdf

3 APPROACH TO CARBON NEUTRALITY



Yeti Airlines follows the United Nations' (UN) approach to climate neutrality as implemented by the "[Greening the Blue](http://www.greeningtheblue.org)" initiative (www.greeningtheblue.org) and applied by over 40 UN organizations. In this context, 'Climate Neutrality' or 'Carbon Neutrality', which may be used interchangeably is characterized by the process of **monitoring**, **reducing** and eventually **offsetting** GHG emissions associated with organizations' operations. Transparent, regular public **reporting** is another important component of this approach. Adopting this approach, Yeti Airlines has established a carbon baseline which will be used to monitor progress and ultimately become *carbon neutral* through emission reductions and offsetting.

3.1 STEP 1: MEASURE

Monitoring the carbon footprint is the first step in this process. Yeti Airlines uses a GHG inventory tool⁷ to calculate the total carbon footprint in yearly basis. The total calculation can be found in later section of this report.

3.2 STEP 2: REDUCE

With aircraft being almost 100% of the company's carbon emissions, it is quite difficult to achieve a significant overall reduction. However, understanding and believing carbon neutrality cannot be achieved until steps are taken towards reducing the emissions; For example, Yeti Airlines has made strategic options to reduce emission in the coming years.

- i. Fleet and Equipment upgrades. (Jetstream-41 fleets are being replaced by more efficient ATR72-500)
- ii. Introducing more efficient flight operations
- iii. Streamlining ground procedures
- iv. Improving airport infrastructure
- v. Public awareness and staff training

⁷ Refer Yeti Airlines inventory management plan for more details about the *methodology*.

3.3 STEP 3: OFFSET

Offsetting is the process of purchasing and cancelling carbon credits in established retirement registries so that no other entity can sell or claim these credits. The retired credits therefore “offset” the effect of GHG emissions by neutralizing them. Yeti Airlines claims “carbon neutrality” by offsetting all known GHG emissions associated with its operations over a particular period and within a predefined scope. The projects selected for offsetting shall adhere to the following criteria where feasible:

- i. Credible and certified emission reduction (CERs)
- ii. Preference for those projects which contribute to multiple SDGs
- iii. Priority given to projects based in Nepal

3.4 STEP 4: REPORT

Through learning and internal capacity development with help from experts and UNDP (Nepal), the company aims to report on its initiatives publicly with complete transparency. The private sector has an important role to play in achieving a more sustainable Nepal and planet. By reporting to the public, the company openly expresses its commitments and progress.

4 YETI AIRLINES GHG EMISSION

4.1 BOUNDARIES SET

This GHG inventory encompasses the operations of Yeti Airlines. Specifically, emission sources covered in this inventory include:

1. Aircraft Operations
2. Vehicle Operations
3. Facility Operations



Aircraft operations

In 2018, Yeti Airlines operated nine aircrafts for which jet fuel usage and release of refrigerant gases (for J-41 fleets only) are relevant for the carbon footprint. The fleet consisted of six British Aerospace Jetstream 41 planes and three ATR72-500 model aircrafts. They all use Jet-A1 fuel.



Vehicle operations

The inventory includes 18 vans, 10 busses, 4 jeeps and 3 tractors operated by Yeti Airlines in year 2018 period. Fuel consumption and refrigerant gas leaks from these vehicles are relevant for the carbon footprint assessment. Petrol and Diesel are consumed as fuel.



Facility operations

Yeti Airlines operates several facilities including in particular:

- The Head Office
- Airport Offices
- Aircraft Hangar

In these facilities, grid electricity consumption and combustion of generator fuels for electricity generation as well as leakage of refrigerants from air conditioners are relevant for the carbon footprint.

All the sources listed above would be Scope 1 emissions except for grid electricity which falls into the Scope 2 category. While the company may have other indirect emissions that are not accounted for in this assessment.

Yeti Airlines operated on a fiscal year from July to June till the year 2017 for vehicles and facilities. Starting in the year 2018, all the data are reported on a calendar year basis, including air travel data.

4.2 EMISSION FOR 2018

The carbon footprint from Yeti Airline's 2018 operations is **19,665** tonnes of CO₂ equivalent (CO₂e). The aircraft operations were responsible for nearly 100% of the emissions, with vehicle and facility operations producing **14** tonnes of CO₂e and **3** tonnes of CO₂e respectively. The facility emissions are relatively low, likely because grid electricity in Nepal is mainly generated through hydropower.

The following table 1 provide a summary of the GHG emissions based on the boundaries described in section 4.1.

Table 1 Yeti Airlines GHG emission summary for year 2018. (The value mentioned is rounded off to nearest whole number.)

AIR TRAVEL	19,648 tonnes of CO ₂ e
VEHICLES	14 tonnes of CO ₂ e
FACILITIES	3 tonnes of CO ₂ e
TOTAL EMISSION	19,665 tonnes of CO ₂ e

4.3 TREND ANALYSIS OF YETI AIRLINE'S GHG EMISSION (2016-2018)

4.3.1 AIR TRAVEL EMISSION

The trend shows the carbon footprint is increasing every year for air travel (Figure 1). The carbon emissions increased by almost 24% between 2016 and 2017. However only an 8.5 % increment is seen in 2018 compared to 2017. The sharp increment of almost a quarter amount in year 2017 is due to introduction of two airplanes (ATR72-500) to the company's fleet. Between 2017 and 2018 one more plane was added to the fleet. These increases in the number of aircrafts has therefore led to higher fuel consumption. In addition, the increasing demand of air travel in Nepal has resulted in increases of total GHG emission for the company.

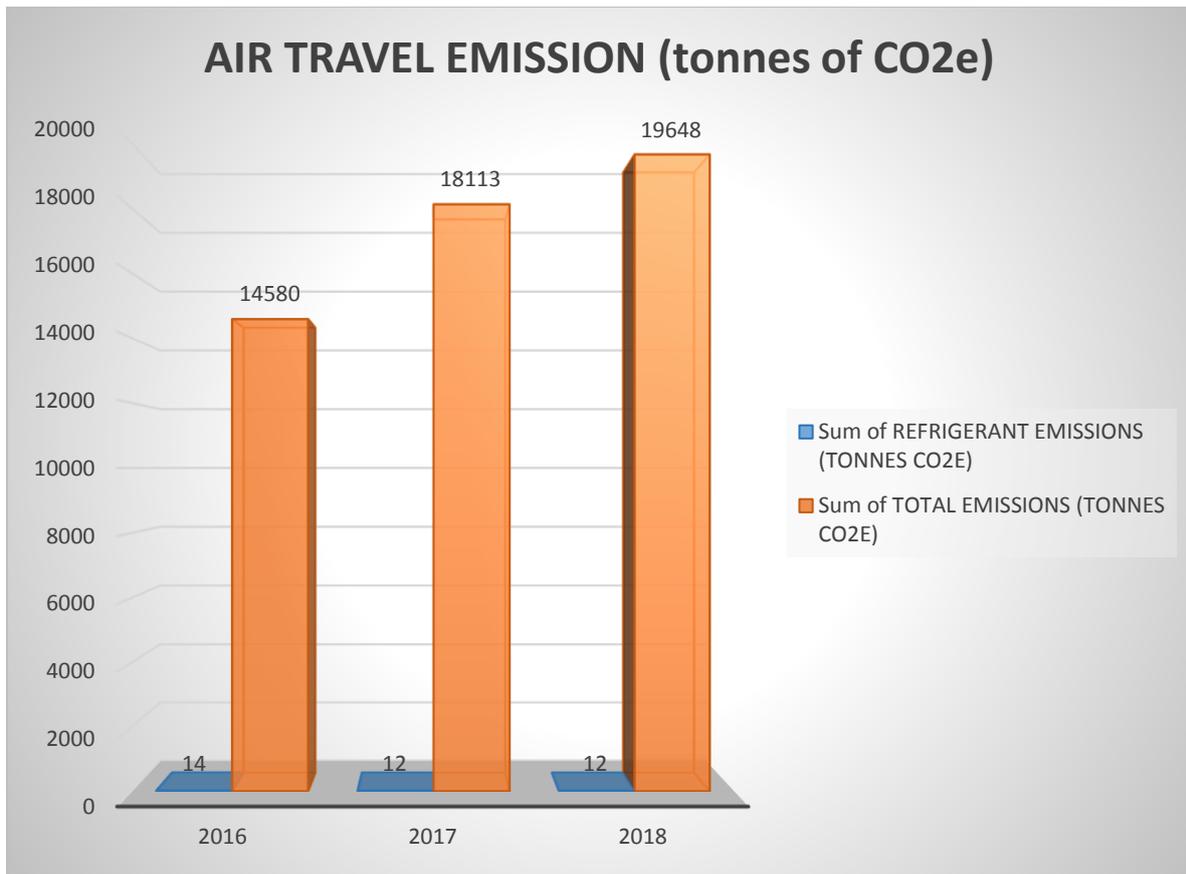


Figure 1 Comparison of Air Travel GHG emission for 3 consecutive years.

Note:

- ▶ In 2016, Yeti Airlines operated with J-41 fleet of 6 aircrafts
- ▶ In 2017, Yeti Airlines operated with J-41 fleet of 6 & ATR72-500 fleet of 2 aircrafts.
- ▶ In 2018, Yeti Airlines operated with J-41 fleet of 6 & ATR72-500 fleet of 3 aircrafts.

4.3.2 VEHICLES EMISSION

The trend shows the carbon footprint is quite similar for year 2016 and 2017. However, the carbon emission has increased drastically by almost 50 % in 2018 in comparison to 2017. The reason being the addition of more vehicles to accommodate smooth airport operations. With a growth in flights and passengers, more ground vehicles were required for the increase in ground movement.

In Year 2018, the total carbon footprint by vehicular emission is 14 tonnes of CO₂e and represents nearly 0 % of the total emissions of the company (Figure 2). Even though it may seem small compared to fuel used by aircraft, the 14 tonnes of CO₂e is almost equal to the amount of carbon sequestered by 365 trees over 10 years.

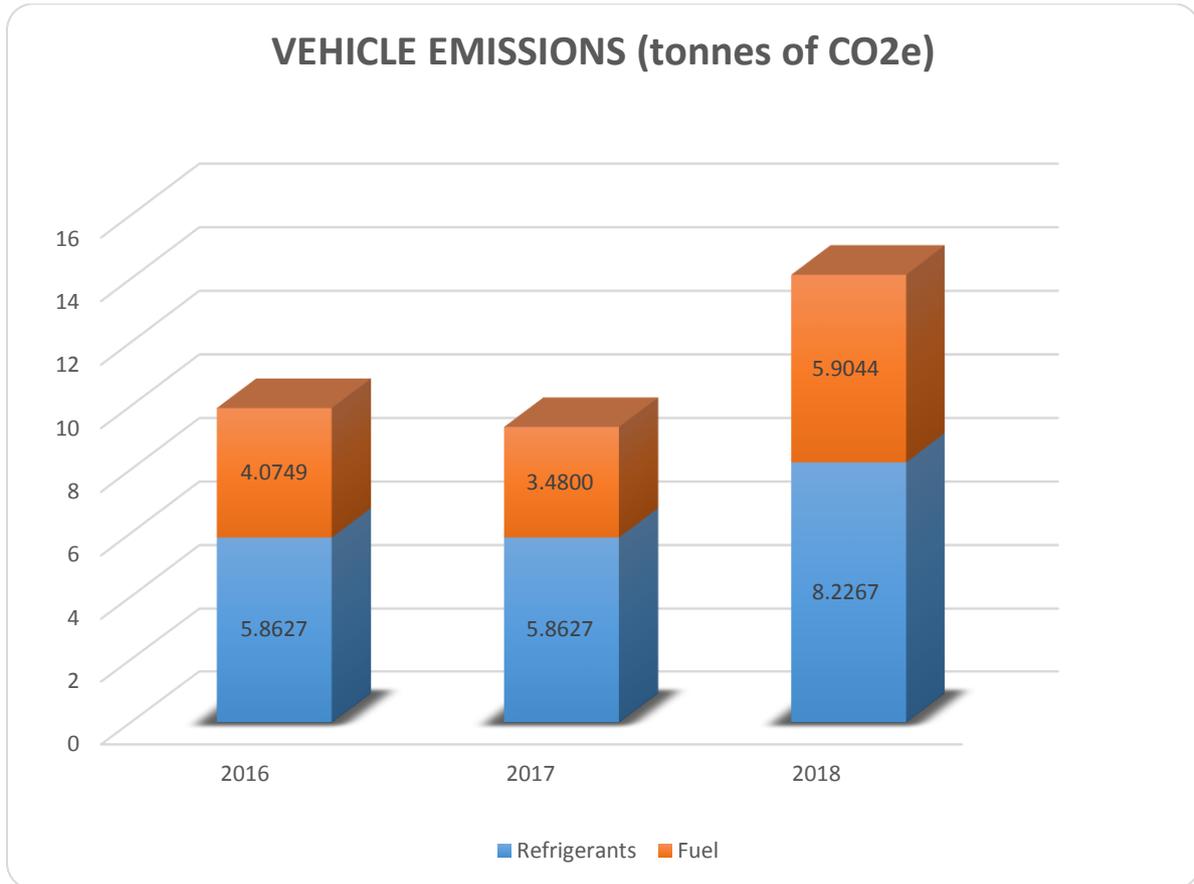


Figure 2 Comparison of Vehicle GHG emission for 3 consecutive years.

Note:

- ▶ In 2016, Yeti Airlines operated with 16 Vans, 7 Buses, 2 Jeeps and 1 Tractor.
- ▶ In 2017, Yeti Airlines operated with 16 Vans, 7 Buses, 2 Jeeps and 1 Tractor.
- ▶ In 2018, Yeti Airlines operated with 18 Vans, 10 Buses, 4 Jeeps and 3 Tractors.

4.3.3 FACILITIES EMISSION

The trend shows the carbon footprint is quite similar for all three consecutive years (Figure 3). The carbon emissions by facility are relatively low with a value of 3 tonnes of CO₂e for year 2018. This is mainly because grid electricity in Nepal is predominately generated through hydropower.

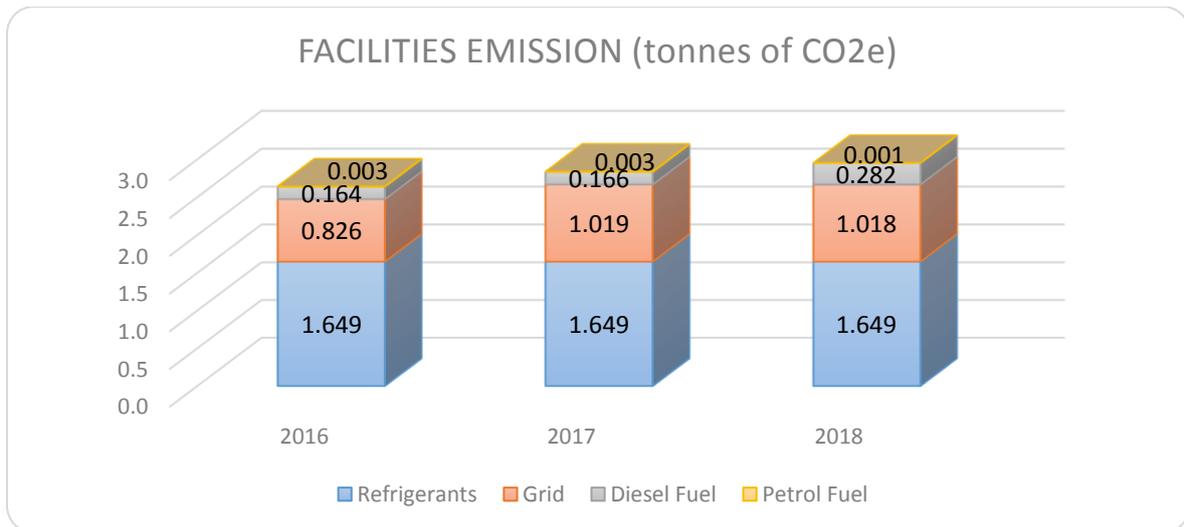


Figure 3 Comparison of Facilities GHG emission for 3 consecutive years.

4.3.4 CARBON EMISSION PER PASSENGER

Even though the total carbon emission for Yeti Airlines is increasing every year, the total carbon emission per passenger is decreasing (Figure 4). In 2017, the carbon footprint per passenger decreased by 10% while in 2018 the carbon emission decreased by 12 % per passenger. The reason is due to addition of ATR72-500 airplanes. These aircraft are quite fuel efficient compared to the J-41 and they can carry up to 72 passengers for one flight while the J-41 can carry a maximum of 30 passengers. Therefore, to carry the same number of passengers as the ATR72-500, the J-41 needs to fly twice.

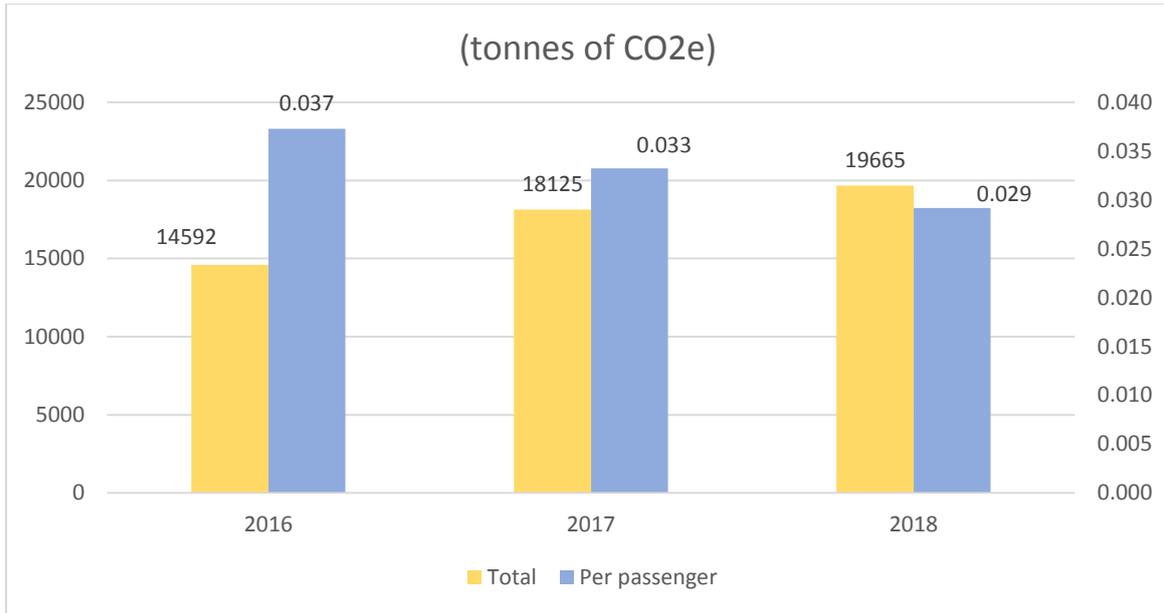


Figure 4 Comparison of carbon emission per passenger.

4.3.5 CARBON EMISSION PER KILOMETRE

Yeti Airlines' data shows the carbon emission per kilometre is decreasing (Figure 5). It decreased by almost 20% in 2018, compared to 2017. It is quite noticeable that flight numbers are increasing due to high demand of air transportation in Nepal. However, due to the addition of fuel-efficient aircrafts in the operating fleet and aircraft with higher availability of seats, the carbon footprint per kilometre is decreasing.

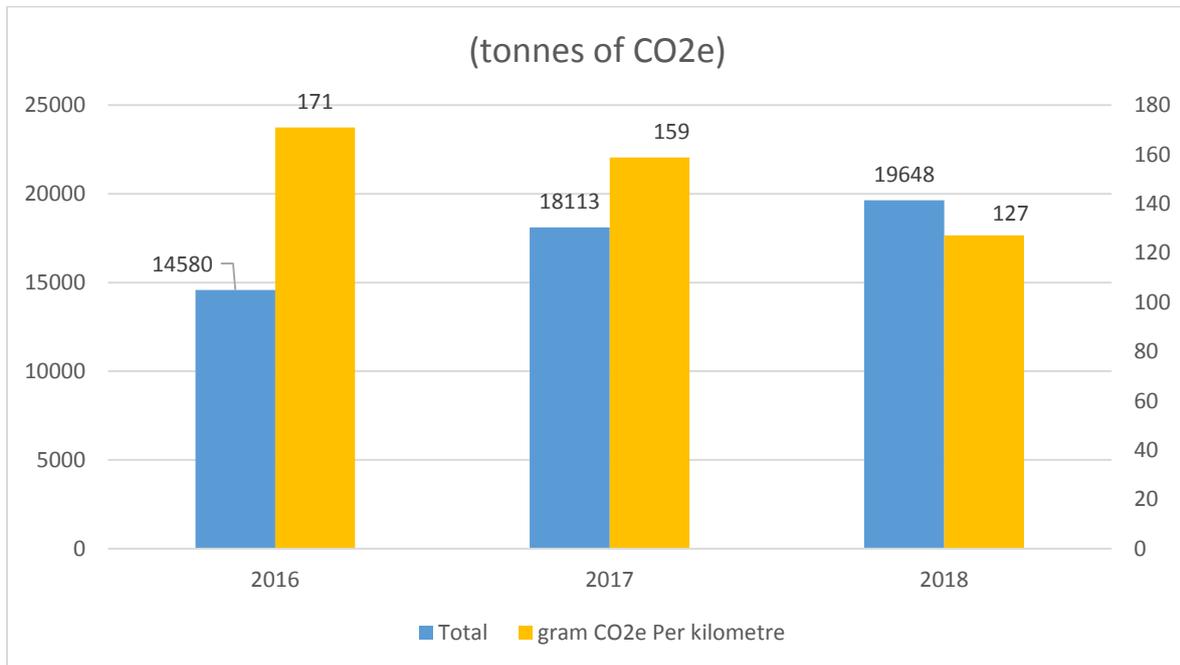


Figure 5 Comparison of carbon emission per kilometre.

4.3.6 J-41 vs. ATR72-500

The comparison between two different Yeti Airlines aircrafts shows that ATR72-500 is much more efficient compared to Jetstream 41 based on fuel consumption (Figure 6). Even though the fuel consumption rate of J-41 is 420 kg/hour and ATR72-500 is 740 kg/hour on average, the ATR72-500 beats the race in overall fuel efficiency due to availability of more space that can accommodate more passengers. Therefore, Yeti airlines is investing in buying more ATR72-500 aircrafts and phasing out the J-41. This is a major step Yeti Airlines has taken to reduce its carbon emissions.

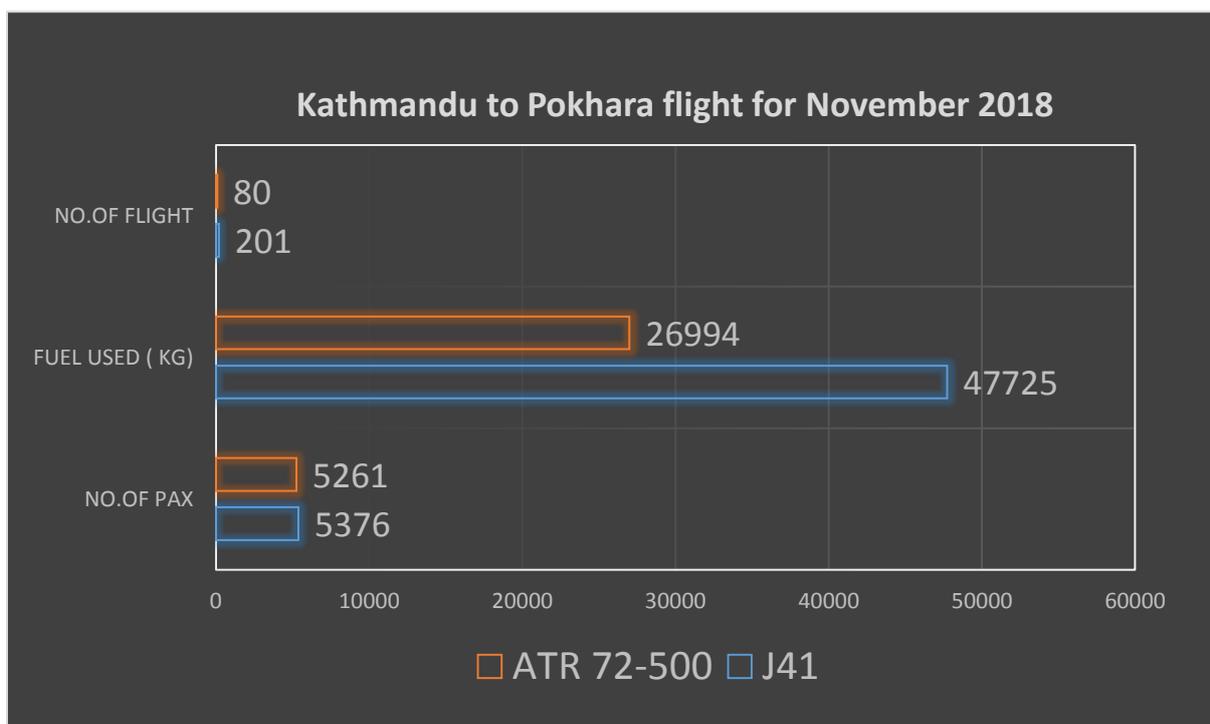


Figure 6 Comparison to show choice for increasing air transport demand.

4.3.7 EMISSION BY GHGs

The comparison of the six greenhouse gases emission (GHG) (originally covered by Kyoto Protocol) shows that Yeti Airlines operation emits higher amounts of carbon dioxide compared to other greenhouse gases emission in 2018 (Figure 7).

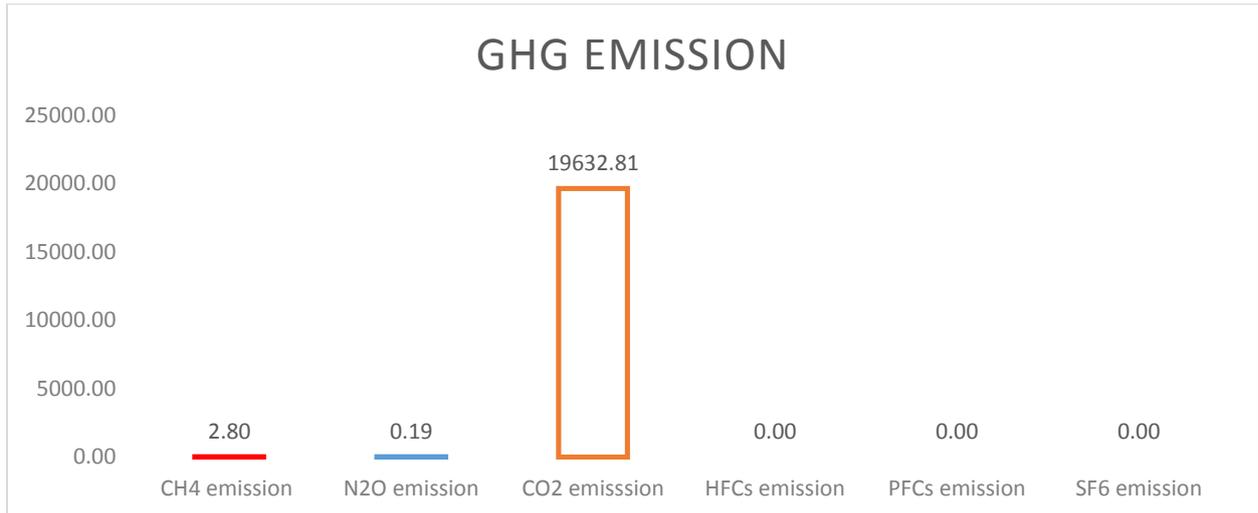


Figure 7 Comparison of six different GHGs in 2018

4.4 SUMMARY

The carbon footprint from Yeti Airlines 2018 operations is 19,665 tonnes of CO₂e. Our aircraft operations were responsible for nearly 100 % of our emissions, with our vehicle and facility operations producing only 17 tonnes of CO₂e.

Compared to the 2016 and 2017 carbon footprint, the total emissions in 2018 have increased over the years. However; in 2018 we

upgraded the Yeti Airlines fleet, adding one more ATR72-500 model that offer a 15 % increase in fuel efficiency. Also, we introduced flights to Chandragadhi and Pokhara airports with the ATR72-500 in order to fly more passengers which has increased the overall carbon footprint of the company by about 7%. While this increase of flights in 2018 resulted in a larger total carbon footprint, we reduced our CO₂e per passenger by 12% and CO₂e per kilometre flown was reduced by 20 %.

TOTAL FOOTPRINT 2018

19,665
tonnes of CO₂e

THIS IS EQUIVALENT TO

490,000 TREES
OVER 10 YEARS



	Vehicles Emission (Tonnes of CO ₂ e)	Facilities Emission (Tonnes of CO ₂ e)	Air Travel Emissions (Tonnes of CO ₂ e)	Total Emissions (Tonnes of CO ₂ e)
2016	10	2.6	14,580	14592.6
2017	9	2.8	18,113	18124.8
2018	14	3	19,648	19665

5 CARBON NEUTRALITY ROADMAP

Yeti Airlines aims to blaze a trail towards a new sustainable vision for the aviation sector in Nepal. We call on all Nepalese airlines, airports and other private sector actors working in the aviation sector to join the movement towards climate neutrality and achieving the SDGs in Nepal.

Committing to climate neutrality makes business sense. More efficient operations and improved company reputation all translate to increased revenue and more passengers that choose Yeti Airlines as their airline of choice. What's more, it makes Yeti Airlines more resilient to meet the climate challenges and adopt the new energy-efficient aviation technologies of the future.

Yeti Airlines is committed to a journey towards climate neutrality. We plan to reduce pollution and carbon emissions and offset our carbon footprint through projects that support Nepal's sustainable development.

5.1 CONSIDERATIONS FOR EMISSION REDUCTIONS

Our priority is to reduce our emissions where possible by adopting innovative ways to make our operations more efficient, aligned with best practice in the aviation sector.

We have already made progress to reduce our emissions in 2017 through fleet upgrades and reduced fuel use. Moreover, we have installed the cameras in Mountain area, Syanbochee and Lukla which has reduced the number of aborted flights. Going forward, we seek to make the greatest impact by focusing on initiatives that reduce emissions from our main source of emissions, i.e. aircraft operations. We will also seek to build private-public partnerships to make greater impact together, especially on initiatives that contribute to the achievement of three targets set out by the Government of Nepal in the 2013 Action Plan on CO₂ Emission Reduction.

Options to consider

aligned with best industry practice

- Examine takeoff, ascent and landing operations for feasibility to adopt angle of angle of ascent adjustments & tailored arrival
- Training and education initiatives for more efficient piloting of aircraft
- Use pushback vehicles, possibly electric, for taxiing
- Explore light-weight materials & packaging for in-flight equipment
- Monitor passenger demand patterns to ensure flights continue to be full as possible (Yeti achieved over 90% occupancy during 2017 and 93% in 2018)

OUR PLANS & PRIORITIES FOR REDUCING EMISSIONS

A range of plans and options to consider exist for Yeti Airlines to reduce our carbon footprint.



Fleet & Equipment Upgrades - We plan to replace our 6 Jetstream-41 aircraft with the more fuel-efficient (15%) ATR aircraft over the next 5 years.



More Efficient Flight Operations

We plan to consider several options to make our flight operations more efficient, both in the air and on the ground.

- ✓ In collaboration with the Civil Aviation Authority of Nepal (CAAN) and other airlines, we will seek to improve Air Traffic Control (ATC) to reduce holding times both on the ground and in the air.
- ✓ Ensure pilots use the entire runway for take-off and landing to reduce unnecessary thrust and fuel consumption and explore the feasibility of extending runways.
- ✓ Explore the feasibility of one-engine taxiing, in alignment with aircraft and safety standards.
- ✓ Identify areas for increased efficiency in aircraft cleaning, baggage handling, boarding and related operations to reduce the time aircraft is sitting idle at the gate.
- ✓ Explore the feasibility of building a small aircraft airfield to reduce congestion at Tribhuvan International Airport, in partnership with CAAN and co-financing from other airlines.
- ✓ Make constant use of installed camera in remote airports to monitor the en-route weather, to avoid number of flights that return due to weather.
- ✓ Training and education initiatives for more efficient piloting of aircraft.



We will also consider quick and effective ways to reduce emissions from our vehicle and facility operations (e.g. Installing small solar photovoltaic systems to reduce or replace generator use or purchasing electric or hybrid vehicles for the ground fleet or energy efficient appliances). While 17 tonnes of CO₂e for 2017 may seem small in comparison in comparison to our air travel, it is equal to the amount of carbon sequestered by nearly 425 trees over 10 years.

5.2 OFFSETTING

The airline industry remains dependent on fossil fuels and until feasible technological replacements emerge, Yeti Airlines seeks to offset any unavoidable emissions through carefully selected projects from credible and certified sources. A wide range of carbon credits are available, varying in price, credibility, applied technologies, geographic distribution and other factors.

What is offsetting?

A carbon credit (CO₂e) is a virtual tradable commodity that represents the GHG saved by an emission reduction or removal activity. 'Offsetting' is the process of purchasing & cancelling carbon credits in established retirement registries so that no other entity can sell or claim these credits. Retired credits "offset" the effect of GHG emissions by neutralizing them.

To align with the UN Greening the Blue approach and best practice, Yeti Airlines is committed to use following criteria to purchase carbon credits as much as possible.

Credible & Certified	Sourced from Clean Development Mechanisms (CDM) projects
Based globally	Any projects that contribute to climate change mitigation efforts
SDG Contributions	Offer win-win benefits by helping to achieve important SDGs in Nepal

YETI AIRLINES CARBON NEUTRAL IN 2018

Yeti Airlines has embarked journey of carbon neutrality by purchasing offset credits equivalent to 2018 emission through UNFCCC Carbon Neutral Now platform. The total 2018 GHG emission of Yeti Airlines has been neutralised (Annex).

Carbon offset Project Yeti Supporting:

Hydropower Yeti Airlines offset portfolio consist of two hydro-electric projects called "Jorethang Loop Hydropower, Sikkim, India" and "10 MW bundled Luni-III and Luni- II hydroelectric project, Himalchal Pradesh, India". Supporting these projects are ensuring emission reductions, reduction in air borne pollutants, local employment, environment friendly road construction, and mitigate soil erosion,

SDGs Yeti Airlines has been consistently involved in contributing to achieve SDG 13 (Climate Action) by cleaning up Everest waste. Every year we collect tonnes of garbage or waste from Everest region. In 2018, about 27 tonnes of garbage were collected from Sagarmatha Region. In partnership with UNDP, Yeti Airlines is contributing to achieve several SDGs in Nepal.

In collaboration with CAAN and other domestic airlines, Yeti is seeking to explore the possibility of incorporating a **carbon tax** on domestic tickets. This money could then go towards emission reduction activities and offsetting. With even a relatively small amount per ticket, a significant impact could be made. For example, including just **USD 0.50 to each ticket** for Yeti would result in approximately **USD 275,000** in climate impact funding based on 2017 data.

5.3 REPORTING

This GHG inventory sets the baseline upon which Yeti Airlines can ensure transparent and detailed reporting, inform strategic and technical decision-making, and raise ambition in the years to come to contribute further to achieve broader sustainable development goals. We are considering following options to take forward as a part of Yeti Airlines business decision making.

- Commit to transparent reporting & public disclosure on climate neutrality
- Develop clear & consistent communications on climate neutrality
- Develop an Emission Reduction Strategy in the short (1-2 years) and long-term (5+ years).
- Expand scope to manage other environmental and social impacts
- Continue ongoing emission data and impact management by assigning roles & adopting software.
- Introduce a private carbon tax in the cost of air travel tickets to cover reduction & offsetting costs.

ANNEX: CERTIFICATE OF VOLUNTARY CANCELLATION



United Nations
Framework Convention on
Climate Change

Date: 14 March 2019
Reference: VC/0105/2019

VOLUNTARY CANCELLATION CERTIFICATE

Presented to:
CDM Project 1326: Jorethang Loop Hydroelectric Project, India

Reason for cancellation:
"Yeti Airlines Pvt. Ltd. is offsetting the total Green House Gases emitted from it's aircraft, vehicles, facilities etc. in 2018 to participate in the protection of our environment by becoming a Carbon Neutral airline. We hope to provide a clear path towards a new sustainable vision for the aviation sector in Nepal."



Number and type of units cancelled	17,158 CERs Equivalent to 17,158 tonne(s) of CO ₂
Start serial number: IN-5-233567604-2-2-0-1326 End serial number: IN-5-233584761-2-2-0-1326	The certificate is issued in accordance with the procedure for voluntary cancellation in the CDM Registry. The reason for cancellation included in this certificate is provided by the canceller.



United Nations
Framework Convention on
Climate Change

Date: 21 February 2019
Reference: VC/0088/2019

VOLUNTARY CANCELLATION CERTIFICATE

Presented to:
CDM Project 2698: 10 MW bundled Luni-III Luni-II hydroelectric projects for a grid system at Sri Sai Krishna Hydro Energies Private Limited in Kangra District, Himachal Pradesh.

Reason for cancellation:
"Yeti Airlines Pvt. Ltd. is offsetting the total Green House Gases emitted from it's aircraft, vehicles, facilities etc. in 2018 to participate in the protection of our environment by becoming a Carbon Neutral airline. We hope to provide a clear path towards a new sustainable vision for the aviation sector in Nepal."



Number and type of units cancelled	2,507 CERs Equivalent to 2,507 tonne(s) of CO ₂
Start serial number: IN-5-220841208-1-1-0-2698 End serial number: IN-5-220843714-1-1-0-2698	The certificate is issued in accordance with the procedure for voluntary cancellation in the CDM Registry. The reason for cancellation included in this certificate is provided by the canceller.