

ORGANISATIONAL AUDIT REPORT FOR:

Fusion Group Limited

Verification firm: Achilles Information Limited, Milton Park, 30 Western Ave, Milton, Abingdon OX14 4SH.

Lead Auditor: Ted Rosser

Client Contact: Lisa Shelton - Group Compliance Director

Report date: 1/02/2024

Peer Reviewed by: Glenn Cargill

AUDIT OBJECTIVES

To determine whether the organisation's GHG measurements (emissions data and calculations) and reduction(s) meet certification requirements for the Programme as detailed in the criteria and scope.

AUDIT CRITERIA AND SCOPE

The audit criteria and scope are detailed in the following table:

Criteria	ISO 14064 Part 1 2018, ISO 14064 Part 3 2019.
	Technical Requirements 3.1 & Audit and Certification Technical
	-
	-
	-
GHG program	Carbon Reduce
Audit date	27/11/2023
Base year	01/10/2022 to 30/09/2023
Reporting year	01/10/2022 to 30/09/2023
Consolidation methodology	Operational control.
Materiality threshold	5%
Emissions factor	Toitū emanage -
GHG assertion	IMR_2223_Fusion Group Limited_CR_Org.pdf
GHG statement (certification claim)	Fusion Group Limited meets the requirements of Carbon Reduce certification having measured its greenhouse gas emissions in accordance with ISO 14064 Part 1 2018 and is committed to managing and reducing its emissions in respect of its operational activities in the UK, Egypt and China but excluding the overseas sales and distribution depots.
Registered Office Address	Smekley Wood Close, Chesterfield Trading Estate, Chesterfield, Derbyshire, S41 9PZ, United Kingdom
Audit type	Initial certification (certificate issue).

VERIFIED LOCATION BASED EMISSIONS TOTALS

Emissions summary by category:	All measured emissions	Mandatory boundary	Units
Category 1: Direct emissions and removals	54.90	54.90	tCO ₂ e
Category 2: Indirect emissions from imported energy	3,443.67	3,443.67	tCO ₂ e
Category 3: Indirect emissions from transportation	362.61	362.61	tCO ₂ e
Category 4: Indirect emissions from products used by organisation	1,913.51	270.16	tCO ₂ e
Category 5: Indirect emissions associated with the use of products from the organisation	0.00	0.00	tCO ₂ e
Category 6: Indirect GHG emissions from other sources	0.00	0.00	tCO ₂ e
Total gross inventory	5,774.68	4,131.33	tCO₂e
Category 1 direct removals	0.00	0.00	tCO ₂ e
Exported renewable generation/fuel	0.00	0.00	tCO ₂ e
Purchased emission reductions	0.00	0.00	tCO ₂ e
Total net inventory	5,774.68	4,131.33	tCO₂e

LEVEL OF ASSURANCE PROVIDED

Based upon the verification undertaken, the following level of assurance is provided:

Reasonable

The above is based upon the following qualifications:

Category 4: Indirect emissions from products used by organisation", sub category "Purchased goods and services" includes the procurement of polymers only. Whilst polymer represents by far the largest carbon footprint of purchased goods and services, some of the other purchased goods and services are also significant, but are not included in the inventory.

Category 4: Indirect emissions from products used by organisation", sub category "Electricity Transmission Losses - Egypt" have not been included in the inventory as an accurate emission factor was not available. These emissions represent approximately 1% of the inventory.

MANDATORY REDUCTION PERFORMANCE

The following reductions have been made in the programme mandatory emissions categories, relative to the base year(s), using the programme 5 year rolling average methodology.

Reduction performance		
Category 1 & 2 emissions only	% reduction	Not applicable
Emissions intensity: category 1,2 & all other mandatory categories.	% reduction	Not applicable

CONCLUSION AND RECOMMENDATION

Certification to the Toitū Carbon Reduce programme is recommended.

Notes:

Verification procedures:

Verification evidence gathering procedures include:

An initial evaluation of organisational scope & boundaries, typically by interview and or desktop data review.

A sample of site visits will typically be conducted, dependent on the industrial sector.

A comprehensive range of emission sources will be taken and typically checked for classification, completeness of data, scope & boundaries, time-periods, emission factors applied, consistency or changes to methodologies, estimations used & that adequate control procedures are in place. This will also include retrace back to source data and a full recalculation of GHG emissions.

Mandatory

Refers to the specific scope & boundary or requirements of the Carbon Reduce GHG program.

Notes:

The detailed audit findings and calculations given in the Verification Plan and Working Papers associated with this audit contain proprietary verification methodologies and remain confidential.

The audit is based upon sampling and as such nonconformities may exist that have not yet been identified.

We have reviewed the company's GHG emissions inventory for the period. The inventory is based on historical information which is stated in accordance with the requirements of ISO 14064 Part 1 and the scheme Technical Requirements.

The scope of the review was limited to personnel interview, analytical review procedures applied to GHG emissions data, and review of the input of data into the emissions inventory.

A **non-conformance (NCR)** indicates that the auditor has found a non-conformance with scheme Technical Requirements (audit criteria) and requires you to take the appropriate corrective action and provide evidence of this correction within 10 working days. This may require resubmission of an updated Emissions Inventory and Management report.

A **minor non-conformance (mNCR)** which the auditor has found which is not material to the outcome of the inventory, but to which a failure to address in the preparation of future inventories could lead to a major Non-Conformance (NCR).

Observations made by your auditor are strongly advised but the actions are not required for the organisation to be recommended for certification.

Neither Toitū Envirocare nor the auditor has any interest in the organisation, other than in our capacity as assurance providers. We have not carried out any work with this business prior to this review other than conducting the previous verification

Toitū carbon programmes boundary is defined as all Category 1 and 2 emissions, Category 3 emissions associated with business travel and freight paid for by the organisation, Category 4 emissions associated with waste disposed of by the organisation, and transmissions and distribution of electricity and natural gas

Any correspondence regarding this audit report should be directed to your Lead Auditor.

A copy of this report has been provided to the nominated client contact.

This report has been prepared solely for the use of the organisation and Toitū Envirocare as part of an application for Toitū carbonreduce programme certification. It may be relied on solely by the organisation and Toitū Envirocare for that purpose only. Toitū Envirocare does not accept or assume any responsibility to any person other than the organisation in relation to the statements or findings expressed or implied in this report.

Responsibilities:

The responsible party is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria. The verifier is responsible for expressing an opinion on the GHG statement based on the verification activities undertaken.

APPENDIX 1: AUDIT FINDINGS LOG

Issued to:	Fusion Group Limited
Lead Verifier:	Ted Rosser
Date Issued	Thursday, 1 February 2024

Findings marked **RFI** (request for further information) must be replied to as soon as possible to allow the audit to progress.

Findings marked **NCR** must be corrected before audit can be closed out, unless otherwise approved by the Certification Manager.

Findings marked **mNCR** is not required to be corrected for this verification, but it must be addressed/checked for your next inventory, or it may become a NCR. You may voluntarily correct a mNCR for completeness.

Findings marked **Obs** are observations or recommendations from the verifier which may be helpful to you but do not need to be acted upon.

Corrective actions are expected to be closed out within 10 working days of the audit.

Ref #	Non-conformances & Requests for Further Information:	Status	Type	Comments / Agreed Corrective Actions/Evidence sighted to close out the issue where corrective action required.	Date due / Date closed	Ref. to audit criteria (for mNCRs & NCRs only)
TR01	Fusion to provide group structure report including subsidiaries out of scope	Closed	RFI	Structure included in IMR.	29/11/2023	
TR02	Group Operating Revenue (Millions) required by stage 2 excluding revenue of excluded subsidiaries.	Closed	RFI	Revenue provided and uploaded.	29/11/2023	
TR03	Emission factor required for Egypt electricity generation and transmission losses.	Closed	Achilles or Toitu internal action	Factors supplied by Achilles	26/10/2023	
TR04	Egypt T&D kWh should be the same as consumption	Closed	mNCR	Inventory updated	29/11/2023	
TR05	Does Fusion require an SECR report?	Closed	RFI	SECR report required.		
TR07	Fusion Group Ltd Sea, Air and Road Freight data does not align with emanage and excludes 2022 data.	Closed	NCR	Data revised and now aligned.	29/11/2023	
TR08	UK air travel wrongly classified	Closed	mNCR	Data corrected	29/11/2023	
TR09	AC E Plastics polymer mass entered as kg, not tonnes, so 1000 times overstated.	Closed	NCR	Inventory updated	29/11/2023	
TR10	ACE Plastics Transmission of energy (T&D losses) has been removed from inventory	Closed	mNCR	Advised to do this by emanage team	29/11/2023	
TR11	Noted two entries for Natural Gas, kWh & m3. All units should have been m3.	Closed	mNCR	Inventory corrected/		