



PUBLIC DISCLOSURE STATEMENT

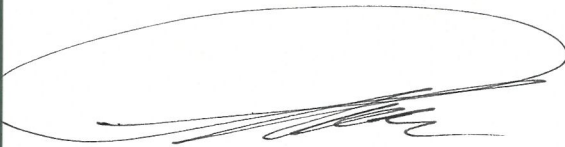
FUSION HVAC AUSTRALIA PTY LTD

**ORGANISATION CERTIFICATION
FY2022-23**

Australian Government

Climate Active Public Disclosure Statement



NAME OF CERTIFIED ENTITY	Fusion HVAC Australia Pty Limited
REPORTING PERIOD	1 July 2022 – 30 June 2023 Arrears report
DECLARATION	<p><i>To the best of my knowledge, the information provided in this public disclosure statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.</i></p>  <p>Fergus Mactaggart National Team Leader - ESD 18/09/2024</p>



Australian Government
**Department of Climate Change, Energy,
the Environment and Water**

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Version August 2023.



1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	326 tCO ₂ -e
CARBON OFFSETS USED	100% VCUs
RENEWABLE ELECTRICITY	N/A (location-based method)
CARBON ACCOUNT	Prepared by: Fergus Mactaggart - BSE ESD Pty Ltd
TECHNICAL ASSESSMENT	03/08/2024 on FY 2022-23 report Simon Johnston, My Green Business Pty Ltd Next technical assessment due: FY 2025-26 report
THIRD PARTY VALIDATION	Type 1 06/09/2024 Johan Czanik, Czanik Consulting Pty Ltd

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2.CERTIFICATION INFORMATION

Description of organisation certification

This carbon neutral certification applies to the Australian business operations of Fusion HVAC Pty Ltd (ABN: 46 130 044 192) and Fusion HVAC Australia Pty Ltd (ABN: 46 154 470 649) for the financial year from 1 July 2022 to 30 June 2023. It focuses exclusively on activities within Australia. International operations and manufacturing processes are managed by separate entities and are not included in this certification.

The certification follows the operational control approach, covering the organisation's activities in accordance with the National Greenhouse and Energy Reporting Act 2007. The operational boundary was rigorously determined using the operational control test.

This report provides an overview of Fusion HVAC's greenhouse gas (GHG) reduction strategy and a detailed description of the GHG emission boundaries.

Organisation description

Founded in Australia, we at Fusion HVAC are a leading mechanical HVAC company specialising in innovative, energy-efficient solutions. We focus on pioneering VAV packaged rooftop ductless air distribution technologies, including our multi-patented VPAC System, which is designed for optimal diffusion.

We handle the design, installation, monitoring, maintenance, controls, BMS development, analytics, and replacement of our HVAC units. Our operational boundary has been meticulously defined using the operational control test, ensuring that only activities under our direct control are included in our carbon inventory.

FusionHVAC's unit manufacturing is managed by a separate business entity, over which FusionHVAC does not have operational control. Additionally, the international entities in New Zealand and Germany operate independently, with their own management, accounting, and reporting systems, also outside FusionHVAC's direct operational control.

That said, FusionHVAC is committed to using this Climate Active certification as an opportunity to positively influence these international operations. Our long-term goal is for New Zealand and Germany being the next targets for completing their own reporting, ensuring that their carbon inventories are handled appropriately. Our Head Office is located at Level 2, 281 Montague Rd, West End QLD 4101.

The following company entities are included within this certification:

Legal entity name	ABN
Fusion HVAC Pty Ltd	46 130 044 192
Fusion HVAC Australia Pty Ltd	46 154 470 649
KAIP Pty Ltd	78 133 289 282

3.EMISSIONS BOUNDARY

Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

Quantified emissions have been assessed as relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however are **optionally included**.

Non-quantified emissions have been assessed as relevant and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

Outside the emissions boundary

Excluded emissions are those that have been assessed as not relevant to Fusion HVAC's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix D.

Inside emissions boundary

Quantified

- Accommodation and facilities
- Cleaning and chemicals
- Electricity
- Food
- ICT services and equipment
- Machinery and vehicles
- Office equipment and supplies
- Postage, courier and freight
- Professional services
- Refrigerants
- Stationary energy and fuels
- Transport (air)
- Transport (land and sea)
- Waste
- Water
- Working from home

Non-quantified

N/A

Outside emission boundary

Excluded

Emissions from third-party manufacturers

Emissions from the use or installation of our products by third-party companies

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

Fusion HVAC Australia commits to the following emission reduction targets:

- Source 100% renewable electricity by 2050
- Reduce all emissions in our value chain by 25% by 2028, from this (FY 22-23) base year
- Reduce emissions intensity by 70% by 2035 from this (FY22-23) base year
- Reduce scope 1, 2 and 3 emissions by 50% by 2030, compared to this (FY 22-23) base year.

Emissions reduction actions

Fusion HVAC Australia will undertake the following (non-exclusive list of) activities in order to achieve our emission reduction commitment:

1. Renewable Energy Adoption

Implementation of a 28kW PV system by REA Solar, with a dashboard for real-time monitoring.
This is estimated to offset 60-70% of our energy usage. Achievement Date: FY24-25

2. Carbon Neutral Travel and Accommodation

Transition to carbon-neutral flights and accommodation for all business-related travel.
Achievement Date: Ongoing from 2025

3. Waste Management and Recycling Incentives

Enhanced waste recycling facilities, in partnership with our tenanted building.

Introduction of a 'recognition reward' system, using proceeds from recycling activities.

Expansion to include battery recycling.

Achievement Date: Ongoing from 2025

4. Carbon Neutral Partnerships

Transition to working exclusively with carbon-neutral insurance providers and legal services.
Achievement Date: Ongoing from 2030

Intensity Reduction Target: Achieve a 30% reduction in emissions intensity by 2025.

5.EMISSIONS SUMMARY

Use of Climate Active carbon neutral products, services, buildings or precincts

N/A

Emissions summary

The electricity summary is available in the Appendix B. Electricity emissions were calculated using a market-based approach.

Emission category	Scope 1 emissions (t CO ₂ -e)	Scope 2 emissions (t CO ₂ -e)	Scope 3 emissions (t CO ₂ -e)	Total emissions (t CO ₂ -e)
Accommodation and facilities	0.00	0.00	6.18	6.18
Cleaning and chemicals	0.00	0.00	3.29	3.29
Electricity	0.00	33.58	4.44	38.03
Food	0.00	0.00	10.39	10.39
ICT services and equipment	0.00	0.00	8.92	8.92
Machinery and vehicles	0.00	0.00	51.50	51.50
Postage, courier and freight	0.00	0.00	0.40	0.40
Professional services	0.00	0.00	19.26	19.26
Refrigerants	0.00049	0.00	0.00	0.0049
Transport (air)	0.00	0.00	98.17	98.17
Transport (land and sea)	0.00	0.00	79.42	79.42
Waste	0.00	0.00	6.91	6.91
Water	0.00	0.00	0.56	0.56
Working from home	0.00	0.00	-1.38	-1.38
Office equipment and supplies	0.00	0.00	3.45	3.45
Total	0.0049	33.58	291.52	325.10

Uplift factors

N/A – none applied.

6. CARBON OFFSETS

Eligible offsets retirement summary

Offsets retired for Climate Active certification

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Verified Carbon Units (VCUs)	326	100%

Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Stapled quantity	Eligible quantity retired (tCO ₂ -e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total (%)
Turning REDD+ Project	VCU	Verra	06/09/2024	<u>11086-278919995-278920320-VCS-VCU-263-VER-KH-14-1689-01012018-31122018-1</u>	2018	N/A	326	0	0	326	100%
Total eligible offsets retired and used for this report											
Total eligible offsets retired this report and banked for use in future reports										326	0

Co-benefits

Tumring REDD+ Project

The Tumring REDD+ Project, a partnership between the Cambodian government and the Republic of Korea, addresses deforestation, carbon emissions, and community needs in Kampong Thom Province. Covering approximately 66,645 hectares of forest on the southwestern edge of the Prey Long Wildlife Sanctuary, this project plays a crucial role in conserving one of the largest remaining lowland evergreen forests in Cambodia, while improving local livelihoods through sustainable development.

Social Wellbeing:

- Empowers local communities, particularly the indigenous Kuy people, through land tenure security and protection of traditional livelihoods.
- Supports essential services such as healthcare, education, and sustainable livelihood programs, including the promotion of sustainable forest products like resin and honey collection.

Economic Wellbeing:

- Generates income for local communities through carbon credit sales, with the project expected to reduce over 3.8 million tons of CO₂ emissions in the first 10 years.
- Supports sustainable agriculture and alternative income streams, such as improved farming techniques and eco-friendly community forestry practices, helping to reduce dependency on forest resources.

Environmental Wellbeing:

- Prevents deforestation and degradation, helping to safeguard endangered species like the clouded leopard, sun bear, and dhole, while maintaining the integrity of Prey Long's vital watershed.
- Contributes to carbon sequestration and forest regeneration, helping to mitigate the impacts of climate change.

Cultural Resilience:

Protects culturally significant forests used by the Kuy people for traditional purposes, supporting their spiritual practices and eco-friendly land management systems.

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A – no RECs surrendered.

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

There are two international best-practice methods for calculating electricity emissions – the location-based method and the market-based method. Reporting electricity emissions under both methods is called dual reporting.

Dual reporting of electricity emissions is useful, as it provides different perspectives of the emissions associated with a business's electricity usage.

Location-based method:

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

Market-based method:

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

For this certification, electricity emissions have been set by using the **market-based approach**.

Market Based Approach Summary			
Market Based Approach	Activity Data (kWh)	Emissions (kg CO2-e)	Renewable Percentage of total
Behind the meter consumption of electricity generated	0	0	0%
Total non-grid electricity	0	0	0%
LGC Purchased and retired (kWh) (including PPAs)	0	0	0%
GreenPower	0	0	0%
Climate Active precinct/building (voluntary renewables)	0	0	0%
Precinct/Building (LRET)	0	0	0%
Precinct/Building jurisdictional renewables (LGCs surrendered)	0	0	0%
Electricity products (voluntary renewables)	0	0	0%
Electricity products (LRET)	0	0	0%
Electricity products jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	9,201	0	19%
Residual Electricity	39,739	37,950	0%
Total renewable electricity (grid + non grid)	9,201	0	19%
Total grid electricity	48,939	37,950	19%
Total electricity (grid + non grid)	48,939	37,950	19%
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	39,739	37,950	
Scope 2	35,094	33,515	
Scope 3 (includes T&D emissions from consumption under operational control)	4,645	4,436	
Residual electricity consumption not under operational control	0	0	
Scope 3	0	0	

Total renewables (grid and non-grid)	18.80%
Mandatory	18.80%
Voluntary	0.00%
Behind the meter	0.00%
Residual scope 2 emissions (t CO2-e)	33.51
Residual scope 3 emissions (t CO2-e)	4.44
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	33.51
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	4.44
Total emissions liability (t CO2-e)	37.95

Figures may not sum due to rounding. Renewable percentage can be above 100%

Location Based Approach Summary						
Location Based Approach	Activity Data (kWh) total	Under operational control			Not under operational control	
Percentage of grid electricity consumption under operational control	100%	(kWh)	Scope 2 Emissions (kg CO ₂ -e)	Scope 3 Emissions (kg CO ₂ -e)	(kWh)	Scope 3 Emissions (kg CO ₂ -e)
QLD	48,939	48,939	35,726	7,341	0	0
Grid electricity (scope 2 and 3)	48,939	48,939	35,726	7,341	0	0
QLD	0	0	0	0		
Non-grid electricity (behind the meter)	0	0	0	0		
Total electricity (grid + non grid)	48,939					

Residual scope 2 emissions (t CO ₂ -e)	35.73
Residual scope 3 emissions (t CO ₂ -e)	7.34
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	35.73
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	7.34
Total emissions liability (t CO ₂ -e)	43.07

Operations in Climate Active buildings and precincts

Operations in Climate Active buildings and precincts	Electricity consumed in Climate Active certified building/precinct (kWh)	Emissions (kg CO ₂ -e)
N/A	0	0
Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their building or precinct certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the building/precinct under the market-based method is outlined as such in the market-based summary table.		

Climate Active carbon neutral electricity products

Climate Active carbon neutral electricity product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO ₂ -e)
N/A	0	0
Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their electricity product certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the electricity product under the market-based method is outlined as such in the market-based summary table.		

APPENDIX C: INSIDE EMISSIONS BOUNDARY

The following emissions sources have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

N/A – no relevant emission sources have been non-quantified.

Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary that require a data management plan.

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to this organisation's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

1. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
4. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.
5. **Outsourcing** The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Excluded emissions sources summary

Emission sources tested for relevance	Justification			
	Size	Influence	Risk	Outsourcing
Emissions from the use or installation of our products by third-party companies.	Y	N	N	N
Emissions from third-party manufacturers of Fusion HVAC parts	Y	N	N	N

Size: The emissions source is likely to be large compared to the total emissions from electricity, stationary energy and fuel emissions.

Influence: Due to the nature of our organisation, we do not have the potential to influence the emissions from this source.

Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest.

Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business..

Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.

Size: The emissions source may be large compared to the total emissions from electricity, stationary energy and fuel emissions.

Influence: The emissions from companies that manufacture parts or components for the Fusion HVAC system are outside the direct control of Fusion HVAC and are linked to the operations of third-party suppliers, not the HVAC system itself.

Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest.

Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business.

Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.



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