

Assessment Report

Contemporary Leather Private Limited

Assessment dates	21/06/2022 to 22/06/2022 (Please refer to Appendix for details)
Assessment Location(s)	Chennai (000)
Report Author	Mohua Banerjee De
Assessment Standard(s)	ISO 14064-1:2018



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Executive Summary

The verification was based upon the Contemporary Leather's Private Limited (CLPL) Greenhouse gas (GHG) Annual Report referenced below:

Annual GHG report – Revised report dated 17/06/2022, submitted on 21/06/2022 for the period 01/01/2021 to 31/12/2021.

The organisation decided to report the emissions for their main manufacturing unit at Chennai.

The current year being the first inventory year is also considered as the base year.

There are no biogenic emissions or GHG removal in the premises.

Level of Assurance: **Limited**

The activities covered within the scope of verification:

Manufacturing of Leather Wallets, SLG & LLG Handbags, Leather Folders and Leather Covered Note Books with the supporting activities of Leather Inspection, Clicking, Splitting, Skiving, Plating, Component Inspection, Assembly, Pre final inspection, Sewing / Embossing, Final Stitching, Thread Lamping, Final Inspection Packing and Dispatch.

This verification includes:

Emissions of scope 1 (Direct emissions or Category1 emission), scope 2 (Indirect emissions from energy import or Category 2 emissions) and scope 3 (Indirect emission from other sources like transportation, use of product and services and product sold; i.e, category 3, 4 & 5)

Materiality threshold: 5% of the total amount of carbon footprint

Inventory Summary

GHG Inventory report states the emissions as the following, and these were validated as:

Year	Category	Direct emission	Indirect emissions				Subtotal (Scope 1 + Scope 2)	Total (Scope 1 + Scope 2 + Scope 3)	Biogenic Emissions
		(Scope 1)	Imported Energy	Transportation	Use of products and services	Products sold			
		Category 1	Category 2	Category 3	Category 4	Category 5			
01/01/2021 to 31/12/2021	GHG emissions (tonnes CO ₂ e)	7	104	405	2		111	518	0
Current reporting year	%	1.3%	20.1%	78.2%	0.4%	0.0%	21.4%	100.0%	

The GHG inventory states the direct emissions of different types of GHGs as:

Inventory period 1/01/2021 To 31/12/2021		
<i>Break up provided for Direct emissions only</i>		CLPL
Total CO ₂ emission	tCO _{2e}	7
Total CH ₄ emission	tCO _{2e}	insignificant
Total N ₂ O emission	tCO _{2e}	insignificant
Total R22 (HCFC22) emission	tCO _{2e}	0
Total other refrigerants(HFC32, R407C, R410A) emission	tCO _{2e}	0
Total Refrigerent gases Emission from Refrigerent replacement	tCO _{2e}	0
<i>Total direct emissions</i>	<i>tCO_{2e}</i>	7

Enhanced detail relating to the overall assessment findings is contained within subsequent sections of the report.

Corrections with respect to Nonconformities raised at the last assessments have been reviewed and found to be effectively addressed in the revised report.

No new Nonconformities were identified during the assessment.

Changes in the organization since last assessment

Not applicable, this is their first assessment

NCR summary graphs

There have been no NCRs raised.

Assessment objective, scope and criteria

Verification of quantification and reporting of greenhouse gas

The scope of the assessment was to review the addressal of the document review and stage 1 findings, check the completeness of the Green House Gas (GHG) report, ensure an impartial and objective review of the reported GHG emissions/ assertion under the agreement with the scope and reasonable assurance with the client

ISO 14064-1:2018, ISO 14064-3:2019, WBCSD protocol and other specifications of the intended users.

CLPL's own documentation

Statutory and regulatory requirements

Not applicable, CFV is a voluntary engagement

Assessment Participants

Name	Position	Opening Meeting	Closing Meeting	Interviewed(processes)
Jayaraman	Mgr HR & Admin	X	X	X

Assessment conclusion

BSI assessment team

Name	Position
Mohua Banerjee De	Team Leader

Overall Conclusion

We are pleased to announce that BSI will recommend issuing Unqualified Opinion statements as below –

For Contemporary Leathers Private Limited:

As a result of verification procedures, it is the opinion of BSI with limited assurance that:

- The Greenhouse Gas Direct emission and Indirect Emissions from imported energy, transportation, and use of Recycling services for waste treatment of Contemporary Leathers Private Limited for the period from 01/01/2021 to 31/12/2021 is 518 tonnes of CO₂ equivalent.
- The current year is also considered to be the base year.
- Main operational activities carried out in the defined organizational boundary include 'Manufacturing of Leather Wallets, SLG & LLG Handbags, Leather Folders and Leather Covered Note Books with the supporting activities of Leather Inspection, Clicking, Splitting, Skiving, Plating, Component Inspection, Assembly, Pre final inspection, Sewing / Embossing, Final Stitching, Thread Lamping, Final Inspection Packing and Dispatch.'
- No material misstatements in the selected year Greenhouse Gas Emissions calculation for Contemporary Leathers Private Limited were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.

Recommendations

The audit team finds the GHG report to be complete and objective in nature. The claims were verified during the offsite document review, onsite stage 1 and offsite stage 2 audits. The audit was conducted to provide opinion with limited level of assurance. The team recommends issue of opinion statements without any Limitations.

Findings from previous assessments

Finding Reference	2192703-202204-N1	Certificate Reference	CFV 769606
Certificate Standard	ISO 14064-1:2018	Clause	5.2.3
Location reference	0047671563-000		
Assessment Number	3661603		
Category	Minor		
Area/Process:	Document Review		
Details:	The reason for selection and omission of indirect emissions are not presented in GHG report. Significance criteria used for selection of indirect emission not available.		
Objective Evidence:	The GHG report does not define significance criteria and basis for choosing selected indirect emissions for quantification		
Cause			
Not clear about the clause requirement			
Correction/containment			
Significance criteria introduced in report			
Corrective action			
Will be followed in next report			
Closed?:			
Yes			
Justification	Significance clause addressed		

Finding Reference	2192703-202204-N2	Certificate Reference	CFV 769606
Certificate Standard	ISO 14064-1:2018	Clause	6.1
Location reference	0047671563-000		
Assessment Number	3661603		
Category	Minor		
Area/Process:	Document Review		
Details:	1) It is not clear why the following direct emissions, as identified in the report are added up with the indirect emissions from imported energy (Scope 2) while reporting:		

	a. Fuel combustion in DG set b. Owned transport c. Fugitive emissions (Refrigerant leakage from AC)
Objective Evidence:	Though the GHG report categorised the fuel combustion of DG set, transportation of company controlled vehicles and fugitive emissions under direct emission, it has reported these emissions under indirect emission for imported energy (Scope 2) - as shown in the table and pie chart presented in Page 11 of 13 in GHG report
Cause	
Missed out	
Correction/containment	
DG set fuel combustion included Owned transport included Fugitive emissions included – there were no refills , hence emission was zero at this account	
Corrective action	
Will be followed in next report	
Closed?:	
Yes	
Justification	Corrected in revised report

Finding Reference	2192703-202204-N3	Certificate Reference	CFV 769606
Certificate Standard	ISO 14064-1:2018	Clause	5.2.4
Location reference	0047671563-000		
Assessment Number	3661603		
Category	Minor		
Area/Process:	Document Review		
Details:	The GHG emissions are not aggregated as per the defined categories of ISO 14064:2018		
Objective Evidence:	The emissions in GHG report are aggregated as per the following categories: Scope 1 Scope 2 Scope 3		
Cause			
common terms used			

Correction/containment	
Corrected in revised report	
Corrective action	
Will be followed in next report	
Closed?:	
Yes	
Justification	Corrected in revised report

Finding Reference	2192703-202204-N4	Certificate Reference	CFV 769606
Certificate Standard	ISO 14064-1:2018	Clause	9.3.1
Location reference	0047671563-000		
Assessment Number	3661603		
Category	Minor		
Area/Process:	Document Review		
Details:	<p>The GHG report does not clarify the following:</p> <ul style="list-style-type: none"> a) What are the exclusion and their justification b) If there are bio genic CO2 emissions due to their activities c) If there are any direct GHG removals associated with their activities. d) If there was a verification of the GHG report. 		
Objective Evidence:	The GHG report submitted for verification		
Cause			
Lack of clarity in interpretation of the requirement			
Correction/containment			
Report revised with required correction			
Corrective action			
Will be followed in next report			
Closed?:			
Yes			
Justification	Report revised suitably		

Finding Reference	2192703-202204-N5	Certificate Reference	CFV 769606
Certificate Standard	ISO 14064-1:2018	Clause	4.2, 6.2.1

Location reference	0047671563-000
Assessment Number	3661603
Category	Minor
Area/Process:	Document Review
Details:	The emission factors identified for following emission calculations are not relevant/current, which increases inaccuracies in inventory calculation: 1) Emissions from electrical power consumption 2) Emissions from fuel combustion 3) Emissions from business travel 4) Emissions from material transportation 5) Emissions from waste disposal 6) Emissions from employee commuting
Objective Evidence:	Emission calculation for the year 2021 for: 1) Emissions from electrical power consumption 2) Emissions from fuel combustion 3) Emissions from business travel 4) Emissions from material transportation 5) Emissions from waste disposal 6) Emissions from employee commuting
Cause	
Missed out in some cases, Lack of understanding in some	
Correction/containment	
Corrected in revised report	
Corrective action	
Will be followed in next report	
Closed?:	
Yes	
Justification	Report revised suitably

Finding Reference	2192703-202204-N6	Certificate Reference	CFV 769606
Certificate Standard	ISO 14064-1:2018	Clause	8.3
Location reference	0047671563-000		
Assessment Number	3661603		
Category	Minor		
Area/Process:	Document Review		

Details:	The report provided a qualitative assessment of uncertainty. The reason for doing the same is not justified
Objective Evidence:	Uncertainty assessment presented in page 11 & 12 of GHG report
Cause	
Quantitative estimation was not available	
Correction/containment	
Justification for qualitative assessment only was added	
Corrective action	
Will be followed in next report	
Closed?:	
Yes	
Justification	Suitable justification provided

Finding Reference	2192703-202204-N7	Certificate Reference	CFV 769606
Certificate Standard	ISO 14064-1:2018	Clause	6.2
Location reference	0047671563-000		
Assessment Number	3661603		
Category	Minor		
Area/Process:	Stage 1		
Details:	<p>Following activity data were not in line with the suitable quantification methodology:</p> <ol style="list-style-type: none"> 1) Employee commuting 2) Sea and Air Cargo transportation 3) Waste disposal 		
Objective Evidence:	<p>1.a) 16 vehicles are used for employee commuting following different routes. The distances travelled by these vehicles are yet to be determined. Accuracy of milage and attendance data requires a check. 1.b) Employee commuting on their own vehicles - emission not estimated</p> <p>2.a) The distance travelled by the cargo is not considered for estimation of sea and air cargo transportation. 2.b) The road travel associated with the cargo transportation is not considered for emission calculation.</p> <p>3.a) Except for sewage generation, the waste related activity data requires a revisit.</p>		

	3.b) The emission factors are not chosen based on the types of the treatment (e.g. recycle, reuse, landfill) applied on waste.
Cause	
Mis interpretation of data	
Correction/containment	
Corrected in revised report	
Corrective action	
Will be followed in next report	
Closed?:	
Yes	
Justification	Report revised suitably

Findings from this assessment

Organisational and Reporting boundaries:

Organisational and reporting boundaries were identified.

Direct emissions main sources identified are:

- 1) Diesel combustion in DG sets
- 2) Diesel in company owned vehicle

The following emissions were found to be negligible compare to the total emissions:

- 3) Refrigerants leakage from the Air conditioners
- 4) LPG consumption in lighters
- 5) CO₂ based Fire extinguisher refill

Indirect emission sources identified during audit:

Category 2 - power import:

- 1) Purchased electricity (Reported)

Category 3 - Transportation

- 2) Business travel by employees – Air (Reported)
- 3) Raw material and finished goods transportation (Reported road transport at supplier and client side as well as transportation by sea and Air)
- 4) Employee commuting by company arranged vehicles (Reported)
- 5) Employee commuting by private vehicles (reported)
- 5) Transportation of Canteen food and Drinking water (Reported)
- 6) Transportation of waste (Not reported)

Category 4 - Products and service use:

- 5) Recycling of wastes from CLPL through 3rd party (Reported)

Category 5 - Products sold:

- 6) No specific emissions identified

Identification of GHG sources and sinks and exclusions:

The identified sources and sinks were verified.

The emission sources identified and their inclusion/exclusion in the report is presented below:

<i>Included in inventory (Emission sources)</i>	<i>Excluded from inventory</i>
Category 1	Category 2
Emission from Diesel combustion in DG sets and company owned vehicles	N2O and CH4 release during diesel combustion - included in the emission factor of diesel, however not separately calculated and reported - not significant
Release of CO2 from Fire extinguishers	
Release of refrigerant from the air conditioners	
Category 2	Category 2
Usage of Electricity - Factory	
Category 3	Category 3
Emission due to road transportation of raw material from supplier gate to airport	Waste transportation
Emission due to Air transportation of raw material	
Emission due to road transportation of raw material from Chennai airport Factory	
Emission due to road transportation of Finished product Factory gate to airport	
Emission due to Air transportation of Finished goods	
Emission due to road transportation of Finished goods Airport to Godown of receiver	
Emission due to road transportation of Finished product Factory gate to seaport	
Emission due to Sea transportation of Finished goods	
Emission due to road transportation of Finished goods Sea port to Godown of receiver	
Business travel of Senior Management	
Employee travel in company buses	
Employee travel in private vehicles	

Transportation of Canteen food	
Transportation of Drinking water	
Category 4	Category 4
Emission due to treatment of Municipality solid waste	Emissions of raw material - Cradle to Supplier dispatch
Emission due to recycle of Carton boxes and paper	Emissions of fuel and other consumables - Cradle to supplier dispatch
Emission due to recycle of Metals and scraps	Emissions of fuel and other services availed by the organisation
Category 5	Category 5
	Emissions of products sold

For fossil fuel combustion, CO₂ equivalent emission factors are considered (which include CH₄ and N₂O emissions of fuels also).

The grid emission factor of India generally represents tCO₂ component only, hence for the energy indirect emissions reported for Indian sites do not include CH₄ and N₂O emissions.

The emissions from refrigerants are included in the inventory. However, since the refill quantity is nil, the emission was found to be nil in this year. Client considered it as exclusion.

Selection of quantification methodology:

The majority of the quantification process follow the emission factor method. Fuel consumption is either directly measured or accounted based on purchased quantity and stock levels. Emission factors of fuels are used to calculate the emissions.

Indirect emissions from imported energy were quantified from electricity consumption reported in the electricity bills and its respective grid's emission factors.

Refrigerant refilled quantity and CO₂ refill quantity were found to be nil for the current year.

The unit is 100% export oriented. Finished goods are dispatched through sea and air. Major part of the raw material is also air lifted from supplier's end. The data was collected from invoices and emissions from the same were calculated using emission factors of air and sea cargo (reference source DEFRA) and road travel emission factor considering heavy vehicle transportation (reference source Indian GHG programme).

The food and drinking water transportation was calculated based on the number of trips the vendors made and the distance of their facility, using road travel emission factor considering medium vehicle transportation (reference source Indian GHG programme).

CLPL Waste generation and recycling data was collected from bills /sale records. Waste recycling emission factors used to calculate emission. Waste batteries recycling factor used for batteries sent back to suppliers under buy back arrangements.

The GHG report details the quantification methodology which has been verified and found in conformance with the required criteria.

Selection and collection of activity data:

The emission pattern of CLPL show high dependency on the indirect emission, especially the Category 2 and Category 3 emissions.

100% of the sites involved in inventory were selected for onsite verification of activity data.

The direct emission is mainly from the diesel combusted in DG set. The log book consumption records were cross verified with the purchase and stock data of the location.

The grid electricity consumption was verified with the bills from the electricity board.

The raw material and finished goods dispatch data were collected from the invoices. Each invoice contained the information of the supplier / receiver's location and mode of transportation, including the port for dispatch/receipt. All receipt and dispatches from factory site were made from Chennai airport and Chennai seaport only. Accordingly, the port to port distances were calculated and emissions estimated.

Business travel through air was calculated based on information available in the ticket.

Employee travel through company vehicles were evaluated for the number of days of operation and distances travelled by each route. Individual vehicle's mileage data was used to estimate the diesel consumed by these vehicles and arrive at the total emission.

The employee travel by private vehicles is estimated by analysing each employee's distance from home and their attendance in the factory. Two-wheeler mileage has been considered in estimating the emission for office commute.

Calibration

Except purchased electricity and product dispatched, there are not measurement devices involved in the estimation of emissions. The energy meter for electricity measurement is provided and maintained by the state electricity board. Weighing balances of the organisation is calibrated as part of statutory requirement Diesel procurement is based on number of 200 L barrels and vehicle diesel consumption is based on petrol pump receipts. Other indirect emissions are also based on counts (sewage tanker) or invoice data, hence no other calibration records were relevant for this verification.

GHG emission and removal factors and GHG inventory calculation:

The report describes the choice of emission factors with the justification - the choices are found suitable and the justifications were found acceptable.

Liquid and gaseous fuel emission factors are taken from reputed source - DEFRA (UK). It's latest updated version 2021 has been considered for emission calculation.

The GWP of refrigerants were referred to AR5 as well.

For power grid emission factor, the CEA (Central Electricity Authority) published grid emission factor

(latest available version -Version 17) has been considered.

The waste recycling emission factors , batteries recycling emission factors were also taken from DEFRA (UK) latest version.

Short and long haul air travel emission factors for relevant class and the air transfer and sea transfer of cargo have been considered for air travel emission calculation and referred from DEFRA as well.

The Indian GHG programme issued document was referred to source the emission factors for road transportation for raw material and finished goods transportation related emissions.

All above emission factors were verified with their references and found in compliance.

Mitigation activities:

Organisation confirmed during audit that there have been GHG reduction projects taken up during the period. However, these projects are not reported as mitigation activities in the report, hence not verified.

Information management, Internal audits and reporting:

CLPL emissions are low; regular and effective cost monitoring has actually contributed in managing the emissions. There was no separate internal verification record available. Considering the scale of emissions, the information management was found to be adequate.

No internal audits were conducted. External expertise was involved in report preparation.

Base year inventory:

The current year being the first year of reporting is also considered as the base year.

Uncertainty:

Organisation has presented a qualitative analysis of uncertainty in the GHG report. They have also provided the reason for not presenting any quantitative analysis, which is acceptable.

All the activity data for fuel combustions and electricity consumption are primary data, collected from reliable measuring devices. Fuel emission factors are also from reputed sources and the national level data on power grids were collected to calculate the grid emission factors.

Thus, the possible error sources are the tolerances of the measuring devices (which are mostly <2%) and the human error while recording the same. The field data verification provides the confidence to the verifier how care has been taken to minimize the human error.

For the major emission contributors in transportation of raw material and finished goods - Primary data was taken from their accounts based on the invoice inputs. Each invoice input was considered for estimating the transportation emission. The total invoice accounted were cross verified with the total

amount traded.

Uncertainty of the emission factors is the same as the built-in uncertainty level of these factors, which are very low.

Overall the uncertainty analysis is acceptable.

Next visit objectives, scope and criteria

Not applicable

Not applicable

Not applicable

Please note that BSI reserves the right to apply a charge equivalent to the full daily rate for cancellation of the visit by the organisation within 30 days of an agreed visit date.

Appendix: Your certification structure & ongoing assessment programme

Scope of Certification

CFV 769606 (ISO 14064-1:2018)

Manufacture of leather and fur products

Assessed location(s)

The audit has been performed at Permanent Locations.

Chennai / CFV 769606 (ISO 14064-1:2018)

Location reference	0047671563-000
Address	Contemporary Leather Private Limited No. 2/400 Mount - Poonamalle High Road Iyyappanthangal Chennai Tamil Nadu 600056 India
Visit type	Stage 2 Audit
Assessment number	3661605
Assessment dates	21/06/2022
Deviation from Audit Plan	No
Total number of Employees	
Effective number of Employees	
Scope of activities at the site	Main Certificate Scope applies.
Assessment duration	1 day(s)

Definitions of findings:

Non-conformity:

Non-fulfilment of a requirement.

Non-conformity - any act or omission of an act by the installation under verification, either intentional or unintentional, that is contrary to the requirements of ISO 14064-1 or the GHG protocol, however it does not have a material impact on the reported data. Typically these can be addressed and closed during the verification process. Therefore a Verification Opinion Statement can be issued.

Material non-conformity - A non-conformity with the requirements of ISO14064-1 or GHG protocol that could result in the reported information being based on incorrect assumptions, methodologies or other factors and would have a material impact on the reported data (greater than 5%). This would typically prevent completion of the verification process and prevent a Verification Opinion Statement from being issued, i.e. it cannot be resolved within the verification timescale.

Opportunity for improvement:

It is a statement of fact made by an assessor during an assessment, and substantiated by objective evidence, referring to a weakness or potential deficiency in a management system which if not improved may lead to nonconformity in the future. We may provide generic information about industrial best practices but no specific solution shall be provided as a part of an opportunity for improvement.

How to contact BSI

Visit the BSI Connect Portal, our web-based self-service tool to access all your BSI assessment and testing data at a time that's convenient to you. View future audit schedules, submit your corrective action plans and download your reports and Mark of Trust logos to promote your achievement. Plus, you can benchmark your performance using our dashboards to help with your continual improvement journey.

Should you wish to speak with BSI in relation to your certification, please contact your local BSI office – contact details available from the BSI website:

<https://www.bsigroup.com/en-IN/Contact-us/>

Notes

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This audit was conducted through document reviews, interviews and observation of activities. The audit method used was based on sampling the organization's activities and it was aimed to evaluate the fulfilment of the audited requirements of the relevant management system standard or other normative document and confirm the conformity and effectiveness of the management system and its continued relevance and applicability for the scope of certification.

As this audit was based on a sample of the organization's activities, the findings reported do not imply to include all issues within the system.

Regulatory compliance

BSI requires to be informed of all relevant regulatory non-compliance or incidents that require notification to any regulatory authority. Acceptance of this report by the client signifies that all such issues have been disclosed as part of the assessment process and agreement that any such non-compliance or incidents occurring after this visit will be notified to BSI as soon as practical after the event.