Independent Assurance Statement

Statement No.:
C556395-2021-GHG-TWN-DNV-Rev.1

Issued date:
16 December, 2022

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2021) of

Daxin Materials Corporation

Scope of Verification
DNV Business Assurance (DNV) has been commissioned by DAXIN MATERIALS CORPORATION ('DAXIN' or 'the Organization') to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2021) (hereafter the "Inventory Report") in Taiwan, ROC with respect to the sites listed in Appendix A.
The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation, indirect GHG emissions from products used by the Organization and indirect GHG emissions associated with the use of products from the Organization. The further descriptions for the Reporting Boundary listed in Appendix B.
Verification Criteria and GHG Programme
The verification was performed on the basis of ISO 14064-1:2018 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting.
The verification was conducted in accordance with ISO 14066:2011, ISO 14065:2013, ISO14064-3:2006
Verification Statement
It is DNV's opinion that the Inventory Report (2021), which was published on 26 Aug,2022, is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches,

- For the Direct (Category 1) and Indirect GHG emissions from imported energy (Category 2), the reliability of the information within the Inventory Report (2021) were verified with reasonable level of assurance.
- For the other indirect GHG emissions, the involved information was verified and tested using agreed-upon procedures, AUP, defined in Inventory Report.

Also, the GHG information as stated in Appendix B and C have been verified during the process.

Arbin Chang
GHG Verifier

Place and date:
Taipei, 16 December, 2022

For the issuing office:
DNV Business Assurance Co., Ltd.
29Fl., No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan

Management Representative

Supplement to Statement

Process and Methodology
The reviews of the Inventory Report and relevant documents, and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfilment of stated criteria.

Quantification of Greenhouse Gas Emission
The Inventory Report covering the period from 1st January,2021 to 31st December,2021, it is DNV's opinion that the results in quantification of GHG emissions are real, transparent and measurable.

Organizational Boundary of Verification
☐Financial Management Control ☒Operational Management Control ☐Equity Share

GHGs Verified
☒CO_2 ☒CH_4 ☒N_2O ☒HFCs ☒PFCs ☒SF_6 ☒NF_3

The Quantification of GHG emissions and removals in Direct and Indirect Emission Source:

Category	Direct and indirect GHG emissions categorization*	Emissions and removals verified, Tonnes CO2-e		
		Chung Ker Plant	Chung Kang Plant	Toatal
1	Direct emissions and removals**	379.783	322.228	702.012
2	Indirect GHG emissions from imported energy	2849.586	3509.215	6358.801
3	Indirect GHG emissions from transportation	35.770	416.131	451.901
4	Indirect GHG emissions from products used by the Organization	699.113	6936.889	7636.002
5	Indirect GHG emissions associated with the use of products from the Organization	-	-	-
Total greenhouse gas emissions and removals		3,964.251	11,184.464	15,148.715

*: Unless other indicated, the Indirect Emissions was calculated based on 2021 electricity emission factor of 0.509 kg CO2-e/kwh, which was announced by Bureau of Energy, Ministry of Economic Affairs. The Global Warming Potential (GWP) defined in IPCC AR5 (2013) has been choose as the main source and correctly referred by the Organization.
**:the details subcategory of each category could be referred in the Report.

Verification Opinion
☒ unmodified
☐ modified
☐ adverse

APPENDIX A

The greenhouse gas statements of DAXIN MATERIALS CORPORATION Greenhouse Gas Inventory Management Report (2021) with respect to the following sites:

Site	Organization	Address
1	Headquarters (Chung Ker Plant)	No. 15 Keyuan 1st Rd., Central Taiwan Science Park, Taichung City Taiwan
2	Chung Kang Plant	No.2, Jian 8th Rd., Wuqi Dist. Taichung City Taiwan

APPENDIX B

The Reporting Boundary of DAXIN MATERIALS CORPORATION Greenhouse Gas Inventory Management Report (2021)

Category	Reporting Boundary*			
	description	**Sub-category**	**Emission Source**	**Applied Site(s)**
Direct GHG emissions and removals	Its main direct sources of GHG emissions are the company's generator diesel emissions, official vehicle gasoline emissions, Refrigerant equipment includes process chiller / cooling extraction equipment, refrigeration and refrigeration equipment, water dispenser/air conditioning refrigeration equipment. Refrigerator refrigerant emissions HFCs emissions calculations using annual purchases or replenishments . There is a septic tank for sewage treatment.	1.1 stationary combustion	diesel generator/ fire pump	Site 1, Site2
		1.2 mobile combustion	Officer's car / diesel forklift	Officer's car in Site 1, diesel forklift in Site2
		1.4 fugitive emissions	Chiller/air conditioner/refrigerator/water dispenser	Site 1, Site 2
			septic tank	Site 1, Site2
			Fire extinguisher	Site 1, Site2
			Activated carbon desorption combustion equipment	Site 1
Indirect GHG emissions from imported energy	Purchased electricity is mainly used for facility system, production process equipment, air conditioning and lighting. In addition, the process area uses electric heat medium furnaces and boilers to generate heat sources for heating production equipment.	2.1 imported energy	Imported electricity	Site 1, Site2 Site 2 also included Electricity for the dormitory
Indirect GHG emissions from transportation	Purchasing foreign raw material suppliers is excluded because we cannot obtain the information on the actual delivery location in their country and cannot calculate the carbon emissions of transportation; the same condition of products shipped to foreign customers only counts domestic land transportation (transportation to domestic ports or airports), Exclude overseas shipping. Employee business travel included by car / taxi/ THSR. Waste cleanup transport vehicle emission included.	3.1 upstream transport	Raw material transport vehicle (Site 1 / Site2 Covering 91.2% / 83.7% of the weight of raw materials purchased in 2021)	Site 1, Site2
		3.2downstream transport	Product transport vehicle (Site 1 / Site2 Covering 92.9% / 90.4% of the weight of products shipped in 2021)	Site 1, Site2
		3.5 business travel	Employee business travel included by car / taxi/ THSR emission	All calculated in the Site 1 emissions
		3.6 Waste cleanup transportation	Waste cleanup transport vehicle	Site 1, Site2
Indirect GHG emissions from products used by the Organization	According to the total purchase amount of each raw material entering the warehouse in 2021, the chemical name of the top 35 raw materials in each plant area is inquired, and the EPA carbon footprint database is compared to see if there is an announced emission factor for calculation.	4.1products used by organization	Purchased tap water	Site 1, Site2
			Purchased Main raw materials (Site 1 / Site2 included 4 / 8 main raw materials for inventory, accounting for	Site 1, Site2

	Only raw materials with emission factor that can be quantified are included in the inventory, and the proportion of total weight covered shall be stated. Indirect emissions from the disposal of solid and liquid waste outsourcing, tap water, purchased electricity, diesel, and motor gasoline are calculated based on the EPA carbon footprint database emission factor.		about 20% / 15% of the total purchase weight in 2021	
		4.3 the disposal of solid and liquid waste	the disposal of solid and liquid waste outsourcing.	Site 1, Site2
		4.6 Energy resource extraction, manufacturing and processing	Purchased electricity / gasoline / diesel	Site 1, Site2 Gasoline caculated in site1
Indirect GHG emissions associated with the use of products from the Organization	All products are provided to downstream manufacturers as raw materials for processing, not directly to consumers, according to standard provisions not applicable to category 5 identification	Not applicable	Not applicable	Not applicable

*: The scope of other indirect emissions (other than Imported Energy with specified/limited list of sources) was defined by DAXIN MATERIALS CORPORATION own pre-determined criteria for significance of indirect emissions, considering the intended use of the GHG inventory.

APPENDIX C

For direct emissions and removals of DAXIN MATERIALS CORPOPRATION reported in the Report (2021), quantified separately for each GHG as below, in Tonnes of CO2-e:

	CO2	CH4	N2O	HFCS	PFCS	SF6	NF3	Total
Chung Ker Plant	47.554	28.285	0.885	303.059	0.000	0.000	0.000	379.783
Chung Kang Plant	1.861	7.276	0.015	313.076	0.000	0.000	0.000	322.228
All production plants Total	49.416	35.561	0.900	616.134	0.000	0.000	0.000	702.012

For direct emissions and removals and Indirect GHG emissions from imported energy (Category I+ Category II) of DAXIN MATERIALS CORPOPRATION reported in the Report (2021), quantified separately for each site as below, in Tonnes of CO2-e:

	Category I Direct emissions and removals	**Category II Indirect GHG emissions from imported energy**	**Total**
Chung Ker Plant (*Tonnes of CO2-e*)	**379.783**	**2849.586**	**3229.369**
Chung Kang Plant (*Tonnes of CO2-e*)	**322.228**	**3509.215**	**3831.443**
All production plants Total (*Tonnes of CO2-e*)	**702.012**	**6358.801**	**7060.812**

For direct emissions and removals and Indirect GHG emissions from imported energy (Category I+ Category II) of DAXIN MATERIALS CORPOPRATION reported in the Report (2021), quantified separately for each site by Subcategory as below, in Tonnes of CO2-e:

(Category I+ Category II)				
Category	**Subcategory**	**Chung Ker Plant (Tonnes of CO2-e)**	**Chung Kang Plant (Tonnes of CO2-e)**	**TOTAL (Tonnes of CO2-e)**
Direct GHG emissions and removals	1.1stationary combustion	3.007	0.934	3.941
	1.2 mobile combustion	29.904	0.945	30.849
	1.4 fugitive emissions	346.873	320.350	667.222
Indirect GHG emissions from transportation	2.1 imported electricity	2849.586	3509.215	6358.801
TOTAL		3229.369	3831.443	7060.812

For Indirect GHG emissions from transportation and I Indirect GHG emissions from products used by the Organization (Category III+ Category IV) of DAXIN MATERIALS CORPOPRATION reported in the Report (2021), quantified separately for each site by Subcategory as below, in Tonnes of CO2-e:

(Category III+ Category IV)				
Category	**Subcategory**	**Chung Ker Plant (Tonnes of CO2-e)**	**Chung Kang Plant (Tonnes of CO2-e)**	**TOTAL (Tonnes of CO2-e)**
Indirect GHG emissions from transportation	3.1Upstream transportation and distribution	8.722	292.925	301.647
	3.2 Downstream transportation and distribution	1.846	100.212	102.058
	3.5 Business travel	22.811	-	22.811
	3.6 Waste Cleanup transportation	2.392	22.994	25.386
Indirect GHG emissions from products used by organization	4.1 Purchased goods	122.662	6119.485	6242.147
	4.3 Disposal of solid and liquid waste	50.569	180.534	231.103
	4.6 Emissions associated with upstream emissions associated with oil and electricity production that are not otherwise included in Category II)	525.881	636.870	1162.752
TOTAL		734.883	7353.020	8087.903