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INDEPENDENT PRACTITIONER’S REASONABLE ASSURANCE AND LIMITED ASSURANCE REPORT ON TAIWAN AIR CARGO TERMINAL LIMITED GREENHOUSE GAS (GHG) STATEMENT

To the board of directors of TAIWAN AIR CARGO TERMINAL LIMITED :

We have undertaken a reasonable assurance engagement for the category 1 direct emissions and the category 2 energy indirect emissions and a limited assurance engagement for the category 3 transportation (emissions from business travel) and category 4 products used by an organization (emissions from purchased goods, emissions from fuel and energy related activities and emissions from the disposal of solid and liquid waste) of the accompanying GHG statement of TAIWAN AIR CARGO TERMINAL LIMITED for the year ended December 31, 2023, comprising the emissions inventory.

TAIWAN AIR CARGO TERMINAL LIMITED’s Responsibility for the GHG Statement

TAIWAN AIR CARGO TERMINAL LIMITED is responsible for the preparation of the GHG statement in accordance with “Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals” (hereafter “ISO 14064-1:2018”) to the GHG statement. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

As discussed in the GHG statement, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In accordance with International Standard on Quality Control 1, KPMG maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our Responsibility

Reasonable assurance for the category 1 and the category 2

Our responsibility is to express an opinion on the GHG statement based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the GHG statement is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the GHG statement. The nature, timing and extent of procedures selected depend on the practitioner’s judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the GHG statement. In making those risk assessments, we considered internal control relevant to TAIWAN AIR CARGO TERMINAL LIMITED’s preparation of the GHG statement. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of TAIWAN AIR CARGO TERMINAL LIMITED’s use of ISO 14064-1:2018, applied as explained in Note 1 to the GHG statement, as the basis for preparing the GHG statement;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by TAIWAN AIR CARGO TERMINAL LIMITED; and
- Evaluating the overall presentation of the GHG statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limited assurance for the category 3 and the category 4

Our responsibility is to express a limited assurance conclusion on the GHG statement based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of TAIWAN AIR CARGO TERMINAL LIMITED’s use of ISO 14064-1:2018 as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.



The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of TAIWAN AIR CARGO TERMINAL LIMITED's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether TAIWAN AIR CARGO TERMINAL LIMITED's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate TAIWAN AIR CARGO TERMINAL LIMITED's estimates.
- Undertook site visits at two sites to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites. The sites selected for testing were chosen taking into consideration their emissions in relation to total emissions, emissions sources, and sites selected in prior periods. Our procedures did not include testing information systems to collect and aggregate facility data, or the controls at these sites.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether TAIWAN AIR CARGO TERMINAL LIMITED's GHG statement has been prepared, in all material respects, in accordance with the ISO 14064-1:2018 to the GHG statement.

Opinion

Reasonable Assurance opinion for the category 1 and the category 2

In our opinion, the GHG statement for the year ended December 31, 2023 is prepared, in all material respects, in accordance with the ISO 14064-1:2018 applied as explained in the Annex 1.

Limited Assurance opinion for the category 3 and the category 4

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that TAIWAN AIR CARGO TERMINAL LIMITED's GHG statement for the year ended December 31, 2023 is not prepared, in all material respects, in accordance with the ISO 14064-1:2018 applied as explained in the Annex 1.



Other Matters

We shall not be responsible for any further changes on the Underlying Subject Matter or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of assurance report.

KPMG

Taipei, Taiwan(Republic of China)

October 31, 2024

Notes to reader

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.



Annex 1: Assurance indicator information summary

EMISSIONS	tonnes CO ₂ e
Category 1: Direct GHG emissions and removals	1,921.2331
Category 2: energy indirect emissions	5,380.4193
Total Category 1 and 2	7,301.6524
Category 3: transportation	0.3911
Category 4: products used by an organization	1,601.1958
Total	8,903.2393