



**Report no:**  
DR-7652801  
S1-7632758  
S2-7632759

**Date:**  
DR-2011-01-15  
S1-2011-02-23~25  
S2-2011-03-28

**Prepared by:**  
River ZHAO (TL)

**BSI reference:**

Sales person: Chamy Wong  
M: 9866 2635  
T: 3149 3317  
F: 8343 7335  
E: [chamy.wong@bsigroup.com](mailto:chamy.wong@bsigroup.com)

Technical manager: River ZHAO  
M: 0086 13925163837  
E: [river.zhao@bsigroup.com](mailto:river.zhao@bsigroup.com)

Standard	PAS 2060:2010
Visit Type	V Document Review : Y2010 V Stage 1 Visit V Stage 2 Visit

Organization: Polytrade Paper Corporation Limited  
友邦洋紙有限公司  
Address: Room 501-505,5/F, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong.  
香港黃竹坑業興街11號南匯廣場A座501至505室

# BSI Carbon Neutrality Claim Verification Report

## 1. Introduction

This report relates to the carbon neutrality claim verification of: Polytrade Paper Corporation Limited on its "Carbon Neutrality Report-2010 Second draft".

Application period: year 2010, as First application period, from 1 January to 31 December 2010.

Carbon neutral certification is provided in accordance with BSI's certification process. Part of this process involves an annual review and recertification. In order to achieve this certification the organization has undertaken a rigorous three step process involving measurement of GHG emissions, implementation of a GHG reduction /offset strategy, and the offsetting of residual GHG emissions.

The Verification was based upon the Client's Carbon Footprint Management System & Carbon Neutrality Report. Referenced below:

### **The objective of the verification:**

The purpose of the verification is to have an independent third party assess the organizational Carbon Neutrality report (hereafter as CN report) (with carbon footprint management plan) and QES (Qualifying Explanatory Statement) are compliance with PAS 2060:2010 requirements. Hence, the verification is to confirm that the carbon neutrality report, as documented, is sound and reasonable and meets the stated requirements and identified criteria.

### **The criteria of the verification:**

The verification was to confirm to be conformity with PAS 2060:2010 and other specifications related to carbon footprint verification such as ISO14064-3, WBCSD protocol of defined subject.

### **The scope of the verification:**

The verification scope is defined as an independent and objective review of the CN report and QES (Qualifying Explanatory Statement), the subject's baseline and other relevant documents. The information in these documents is reviewed against PAS 2060:2010. It includes to ensure the organizational subject claimed for carbon neutrality, it involves to ensure the carbon neutrality status of the subject, the reporting period and any requirement from intended users.

This report forms part of BSI's partnership approach in the Verification of the organizational carbon neutrality Management System.

The Verification was based on random samples based upon the concept of materiality and therefore nonconformities may exist which have not been identified. Due to the nature of this Verification, not all areas of the Verification have been verified.

If you wish to distribute copies of this report external to the organization, then all pages must be included.

## 2. Document review

### 2.1 Conclusion

**Progress has been established towards CNCV stage1 and 2 verifications.**

During the document review 1 Notices to Client (NTCs) with 1 observations (OBS) were identified.

The stage 1 verification is currently expected to be 3 man day as well as 1 man day on stage 2.

The result of this document review has no influence whatsoever on the conduct of any subsequent assessment, nor upon the resulting recommendations.

### 2.2 Verification team and relevant info in desk review

On behalf of BSI the verification was conducted by: Lead Verifier: River ZHAO (TL)	The principal staff involved on behalf of the organization were: Charles Chan Venus Ng
--	--

### 2.3 Strategic Review Commentary

1. The information will be updated as necessary as information is evaluated during the review, risk verification and planning stages.

The information upon which this review is based has been derived from submitted documentation as following:

Source list and relative calculation for reduction and offset records

Document - Polytrade Paper Corporation Limited, 2010 Carbon Neutrality Report including Carbon Footprint Management Plan and QES (Doc. No.: **Second draft**)

Polytrade Paper Corporation Limited, 2010 GHG emission report including following documents

Polytrade Paper Corporation Limited, 2010 GHG Inventory

PAS 2060:2010

WBCSD/ WRI A corporate Accounting and Reporting Standard (2004)

2. The period of this carbon neutrality Assertion/CN report :

**From 01/01/2010 to 31/12/2010**

3. The introduction of the entity

Polytrade Paper Corporation Limited (as for Polytrade Paper) is committed to minimize its impact on the environment. In 2011, Polytrade Paper decided to pursue carbon neutrality to offset its organization emission in year 2010 and Polytrade Paper followed the requirement of PAS 2060:2010 to achieve Carbon Neutrality.

In 2010 the Polytrade Paper established a "GHG Inventory and Carbon Neutral GHG Management team" Chaired by GHG Management Team Chairperson appointed by Managing Director", who is responsible for inviting and appointing all team members for this Committee. The Committee is responsible for coordinating the GHG inventory, including collecting, analyzing and reporting on available information. All the members of this committee will be fully trained for their roles.

4. The Description of achieving Carbon Neutrality of the subject

**Polytrade Paper** defined its subject for carbon neutrality as is limited to the total GHG emissions produced by the operational zone of **Polytrade Paper** in 2010. The CN subject

defined same as the organization boundary is **Polytrade Paper** office located in the address: **(the headquarter address: Room 501-505, 5/F, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong.)** It indicates the office area of 5<sup>th</sup>. floor comprising reception area, administration area, rest area .

Detail information for Polytrade Paper Subject:

	Location Address	Floor area (sq. ft)	Functionality	Remark
1	Room 501-505, 5/F, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong	4,553	Headquarter, office operations	
2	1/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	7,830	Warehouse for storage of paper products	
3	Rm A, 3/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	7,830	Sales, office operations, Warehouse for storage of paper products	
4	4/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	4,832	Warehouse for storage of paper products	Owned by Polytrade since 16 Nov 2010
5	8/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	4,832	Warehouse for storage of paper products	The premise is shared with landlord. Polytrade occupies 70% of the total floor area (4,382 sq. ft)
6	9/F, Union Industrial Building, Hong Kong	4,832	Warehouse for storage of paper products	Closed since 14 Oct 2010
7	15/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	4,832	Warehouse for storage of paper products	
8	3/F Leader Centre, 37 Wong Chuk Hang Road, Hong Kong	9,082	Warehouse for storage of paper products	Opened since 1 Mar 2010
9	Rm A, 3/F, Man Hing Industrial Centre, 4 Yip Fat Street, Hong Kong	6,128	Warehouse for storage of paper products	Closed since 31 Oct 2010
10	Rm 301, 3/F, West Tower, Complant Foreign Economic Hotel, 31 Xian Lie Road S., Guangzhou, China(中成外經大廈)	520	Sales, office operations	Closed since 19 Apr 2010

## 5. Carbon Footprint Qualification of the CN Subject

### (1) BASIS FOR EMISSIONS MEASUREMENT

Emissions measurement for the purposes of this verification is to verify the process of carbon footprint qualification is following one of the standards which are listed in PAS 2060:2010. The process that has been followed in measuring the entity's organization carbon footprint is that specified in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard(2004) and Working 9 to 5 On Climate Change: An office Guide 2002 Dec( for Scope 3 emission) ; and the measurement process follows the measurement principles set out in these standards.

The Internal verification for Polytrade Paper's GHG emissions in year 2010 has been undertaken by GHG committee and Consultants from REST Carbon Ltd..

The measurement scope includes all Scope 1 direct emissions and Scope 2 indirect emissions, significant Scope 3 indirect emissions and some un-material scope 3 (indirect emissions) were excluded . Measurement of emissions is based upon data collected by Polytrade Paper for the 12 month period 1 January 2010 to 31 December 2010.

(2) GHG EMISSION INFORMATION OF THE SUBJECT

The following table shown the carbon footprint of the subject which has been verified by independent third party BSI.

Table 1 Total Emission in Year 2010

Year	scope	scope 1	scope 2	scope 3	Total
2010	GHG emissions (t CO2e)	3.06	67.9	10.16	81.12
	%	3.77	83.71	12.52	100%

Note: Some scope 3 emissions are not included in the reporting boundary according to materiality thresholds and "Working 9 to 5 On Climate Change: An office Guide 2002 Dec( for Scope 3 emission)".

6. The application period and the selected model for being carbon neutral

**The application Period: First application from 2010/1/1-2010/12/31**

**The selected model: Model 3**

A significant part of the carbon neutrality certification for Polytrade Paper comprises the organization committing to a GHG emissions monitoring strategy for the next twelve month period. The strategy includes the management of emissions across the entire organizational operations of Polytrade Paper, and wherever practical, within the indirect processes.

As it stated in Polytrade Paper's Carbon Neutrality Report 2010 published in Feb. 2010, Polytrade Paper has done a lot of efforts in reducing its carbon footprints through several measures, however, in order to comply PAS 2060:2010 which was newly published in this April. Polytrade Paper would need to justify its current practice in reduction carbon footprint into PAS 2060 format. Hence, Polytrade Paper has chosen the Model 3 in PAS 2060:2010 to adopt the fully offset strategy to achieve carbon neutrality in the first year.

7. Baseline date:

**The baseline date of this application period is: 1 Jan 2010**

**Polytrade Paper** is voluntary to initiate GHGEV projects as the fulfillment of **Polytrade Paper** policy. In other words, this result is not for the purpose of emission trading. It is for their disclosure of organizational carbon footprint and further information disclosed in their related environmental report. More importantly, this verification provides the verified GHG emission data to the purpose of being carbon neutral as required by PAS 2060:2010.

2010 is selected as baseline year due to the initial year for GHG inventory against PAS 2060 standard. So the baseline date of being carbon neutral is defined as for 1 Jan 2010

8. Qualifying date for being carbon neutral in this application period

**The qualifying date : 31 Dec 2010**

Polytrade Paper is therefore committed to continuing these carbon management initiatives throughout the next application period; and to ensuring the company endeavours to minimise emissions further.

9. Carbon Footprint Management Strategies

(1) the GHG reduction strategy of the organization

The entity's carbon management strategies for the first application period is mainly through carbon offset strategy.

(2) Offset the residual GHG emission of the organization

(a) Description of the offset project

This project : **InfraVest Changbin and Taichung bundled Wind Farms Project – Taiwan (300190)**

The project was validated using the Gold Standard. The GS Program provides a robust, international standard and program for approval of credible voluntary offsets; GS offsets must be real, additional, measurable, permanent, independently verified, and unique.

The certificate is SP-4YN32060RN176721N

(b) The detail of offset credits and retirement will be provided in final full report due to time table

10. Information Accessibility

The entity will disclose its carbon neutrality information in its organization website after the verification has been completed.

11. Risk Assessment of verification:

The risk assessment is broken down into the separate components of Inherent, Controls and Detection Risk, and these can be analyzed to guide the verification approach (i.e. substantive (data information systems) and controls based procedures (management control environment)).

The components listed above should be used as a guide for verification procedures necessary to bring verification risk to an acceptable level. (i.e. the extent to which the verification is based on testing of controls or the substantive testing of data). If verification procedures do not reduce verification risk to an acceptable level, then either more verification procedures are necessary or the participant's emission data cannot be verified, and an opinion should be issued to reflect this.

The details of risk assessment are shown as below:

**The details of risk assessment are shown as below:**

material issues		(situation/control actions)	risk (H/M /L)
The selected Subject for being carbon neutral		<ul style="list-style-type: none"> <li>Is the Subject clearly defined</li> <li>Is the carbon footprint qualification of the subject being verified?</li> </ul>	<p>Y/L</p> <p>Y/M</p>
The Carbon Neutrality Summary Report		<ul style="list-style-type: none"> <li>Is there CN report published according to PAS 2060:2010?</li> </ul>	Y/L
Carbon Footprint Manage	Policy and management procedure	<ul style="list-style-type: none"> <li>Is there defined CFM plan?</li> </ul>	Y/L

material issues		(situation/control actions)	risk (H/M/L)
ment Plan	The statement of commitment to achieving carbon neutrality	<ul style="list-style-type: none"> <li>Is there clearly described statement of commitment signed by senior management against clause 7 and 10.4 in PAS 2060?</li> </ul>	Y/L
	GHG reduction strategy	<ul style="list-style-type: none"> <li>Are the GHG emission reduction meeting the requirement in clause 8 of PAS 2060?</li> </ul>	Y/L
	Offset residual carbon	<ul style="list-style-type: none"> <li>Are the offsets credit meeting the requirement in clause 9 of PAS 2060?</li> </ul>	Y/L
	QES	<ul style="list-style-type: none"> <li>Is the QES for statement of commitment to be prepared based on clause 10.5 in PAS 2060?</li> <li>Is the checklist prepared based on Annex B (B1 and B3) in PAS 2060 and checked by the reporter?</li> </ul>	Y/L
The statement for the achievement of carbon neutrality with QES		<ul style="list-style-type: none"> <li>Is there clearly described statement of achievement signed by senior representative of the entity against clause 10.4 in PAS 2060?</li> </ul>	Y/L

## 2.4 Commentary

The Polytrade paper “2010 Carbon Neutrality Report” has been found very comprehensive with the inclusion the required information by PAS 2060 specification and moreover, providing the strategy, vision and implementation of carbon neutrality and GHG inventory. This would very beneficial when this report is made public available in the future to communicate to the stakeholders.

Polytrade Paper has described their carbon reduction efforts in its CN report, although in this first application period, the carbon neutrality was achieving through carton offset of GS credits, Polytrade still shows its commitment in voluntary emission reduction as for excellent demonstration.

### (will be further checked in Stage 1)

Ref.	Description
	Following observations raised from this document review should be considered as the opportunities for further improvement, and BSI will further check the relevant issues on site
OBS-RZ-01	<p>鑒於組織的GHG排放量化的資料是通過內部核查保證的，建議組織考慮使ISO 14064-3中對實施核查要求，策劃和實施內部的核查。</p> <p>The quantity of GHG emission has been verified by internal team. It is beneficial for :the organization can conduct internal verification according to ISO 14064-3.</p>

## 2.5 Notices to Client (NTCs) Identified

Area	NTCs Ref.	Description	Clauses
------	-----------	-------------	---------

Section 4.2	RZ-01	<p>對PAS2060:2010 中，提及“當項目發生實質性的變化，組織需根據新的項目，重新啓動”，該要求在組織的提供的檔資料中，未被滿足。</p> <p>According to PAS 2060:2010's 5.1.2, the organization shall re-start on the basis of newly defined subject in the event that material change to the subject occurs. but this requirement can not be met by the documentation provided by the organization :</p>	5.1.2
-------------	-------	--	-------

## 2.6 Stage1 Visit Plan (Prepared in accordance with ISO14065: 2007)

According to this desk review, we prepare the stage 1 verification plan as following:

GHGEV Stage 1 of Initial Verification is 3 man day (on site 3 verification day)

(Please see the attachment.)

## 3. Stage 1 Initial Verification

### 3.1 Conclusion

As a result of BSI Carbon Neutrality verification procedures, the following conclusions may be drawn:

1. The outstanding issues have been identified as NTCs table.
2. The commentary issues have been identified as OBS table.
3. No opinion can be issued until the stage 2 verification

During the verification 1 “notes to client (NTC)” with 1 observation (OBS) were identified shall be confirmed at stage2.

The Polytrade Paper **needs** to check the corrective requirement of observation, and the decision will be checked at stage 2.

Part of GHG relevant data and information management system have been verified per PAS 2060 requirements and we are pleased to announce the stage 2 verification will be carried out per schedule.

### 3.2 Verification Team

<p>On behalf of BSI the verification was conducted by: BSI River ZHAO</p>	<p>The principal staff involved on behalf of Polytrade Paper were: Charles Chan Venus Ng</p>
---	--

### 3.3 Stage1 Initial Verification Plan (Prepared in accordance with 14064-3: 2006)



The detail plan please refer to the following S1 verification plan

### **3.4 Carbon Neutrality Summary**

Carbon Neutrality report states the carbon management plan as the following:

In order to deal with the greenhouse gases (GHGs) management issues, in 2010 the Polytrade Paper established a “GHG Inventory and Carbon Neutral Committee”, chaired by the Deputy Director of Polytrade Paper, who is responsible for inviting and appointing all team members for this Committee. The Committee is responsible for coordinating the GHG inventory, including collecting, analyzing and reporting on available information.

To achieve the Polytrade Paper target , the Polytrade Paper aims to, included (but not limited to) :

- Improve the efficiency of Lighting systems;
- save on air travel;
- Replace electrical equipment to reduce consumption of electricity; and
- Recycle printing paper .

With Polytrade Paper’s ambitious targets and non-stop actions in promoting the importance to cut down emission, Polytrade Paper has already taken a number of initiatives to support her on-going policies. Polytrade Paper is committed to take a further step in meeting Polytrade Paper’s objective and take more aggressive action in reducing its emission with strong commitment and a professional strategy.

The Polytrade Paper has adopted the PAS 2060:2010 framework as the standard basis for achieving carbon neutrality in the 2010 period (January-December) to demonstrate her good practice while managing our carbon footprint across the company, inc. HK & Guangzhou sites, while this standard is the most recognised specification globally.

### **3.5 Summary of findings**

#### **1. Verification Activities**

The overall aim of verification is to review impartially and objectively the reported GHG emissions/reduction/offset under the agreement in the scope with the client.

The organization carbon neutrality has included the necessary items required by PAS 2060:2010, including description of the organization, authorship of the report, reporting period covered, system boundary, etc. It is found that the entity’s CN report is complete in accordance with the requirement of PAS 2060:2010 requirements. Also, additional useful information is available in the CN report, including GHG policy and quantity of emissions etc.

The Polytrade Paper assesses the uncertainty analysis of GHG emissions with the inventory error ranking method. The assessment is conducted on activity inventory source, inventory credibility and emission factors in accordance with the scoring principles.

This quantification methodology takes into account of monitoring method and reliability of emission data as well as the precision of measurement equipment applied.

The carbon neutrality has been achieved by carbon offsetting, it was verified in Stage 1.

a. The findings from Document Review has been assessed in this verification, the result is as follows:

Area Clauses	NTCs Ref.	Description	Corrective Actions	Follow-up
Section 4.2	RZ-01	對PAS2060:2010 中，提及“當項目發生實質性的變化，組織需根據新的項目，重新啓動”，該要求在組織的提供的檔資料中，未被滿足。 According to PAS 2060:2010's 5.1.2, the organization shall re-start on the basis of newly defined subject in the event that material change to the subject occurs. but this requirement can not be met by the documentation provided by the organization :	Update and change the Carbon Neutrality report.	closed

b. Carbon footprint for the subject

**Polytrade Paper** defined its subject for carbon neutrality as is limited to the total GHG emissions produced by the operational zone of **Polytrade Paper** in 2010. The CN subject defined same as the organization boundary is **Polytrade Paper** located in the address: **Room 501-505, 5/F, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong.**

Detail information for Polytrade Paper Subject:

	Location Address	Floor area (sq. ft)	Functionality	Remark
1	Room 501-505, 5/F, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong	4,553	Headquarter, office operations	
2	1/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	7,830	Warehouse for storage of paper products	
3	Rm A, 3/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	7,830	Sales, office operations, Warehouse for storage of paper products	
4	4/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	4,832	Warehouse for storage of paper products	Owned by Polytrade since 16 Nov 2010
5	8/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	4,832	Warehouse for storage of paper products	The premise is shared with landlord. Polytrade occupies 70% of the total floor area (4,382 sq. ft)
6	9/F, Union Industrial Building, Hong Kong	4,832	Warehouse for storage of paper products	Closed since 14 Oct 2010
7	15/F, Union Industrial Building, 48 Wong Chuk Hang Road, Hong Kong	4,832	Warehouse for storage of paper products	

	Kong			
8	3/F Leader Centre, 37 Wong Chuk Hang Road, Hong Kong	9,082	Warehouse for storage of paper products	Opened since 1 Mar 2010
9	Rm A, 3/F, Man Hing Industrial Centre, 4 Yip Fat Street, Hong Kong	6,128	Warehouse for storage of paper products	Closed since 31 Oct 2010
10	Rm 301, 3/F, West Tower, Complant Foreign Economic Hotel, 31 Xian Lie Road S., Guangzhou, China(中成外經大廈)	520	Sales, office operations	Closed since 19 Apr 2010

The emission data is based on **Greenhouse Gas Protocol Corporate Accounting and Reporting Standard(2004) and Working 9 to 5 On Climate Change: An office Guide 2002 Dec( for Scope 3 emission)** requirements. The total emissions for year 2010 were **81** tonnes of CO<sub>2</sub> equivalent which are from electricity used takes about **84** % of total emissions. The emission data in 2010 has been verified by BSI China on-site.

c. The reduction of carbon footprint for the subject

The entity's carbon management strategies for the first application period is mainly through carbon offset strategy. However, in order to ensure there will be reduction action in 2011, the current implementation in GHG reduction program of the entity as Ploytrade Paper is committed to reducing carbon emissions in 2011. The relevant procedure and actions were checked in this verification. The result is as follows:

To achieve these targets, the Polytrade Paper aims to, included (but not limited to):

- Improve the efficiency of lighting systems;
- Save on air travel; and
- Replace electrical equipments to reduce consumption of electricity;

d. The offset records

The offset record has been reviewed as the purchase record provided by Polytrade Paper from GS website. The offset credit is 85 tonnes of CO<sub>2</sub> equivalent. The retirement record is also available in GS website.

### 3.6 Commentary

1. The top management of Polytrade Paper demonstrates its commitment and determination in the GHG management and reduction during the validation process. In the top management interview, the top management clearly describes Polytrade Paper's vision and strategy sustainable development with the compliance to H.K. Government commitment leading to reduce GHG emission further and factor. The vision and strategy provides the long term and short term objectives to Polytrade Paper in the mission of GHG management.
2. During the verification process, the GHG Management Team members have shown their efforts in implementing carbon footprint management activities as for carbon neutrality initiative. Also, the current result in GHG reduction from carbon calculator has shown the aggressive reduction of carbon footprint in 2010. It would be a great start for coming period in demonstrating carbon neutrality through self reduction of GHG emissions.

Following observations raised from this assessment should be considered as the opportunities for further improvement:	
Ref.	Description
OBS-RZ-01	組織可考慮使用ISO 14064推薦的方法，對公司的資料進行不確定分析。 For the uncertainty assessment, the organization should consider the recommend by ISO 14064

### 3.7 Notes To Client (NTCs)

(Tab in final cell for additional rows)

Area	NTC Ref.	Description	Clause
QES	RZ-01	組織應根據PAS 2060:2010 10.5.1 的要求和自行設定的方法，將QES 的資訊在WEB-SITE上公開。  <b>The organization shall upload the QES to the Web-site according to QES table 3 (4) defined by the organization and PAS 2060:2010 10.5.1 requirement.</b>	10.5.1

There is no NTC issued in this stage.

### 3.8 Recommendations

At this stage, the main recommendation is obviously to address the outstanding issues recorded in the table NTCs.

Progress has been established towards CNCV stage 2.

The stage 2 verification is currently expected to take 1 verification off-site-day.

### 3.9 Further comments

According to Stage1-findings and results of risk assessment , the Validation process (Stage 2) of Polytrade Paper Corporation Limited will be conducted off-site. And it will be one whole day to follow up validation findings in stage 1.

### 3.10 Stage2 Visit Plan (Prepared in accordance with ISO14064-3: 2006)

According to this verification, we prepare the stage 2 verification plan as following:

Time	Verifier	Business Area	Process
0930-1600	A	CN report CFM plan and QES	S1 NTCs follow up PAS 2060:2010
1600-1700	BSI Team	--	Report preparation

## 4. Stage 2 Initial Verification

### 4.1 Conclusion

After completing BSI Carbon Neutrality Claims Verification procedures, the following conclusions were drawn:

1. The corrective and preventive actions for outstanding issues are accepted.
2. Data quality was considered acceptable in meeting the principles as set out in **WBCSD/WRI GHG Protocol, Corporate Accounting and Reporting Standard (2004), Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and Working 9 to 5 On Climate Change: An office Guide 2002 Dec( for Scope 3 emission) and PAS 2060:2010.**

**Polytrade Paper** has been certified as a carbon neutral business for the period 1 Jan 2010 to 31 Dec 2010 (refer to first application period).

Carbon neutral business certification is awarded in accordance with the terms and conditions of BSI.

We are pleased to announce that the result of verification detailed in this report is Unqualified Opinion. It fully meets the relative specification and the GHG-related information disclose for carbon neutrality sufficient and appropriate.

As a result of carrying out validation procedures, BSI verification team will recommend to issue a validation statement as below:

**As a result of carrying out the validation in accordance with PAS 2060:2010, it is the opinion of BSI that :**

- Polytrade Paper Corporation Limited has been certified as a carbon neutral organization for the period 1 January 2010 to 31 December 2010.
- No material misstatements in this carbon neutrality declaration (2010) were revealed.

**BSI herewith confirms that carbon neutrality information in above period as follows:**

**Baseline GHG emissions: 81 tonnes CO<sub>2</sub> equivalent**  
**GHG Emission reductions: 0 tonnes CO<sub>2</sub> equivalent**  
**Retired offset carbon credits: 81 tonnes CO<sub>2</sub> equivalent**

#### **Additional information**

**The Carbon neutrality related information is as follows:**

- Carbon neutrality model according to PAS 2060:2010: Model 3.
- Carbon neutrality application period: First application period from 1 January 2010 to 31 December 2010.
- Carbon footprint quantification methodology: **WBCSD/WRI GHG Protocol, Corporate Accounting and Reporting Standard (2004), Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and Working 9 to 5 On Climate Change: An office Guide 2002 Dec( for Scope 3 emission)**
- Emission reduction measures: not applicable in this application period.
- Carbon neutrality report: Polytrade Paper Corporation Limited 2010 Carbon Neutrality Report, March 2011.
- Retired offset credit information:
  - Serial number of offset credits: **GS1-1-TW-472-12-2008-45-71676 to 71778** from Gold standard.
  - Date of retirement: **02/03/2011**
  - Retirement reason details: **Carbon neutrality of Polytrade Paper Corporation Limited for 2010 in accordance with PAS 2060**

**Offset credit information available:**

<https://gs1.apx.com/mymodule/rpt/CertificateInfo.asp?rhid=837&ftType=PRO>

**Remark :** The retirement of Polytrade's offset credits was bundled with another project, resulting in a total of 103 tonnes CO<sub>2e</sub> being retired and showed in Gold Standard Registry.

#### 4.2 Verification Team

On behalf of BSI the verification was conducted by: BSI River ZHAO	The principal staff involved on behalf of Polytrade Paper were: Charles Chan Venus Ng
--	---

#### 4.3 Stage2 Initial Verification Plan (Prepared in accordance with ISO19011: 2002/14064-3: 2006)

The detail plan please refer to the attachment for S2 verification plan

Time	Verifier	Business Area	Process
0930-1600	A/B	CFM plan and QES review	S1 NTCs follow up PAS 2060: 4.1- 9
1600-1700	BSI Team	--	Report preparation

#### 4.4 Carbon Neutrality Summary

CN report states its carbon neutral strategy for the first application period as the following, and they are validated as correct. The following carbon neutrality strategies for the following application period are:

	First Application	Second Application	Third Application
Qualifying date	31/12/2010	31/12/2011	31/12/2012
Carbon Footprint (T-CO <sub>2e</sub> )	X <sub>2010</sub> =81.12	X <sub>2011</sub>	X <sub>2012</sub>
Reduction (T-CO <sub>2e</sub> )	0	X <sub>2011</sub>	-R <sub>2012</sub> (in reduction intensity Y <sub>2011</sub> %)
Residual carbon	81.12	X <sub>2011</sub> -R <sub>2011</sub>	X <sub>2012</sub> -R <sub>2012</sub>
Offset (T-CO <sub>2e</sub> )	- 85	X <sub>2011</sub> -R <sub>2011</sub>	X <sub>2012</sub> -R <sub>2012</sub>
carbon neutrality	Achieved in 02/03/2011	Next commitment	Next commitment

#### 4.5 Summary of findings from these investigations

A correction plan for the findings of site visit was submitted to BSI for review and had been accepted.

The baseline risk assessment, materiality assessment and strategic review documents were updated during the verification to take into account of sufficient evidence provided by the client.

#### 4.6 Commentary

Ref.	Description
	Following observations raised form this assessment should be considered as the opportunities for further improvement:
	N/A

#### 4.7 Notes To Client(NTCs)

Area	NTC Ref.	Description	Clause
	N/A		

#### 4.8 The Follow-up of Notes To Customer(NTCs)

NTC Ref.	Description	Correction Action	Follow-ups (open/close)
	N/A		

(Tab in final cell for additional rows)

#### 4.9 Recommendations

At this stage, the main recommendation is obviously to address the outstanding issues recorded in the table NTCs. There is no NTCs issued in this stage.

#### 4.10 Further comments

N/A

## 5. Processes/Business Areas verified

Refer to assessment summary table.

Requirement		Business Area / Process			NTC
		A	B	C	
4	<b>Demonstrating carbon neutrality</b>	*		*	
4.1	<b>Model selection</b>	*		*	
4.2	<b>Methodology selection</b>	*		*	
4.2.1	<b>Methodology of ISO standard</b>	*		*	
4.2.2	<b>Evidence keeps in 6 years</b>	*		*	
5	<b>Subject determination</b>	*		*	
5.1	<b>Determination</b>	*		*	
5.2	<b>Substantiation</b>	*		*	
5.3	<b>Documentation</b>	*		*	
6	<b>Qualification of carbon footprint</b>	*		*	
6.1	<b>Qualification</b>	*		*	
6.2	<b>Documentation of Qualification</b>	*		*	
7	<b>Commitment to carbon neutrality</b>	*		*	
8	<b>Achievement of GHG emissions reductions</b>	*		*	
8.1	<b>Development of CFM plan</b>	*		*	
8.2	<b>Determination of reductions</b>	*		*	
8.2.1	<b>Reduction quantified in intensity terms</b>	*		*	
8.2.2	<b>Quantification methodologies for reduction</b>	*		*	
8.2.3	<b>Methodology consistent to 8.2.2</b>	*		*	
8.3	<b>Documentation</b>	*		*	
9	<b>Offsetting residual GHG emissions</b>	*		*	
9.1	<b>Requirement</b>				
9.1.1	<b>The amount of carbon offset credit required</b>	*		*	
9.1.2	<b>Documented the standard and methodology used to achieve its carbon offset based on PAS 2060:2010 clause 9.1.2 (a) to (g)</b>	*		*	
9.1.3	<b>Directed actions</b>	*	*	*	
9.2	<b>Documentation</b>	*	*	*	
10	<b>Declaration (in respect of carbon neutrality)</b>	*	*	*	
10.1	<b>General</b>	*	*	*	
10.2	<b>Scope of declaration</b>	*	*	*	
10.3	<b>Basis of declaration</b>	*		*	
10.3.1	<b>General</b>	*		*	
10.3.2	<b>Independent third party certification</b>	*		*	
10.4	<b>Requirement for declaration</b>	*		*	
10.4.1	<b>General</b>	*		*	
10.4.2	<b>Declarations based on certification</b>	*		*	
10.4.2.1	<b>Declaration of commitment for different application period</b>	*		*	
10.4.2.2	<b>Declaration of achievement for different application period</b>	*		*	
10.4.2.3	<b>Unified declaration of commitment and achievement</b>	*		*	
10.4.3	<b>Declarations based on other party assessment</b>	*		*	N/A
10.4.4	<b>Declaration based on self validation</b>	*		*	N/A
10.5	<b>Requirement for QES</b>	*		*	
10.5.1	<b>QES for declaration of commitment</b>	*	*	*	NC1
10.5.2	<b>QES for declaration of achievement</b>	*	*	*	
11	<b>Maintaining carbon neutral status</b>	*	*	*	
11.1	<b>Declaration of commitment</b>	*	*	*	
11.2	<b>Declaration of achievement</b>	*	*	*	
<b>Legend- Business Areas / Process Assessed</b>					
A	Stage 1				
B	Stage 2				
C	Document Review				
Note	Cover PAS 2060:2010				



**Verification Details**

SMO Number	7652801,7632758, 7632759
Verification Start Date	2011/02/15 2011/02/23 2011/03/28
Visit Type	IA-DR, S1, S2
Number of Manday	5
Customer Service Officer <i>if known</i>	BSI Hong Kong

**Location Details**

<b>Mandatory (English)</b>	
BSI Reference	
Company Name & Address	Polytrade Paper Corporation Limited 友邦洋紙有限公司 Room 501-505,5/F, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong. 香港黃竹坑業興街11號南匯廣場A座501至505室
Contact Name	Charles Chan
Telephone Number	+852 28731977
Fax Number	+852 28700759
e-mail Address	Charles@polytrade-paper.com.hk
Best Fit Code – T Codes:	n.a.
Local Accreditation Coding Classification:	n.a.
Best Fit Code – S Codes:	n.a.
Location Client Manager:	NA
<b>Optional (Chinese)</b>	
Company Name & Address	See above
Contact Name	See above
Change to this section?	<input type="checkbox"/>
Comments or additional actions:	None

**Billing Details**

<b>Mandatory (English)</b>	
Company Name & Address	Polytrade Paper Corporation Limited 友邦洋紙有限公司 <b>Room 501-505,5/F, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong.</b> 香港黃竹坑業興街11號南匯廣場A座501至505室
Billing Contact	Charles Chan
Billing Telephone Number	+852 2873 1977
Billing Fax Number	+852 28700759
Billing E-mail	Charles@polytrade-paper.com.hk
<b>Optional (Chinese)</b>	
Company Name & Address	See above
Billing Contact	See above
<b>Mandatory (English)</b>	
Change to this section?	<input type="checkbox"/>
Comments or additional actions:	None

**Certification Details**

<b>Mandatory (English)</b>	
Certificate Number	none
Certificate Issue Date	none
Last Re-issue Date	none
Expiry Date	n.a.
Accreditation Marks	n.a.
Best Fit Code – P Codes	PPAS 2060 CNCV
Co-ordinating Client Manager:	n.a.
Management Standard (i.e. ISO 9001:2000)	PAS 2060:2010
Scope of Registration (as appears on Certificate)	Polytrade Paper Corporation Limited 友邦洋紙有限公司 <b>Room 501-505,5/F, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong.</b> 香港黃竹坑業興街 11 號南匯廣場 A 座 501 至 505 室

Location Activities	
<b>Optional</b> (Chinese)	
Scope of Registration (as appears on Certificate)	
Location Activities	
<b>Mandatory</b> (English)	
Change to this section?	<input type="checkbox"/>
Require to Issue/Reissue Cert.?	Yes
Reason (comments or additional actions)	Initial validation

## Confirmation of Report Content

The document review of Polytrade Paper Corporation Limited was completed.

Please sign below confirming acceptance of the CNCV Verification reports contents  
 (Report number/s):  
 7652801

Signed for on behalf of BSI BSI	Signed for on behalf of the client
River ZHAO, Lead Verifier	Charles Chan
2011-01-25	2011-02-25

<b>Z</b>	<b>1</b>
----------	----------

SMO	Functional Location	SAP Material
7652801	POLYTR-0047404317-000	

## Confirmation of Report Content

The Stage 1 verification of Polytrade Paper Corporation Limited was completed.

Please sign below confirming acceptance of the CNCV Verification reports contents  
(Report number/s):  
7632758

Signed for on behalf of BSI BSI	Signed for on behalf of the client
River ZHAO, Lead Verifier	Charles Chan
2011-02-25	2011-02-25

<b>Z</b>	<b>1</b>
----------	----------

SMO	Functional Location	SAP Material
7632758	POLYTR-0047404317-000	

## Confirmation of Report Content

The Stage 2 verification of Polytrade Paper Corporation Limited was completed.

Please sign below confirming acceptance of the CNCV Verification reports contents  
(Report number/s):  
7632759

Signed for on behalf of BSI BSI	Signed for on behalf of the client Polytrade Paper Corporation Limited
River ZHAO, Lead Verifier	Charles Chan
2011-3-28	

<b>Z</b>	<b>1</b>
----------	----------

SMO	Functional Location	SAP Material
7632759	POLYTR-0047404317-000	