

Verification Report for True Manufacturing Company, Inc.

American Carbon Registry

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1. Introduction

First Environment, Inc. (First Environment) provides this verification report to True Manufacturing Co., Inc. (True) as a deliverable of the American Carbon Registry (ACR) project verification process. It covers the verification of the following Project and reporting period:

Project Name	ACR Project ID	Reporting Period
True Manufacturing FBA Project 002	ACR606	1/1/2019 – 12/31/2019

The Project reports emission reductions for a single 10-year crediting period beginning on January 1 of the reporting year.

During the verification process, Dentons US LLP (Dentons) acted as the project advisor for True. As such, First Environment communicated directly with Dentons regarding most verification activities.

True manufactures Small Retail Food Refrigeration units using Ecomate, an eligible foam blowing agent (BA) under the Methodology. Ecomate replaces a high global warming potential (GWP) BA, resulting in a net reduction in greenhouse gas (GHG) emissions during the foam blowing process and lifetime of manufactured foam material.

2. Objectives

The purpose of this verification was, through review of appropriate evidence, to establish that:

- the objectives of the ACR Validation and Verification Standard Chapter 8.B are met;
- the Project conforms to the requirements of the verification criteria discussed in Section 4 of this report; and
- the data reported are accurate, complete, consistent, transparent, and free of material error or omission.

3. Verification Scope

Specific scope metrics for the verification are outlined in the table below:

Geographic Boundaries	True manufacturing plants located in: <ul style="list-style-type: none"> • O'Fallon, MO • Bowling Green, MO • Mexico, MO • Pacific, MO
Greenhouse Gases Verified	Emissions reductions (expressed in units of Carbon Dioxide equivalents (CO ₂ -e) resulting from blowing agent replacement; Project emissions from use of eligible BA (Ecomate ¹)
Reporting Period	1/1/2019 – 12/31/2019
Data Sources	Blowing agent purchase records
Level of Assurance	Reasonable assurance
Definition of Materiality	Misstatements greater than five percent of the

¹ The chemical name for Ecomate is methyl formate, the eligible BA listed in Table 9 of the Methodology.

	Project's emission reductions assertion were considered material. Qualitative non-conformities with and discrepancies in the Monitoring Report between and verification criteria were also considered material.
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4. Verification Criteria

The following outlines the guidance and protocols used to conduct the verification:

Standards of Verification	<ul style="list-style-type: none"> • ACR Standard, Version 6.0, July 2019 (ACR Standard) • Methodology for The Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions And Removals From for the Transition to Advanced Formulation Blowing Agents in Foam Manufacturing and Use, Version 2.0 (the Methodology) • GHG Project Plan, dated January 2021
Verification Process	<ul style="list-style-type: none"> • ACR Validation and Verification Standard, Version 1.1, May 2018 • ISO 14064-3: Specification with guidance for the validation and verification of greenhouse gas assertions, 2006

The ACR Monitoring Report prepared by True for the reporting period was also used to inform the criteria applied to the verification process.

5. Overview of the Verification Process

To review the Project's GHG information, the following verification process was used:

- conflict of interest review;
- selection of Audit Team;
- initial interaction and kickoff meeting with primary True contact;
- development of the verification plan and sampling plan;
- review and evaluation of GHG information systems and data;
- follow-up interaction with True contact for corrective action or supplemental data as needed; and
- final statement and report development.

The verification process was utilized to gain an understanding of the Project's emission sources and reductions, to evaluate and verify the collection and handling of data, the calculations that lead to the results, and the means for reporting the associated data and results.

5.1 Conflict of Interest Review

Prior to beginning any third-party assessment, First Environment conducts an evaluation to identify any potential conflicts of interest associated with the Project. No potential conflicts were found for this Project. A project-specific conflict of interest form was filed with the ACR on November 30, 2020.

5.2 Audit Team

First Environment's Audit Team consisted of the following individuals who were selected based on their verification experience, as well as familiarity with industrial gas operations:

Lead Verifier – Michael Carim
Verifiers – Emily Saul
Independent Reviewer – James Wintergreen

5.3 Audit Kick-off

The audit process was initiated with a kick-off conference call on December 4, 2020 with the primary True contact. The meeting focused on confirming the audit scope, objectives, criteria, schedule, and the information required for the verification process.

5.4 Development of the Verification Plan

The team formally documented its verification plan as well as determined the data-sampling plan. The verification plan was developed based on the discussion of key elements of the verification process during the kick-off meeting. True was afforded the opportunity to comment on the key elements of the plan for verification. Based on items discussed and agreed upon with True, the plan identified the First Environment project team members, project level of assurance, materiality threshold, and standards of evaluation and reporting for the verification. It also provided an outline of the verification process and established project deliverables. A separate data-sampling plan was designed to review all project elements in areas of potentially high risk of inaccuracy or non-conformance.

5.5 Site Visit

Mr. Michael Carim performed a site visit at True's headquarters and manufacturing facility in O'Fallon, Missouri on November 14, 2019, and a site visit at True's Bowling Green, Missouri manufacturing facility on November 15, 2019 during validation/verification activities for a separate GHG assurance engagement. The site visits included interviews with key personnel and site tours to assess GHG project boundaries, site operations, data collection processes, and information management systems. The data management system assessed during these site visits is the same system utilized for data collection in the current Project; therefore, no additional on-site inspection was warranted for the current verification process.

5.6 Emissions Reduction Data and Calculation Assessment

This assessment used information and insights gained during the previous steps to evaluate the collected data and the reported emissions reduction quantities and identify if either contained material or immaterial misstatements.

5.7 Corrective Actions and Supplemental Information

The Audit Team made requests for corrective action during the verification process. True provided sufficient responses to all requests. These requests and True's responses are described in Appendix A of this report.

5.8 Verification Reporting

Verification reporting, represented by this report, documents the verification process and identifies its findings and results. Verification reporting consists of this report for True, along

with a verification statement. Both the report and statement are submitted to ACR as part of the verification reporting process.

6. Project Conformance with Verification Criteria

6.1 Project Eligibility

First Environment completed the validation of the Project's GHG Project Plan in January 2021. This demonstrates that the Project is eligible under the Methodology.

The Project does not currently participate in any other GHG emission trading or compliance programme and has not previously been rejected by another GHG programme.

6.2 Offset Title

True retains rights to all GHG emission reductions associated with the Project. True retains rights to GHG emission reductions associated with the blowing agent transition through an agreement with the BA supplier regarding environmental attributes of the BA, as well as equipment warranty terms and conditions with end users.

First Environment reviewed the agreement between True and the BA supplier as well as True's standard customer terms and conditions. As a result, First Environment concluded that True holds title to emission reduction credits associated with the Project.

6.3 Regulatory Compliance

True provided the required regulatory attestation to First Environment during the verification process. The attestation confirmed that the Project complied with all laws and regulations for the duration of the reporting period and did not disclose any violations.

First Environment performed a check of the US EPA's ECHO database for the True facilities within the scope of the verification to further inform the regulatory compliance assessment. Database results for the facilities did not identify any violations or instances of non-compliance during the reporting period.

6.4 Project Monitoring and Management System

The project was implemented in conformity with the GHG Project Plan. The primary parameters monitored, and their associated monitoring methodologies, are presented in Table 1 below.

TABLE 1: Parameters Monitored

Monitoring Parameter	Method of Estimation	Frequency of Measurement	Unit of Measurement	Frequency of Recording
Blowing Agent Ratio (BAR)	Calculated	Once at validation	Dimensionless	N/A
Quantity of eligible BA used in the project (Q _{EBA})	BA purchase records	Continuous	Pounds	As purchased

The Monitoring Report includes complete descriptions of the frequency, responsibility, and procedures for recording, storing, monitoring, and measuring all input parameters for required emission reduction quantification. The monitoring procedures described in the Monitoring

Report and implemented on-site are consistent with Section D of the GHG Project Plan and address all relevant monitoring requirements in the Methodology. The adequacy of the data management systems described in the monitoring plan was assessed during the verification site visit and through interviews with individuals holding responsibility for carrying out Project monitoring and data reporting.

6.5 Monitoring Instrument QA/QC

All monitored data is obtained from BA supplier billing records. Data reported in billing records is measured by weigh scales at the BA supplier that are certified for trade. Because all activity data used in emission reduction calculations originates from instruments used for financial transactions, monitoring methods are presumed to include appropriate QA/QC measures.

7. Verification Results

During the verification process, First Environment reviewed the Project's Monitoring Report, GHG emission reduction assertion, and supporting documentation for the current reporting period to ensure consistency with the GHG Project Plan and the Methodology. Discrepancies between Project documentation and the verification criteria were considered material and identified for corrective action. Additionally, First Environment assessed the GHG emission reduction assertion and underlying monitored data to determine if either contained material or immaterial misstatements. The results of these assessments are discussed in greater detail below.

7.1 GHG Information Verified

Emission reduction calculations were reviewed to ensure accuracy in the formulas used and the raw data used as inputs. Formulae were tested to ensure they were consistent with the calculation methodology described in the Methodology and the GHG Project Plan.

The quantity of eligible BA consumed was determined from supplier invoices. Supplier records also include the heel quantity remaining in tanks after they are returned, which is deducted from the pre-ship weight to determine the value for Q_{EBA} applied in emission reduction calculations.

Baseline emissions are quantified according to Equations 1 and 2 in the Methodology based on the quantity of eligible BA consumed and the Blowing Agent Ratio, the latter of which is used to determine the equivalent quantity of baseline BA that is required to produce a foam with equivalent thermal performance. The BAR applied in calculations was consistent with the value for the parameter confirmed at validation.

Project emissions associated with foam manufacturing and the remaining years of foam use were quantified using Equation 3 from the Methodology. Project emissions are calculated based on the measured quantity of Eligible BA that is used in the project scenario.

No foam blowing equipment used in the baseline scenario was transferred to different foam blowing applications and/or facilities using a high-GWP blowing agent; therefore, there is no activity-shifting leakage associated with the Project and these emissions are assigned a value of zero in Equation 4 from the Methodology. Market-shifting leakage is not applicable to the Methodology.

Total emission reductions were computed using Equation 5 from the Methodology. All emission sources within the project boundary are properly accounted for in calculations.

7.2 Verification Assessment Techniques and Processes Employed

Copies of the sales data used in the calculations, including blowing agent purchase records and heel credit memos, were compared with the data used in the final calculations and tested for transcription or mathematical errors. First Environment sampled all areas identified as being of high risk of inaccuracy, uncertainty, or misstatement and performed other data checks in order to assess whether True sufficiently mitigated data uncertainty. The assessments performed on this data, as described above, confirmed the reliability of the evidence provided and verified the accuracy of the information flow. Additionally, First Environment performed recalculations of emission reductions for the entire reporting period to assess whether they were free of material misstatement. First Environment found the emission reduction calculations to be free of material misstatement.

Evidence provided during the verification process was consistent with the requirements of the Methodology and the validated GHG Project Plan and meets generally accepted evidentiary standards for best practices in GHG accounting.

8. Audit Results

True provided good documentation for its emissions estimates as well as its procedures surrounding the data collection process. To complete the verification process, First Environment issued corrective action requests. Through communications with the Audit Team, True resolved all requests made by First Environment during the verification processes. The findings issued, as well as True's responses, are summarized in Appendix A of this report.

9. Verification Conclusion

First Environment was retained to provide verification services for the Project's GHG emission reductions assertion based on the following fundamentals:

- *Level of assurance:* Reasonable assurance.
- *Objectives of verification:* To assure project conformance with the verification criteria and that the requirements of the ACR Validation and Verification Standard, Chapter 8.B are met.
- *Validation/Verification criteria:* American Carbon Registry Standard, Version 6.0, July 2019; Methodology for The Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions and Removals From for the Transition to Advanced Formulation Blowing Agents in Foam Manufacturing and Use, Version 2.0; validated GHG Project Plan.
- *Definition of materiality:* Misstatements of greater than five percent of the GHG reduction assertion and qualitative non-conformities with verification criteria are considered material.
- *Scope, including:*
 - *Boundaries of the assertion:* True refrigeration equipment manufacturing facilities where foam manufacture occurs and use phase of the manufactured foam product.
 - *The physical infrastructure, facilities, and activities within the assertion:* foam blowing equipment used in refrigeration equipment manufacture.

- *GHG sources, sinks, and reservoirs included within the assertion:* Emissions reductions (expressed in units of Carbon Dioxide equivalents (CO₂-e) resulting from blowing agent replacement in foam manufacturing and remaining years of foam use; Project emissions from use of eligible BA (Ecomate).
- *The time period for the assertion:* January 1 to December 31, 2019.

Based on the assessments performed and the historical evidence collected, First Environment concludes that the Project's GHG emissions reductions, due to the transitions to a low-GWP BA at True's manufacturing facilities for the reporting period from January 1 to December 31, 2019, can be considered with a reasonable level of assurance:

- consistent with the GHG Project Plan,
- in conformance with the ACR standard and the Methodology, and
- without material discrepancy.

Verified results show:

January 1 – December 31, 2019	Total
Baseline Emissions (m.t.CO ₂ e)	49,559
Project Emissions (m.t.CO ₂ e)	39
Emissions Reductions (m.t.CO ₂ e)*	49,520

*As measured and calculated in accordance with the Project Methodology

10. Lead Verifier Signature



Michael M. Carim
Senior Associate

11. Independent Reviewer Signature



James Wintergreen
Senior Associate

APPENDIX A – Verification Findings

ID	Corrective Action Request	Summary of Participant Response	Verification Conclusion
1	<p>The following sections of the Monitoring Report contain inconsistencies or do not fully address the requirements of the ACR Template:</p> <ul style="list-style-type: none"> Section III.1 does not state the GHG reductions of the Project. Section VII does not discuss the desk review verification for the current reporting period. 	The Monitoring Report was revised to be consistent with all requirements of the ACR Template.	Response is acceptable.

ID	Clarification Request	Summary of Participant Response	Verification Conclusion
<i>No requests for clarification were issued during the verification process</i>			

APPENDIX B: Addendum to Original Validation & Verification Reports

First Environment, Inc. (First Environment) provides this addendum to its validation report dated January 2021 and its verification report dated June 2021 for the True Manufacturing FBA Project 002 project (the “Project”). This addendum summarizes the results of First Environment’s assessment of the Project’s end-of-life (EOL) emissions quantified under *“Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions and Removals from The Transition to Advanced Formulation Blowing Agents in Foam Manufacturing and Use, Version 3.0”* (the Methodology v3.0).

The revised emission reduction calculations were reviewed to ensure consistency with the equations and quantification methods described in the Methodology. First Environment confirmed that the values applied for all monitored parameters in emission reduction calculations were consistent with the previously verified activity data for the Project. Calculations were updated to employ a leakage lifetime emission rate of 100 percent and all formulae for the quantification of baseline, project, and leakage emissions were updated to be consistent with the Methodology v3.0. First Environment also confirmed that the description of the project boundary and included GHG SSRs in the Project Plan were updated to include EOL emissions.

All aspects of the updated Project Plan and Monitoring Report relative to the validation and verification criteria remain the same as the previously assessed project documents, with the exception of the delineation of the project boundary and quantification of emission reductions, both of which were performed in accordance with the Methodology v3.0. Validation and verification conclusions with respect to all project eligibility and other requirements of the *“Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions and Removals from The Transition to Advanced Formulation Blowing Agents in Foam Manufacturing and Use, Version 2.0”* remain unchanged from the original assessment.

Verified results using leakage lifetime emission rates under v3.0 of the Methodology show:

January 1 to December 31, 2019	Total
Baseline Emissions (tCO ₂ e)	291,525
Project Emissions (tCO ₂ e)	228
Emissions Reductions (tCO ₂ e)	291,297

The verified outstanding Emission Reductions Tonnes (ERTs) to be issued are as follows:

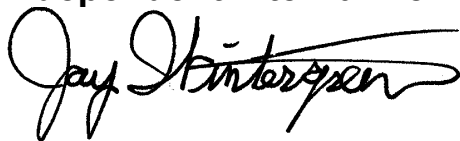
January 1 to December 31, 2019	Total
New ERTs Total	291,297
Original ERTs Total	49,520
Total Outstanding ERTs	241,777

Lead Verifier Signature



Michael M. Carim
Senior Associate

Independent Internal Reviewer Signature



James Wintergreen
Senior Associate