



LRQA Independent Assurance Statement

Relating to Nabtesco Corporation's GHG Emissions and Electricity Consumption for the calendar year 2021

This Assurance Statement has been prepared for Nabtesco Corporation in accordance with our contract.

Terms of Engagement

LRQA was commissioned by Nabtesco Corporation ("the Company") to provide independent assurance on its GHG emissions and electricity consumption ("the report") for the calendar year 2021, that is, from 1 January to 31 December 2021, against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using ISAE 3000 (Revised) and ISO 14064-3:2019 for GHG emissions.

Our assurance engagement covered operations and activities of the Company and its consolidated subsidiaries in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected dataset; and
- Evaluating the accuracy and reliability of data for the selected indicators listed below:^{1 2}
 - Scope 1 GHG emissions^{3 4} and Scope 2 GHG emissions (Location-based and Market-based)
 - Scope 3 GHG emissions attributed to categories 1, 2, 3, 4, 5, 6, 7, 11, and 12

Our assurance engagement excluded the other data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of the Company.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable GHG emissions and Power usage as summarized in Table 1, 2 and 3 below.

The opinion expressed is formed on the basis of a limited level of assurance⁵ and at the materiality of the professional judgement of the verifier.

¹ GHG quantification is subject to inherent uncertainty.

² GHG emissions (Scope 1 and Scope 2), and water consumption data only included Nabtesco Corporation and Nabtesco Group's consolidated subsidiaries in Japan and overseas. However, the other indirect GHG emissions data (Scope 3) only included the domestic operations of Nabtesco Corporation.

³ Scope 1 GHG emissions cover energy-oriented CO₂ emissions.

⁴ Scope 1 GHG emissions don't cover CO₂ emissions emitted by own or leased business car use.

⁵ The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Table 1. Summary of Nabtesco’s GHG emissions Data for calendar year 2021:

Scope of GHG emissions		tonnes-CO ₂	
Scope 1 GHG emissions		4,061	
Scope 2 GHG emissions (Market-based)		41,021	
Scope 2 GHG emissions (Location-based)		43,959	
Scope 3 GHG emissions		957,099	

Categories	tonnes-CO ₂ e	Categories	tonnes-CO ₂ e	Categories	tonnes-CO ₂ e
Category 1	753,565	Category 4	159,243	Category 7	1,525
Category 2	15,179	Category 5	979	Category 11	18,605
Category 3	6,112	Category 6	732	Category 12	1,159

Table 2. Year-on-year emission¹ change between calendar years 2020 and 2021

Scope of GHG emissions	tonnes-CO ₂ (actual emission factor based)
Scope 1 and Scope 2 (Market-based)	-7,482

Note 1: LRQA also reviewed the NABTESCO’s 2021 calendar year against its 2020 to confirm the year-on-year change in Scope 1 and 2 emissions data (-7,482 tonnes-CO₂). We did this as it is a specific requirement for CDP’s 2022 Climate Change Information Request (CDP Reporting). The 2020 data was taken from NABTESCO’s Integrated Report, covering the calendar year 2020.

Table 3. Total electricity consumption and renewable energy consumption

	MWh
Total energy consumption (including the usage of solar power)	130,267
Total energy consumption (without the usage of solar power)	122,409
CO2-free electricity purchase amount	31,018
Solar power generation (self-consumption)	7,858

LRQA’s Approach

LRQA’s assurance engagements are carried out in accordance with ISAE 3000 (Revised) ISO 14064-3:2019. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company’s data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the CY2021 data and records associated with GHG emissions and electricity consumption; and
- By implementing a “No Visitor” Policy due to the global infection spread of COVID-19, conducting the remote verification to Tarui Plant and Seishin Plant of Nabtesco Corporation and Nabtesco Corporation’s headquarter for confirming the effectiveness of its data management system via emails, telephone, and CISCO Webex.

Observations

It is recommended that the Company improve its reporting and control systems for GHG emissions data and information for more effective management.



LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021-1 *Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part1: Requirements* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is the Company's certification body for ISO 9001, ISO 14001, OHSAS 18001, IATF16949 and IRIS. The verification and certification assessments are the only work undertaken by LR for the Company and as such does not compromise our independence or impartiality.

Signed

Dated: 30 May 2022

A handwritten signature in black ink, appearing to read 'N. Kinoshita', is written over a faint, light-colored signature line.

Norihiko Kinoshita

LRQA Lead Verifier

On behalf of LRQA Limited

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LRQA reference: YKA4005454

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