



LRQA Independent Assurance Statement

Relating to Nabtesco Group's environmental and social Data 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 of its environmental and social data within the Sustainability page as published on its corporate website ("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 greenhouse gas emissions (GHG).

Our assurance engagement covered operations and activities of the Company and its consolidated subsidiaries in Japan and overseas and specifically the following requirements:¹

- 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:
 - Energy consumption (including the breakdown of energy type)
 - GHG emissions data (Scope 1, Scope 2 [Market-based and Location-Based], Scope 3)^{2 3 4}
 - Water consumption and water discharge
 - Waste generated and landfilled, and hazardous waste generated
 - Chemical substances controlled under the PRTR scheme and VOC emissions
 - Percentage of the Company's main suppliers with GHG emission reduction targets, and
 - Occupational accident rate⁵
 - Occupational disease rate⁶

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 set by the Company
- Disclosed accurate and reliable environmental and social data.

The opinion expressed is formed on the basis of a limited level of assurance⁷ and at the materiality of the professional judgement of the verifier.

¹ Energy consumption, 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) and Percentage of NABTESCO's main suppliers with GHG emission reduction targets only included the domestic operations of Nabtesco Corporation. And other selected datasets listed above only included the Nabtesco Corporation and Nabtesco Group consolidated subsidiaries in Japan.

² GHG quantification is subject to inherent uncertainty.

³ Scope 1 GHG emissions cover energy oriented CO₂ emissions.

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

⁵ The number of casualties resulting from the occupational accidents in the boundary divided by total working hours (in the unit of million hours)

⁶ The number of casualties resulting from the recorded occupational diseases in the boundary divided by total working hours (in the unit of million hours)

⁷ 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.



LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE3000 (Revised) and 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 Environmental and Social data; 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

In order to achieve more effective management of environmental and social data, it is expected that the Company will improve the reporting and management system.

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 LRQA 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 light blue horizontal line.

Norihiko Kinoshita

LRQA Lead Verifier

On behalf of LRQA Limited

10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LRQA reference: YKA4005454

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