

Assurance Statement

Relating to Nabtesco's GHG Emissions for the calendar year 2019

Terms of engagement

This assurance statement has been prepared for Nabtesco Corporation.

Lloyd's Register Quality Assurance Ltd. (LR) was commissioned by Nabtesco Corporation to assure Nabtesco Group's ("the Organization") greenhouse gas (GHG) emissions data for the calendar year 2019, that is, 1 January 2019 to 31 December 2019, ("the report"). The report relates to the GHG emissions data from the activities of Nabtesco Corporation and its consolidated subsidiaries in Japan and overseas.

Our assurance statement covered the Organization's operations and specifically the following requirements:

- confirming that the report is in accordance with the Organization's in-house reporting procedures, and
- evaluating the accuracy and reliability of GHG emissions^{1 2} and as summarized in Tables 1 and 2 below:
 - Direct GHG emissions (Scope 1)^{3 4} and energy indirect GHG emissions (Scope 2)
 - Other indirect GHG emissions (Scope 3) attributed to categories 1, 2, 3, 4, 5, 6, 7, 11, and 12.

Management Responsibility

NABTESCO's management was responsible for preparing the report and for maintaining effective internal controls over the data and information disclosed. LR's responsibility was to carry out an assurance engagement on the report in accordance with our contract with the Organization.

Ultimately, the report has been approved by, and remains the responsibility of the Organization.

LR's Approach

Our verification has been conducted in accordance with ISO14064-3:2006 "*Specification with guidance for validation and verification of greenhouse gas assertions*" to provide limited assurance that GHG emissions data as presented in the Report have been prepared in conformance with the Organization's in-house reporting procedures.

To form our conclusion, the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- Auditing the data management systems and internal verification processes in place for GHG emissions data.
- Visiting Tsu Plant to confirm the data collection processes, management of GHG emissions data, and record management practices, including interviewing key people responsible for compiling the data and preparing the report.
- By implementing a "No Visitor" Policy due to the global infection spread of COVID-19, conducting the remote verification for Kobe plant of Nabtesco Corporation and Nabtesco Corporation's headquarter via emails, telephone, and Webex.

Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at a materiality of the professional judgment of the verifier.

¹ GHG quantification is subject to inherent uncertainty.

² GHG emissions (Scope 1 and Scope 2) 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.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that the GHG emissions disclosed in the report and as summarized in Table 1 and 2 below are not materially correct and the report has not been prepared in conformance with the Organization's's in-house reporting procedures.

LR's Recommendations

The Organization should continue improving the reporting and control systems to further demonstrate the effective management of greenhouse gas emissions data and information.

Table 1. Summary of NABTESCO, GHG emissions 2019

Scope of GHG emissions		tonnes-CO ₂	
Direct GHG emissions (Scope 1)		6,599	
Energy indirect GHG emissions (Scope 2, Market-based)		53,874	
Other indirect GHG emissions (Scope 3)		940,976	

Categories	tonnes-CO ₂ e	Categories	tonnes-CO ₂ e	Categories	tonnes-CO ₂ e
Category 1	679,177	Category 4	196,021	Category 7	1,540
Category 2	34,655	Category 5	1,078	Category 11	20,885
Category 3	3,149	Category 6	3,507	Category 12	964

Table 2. Year-on-year emission¹ change between calendar years 2018 and 2019

Scope of GHG emissions	tonnes-CO ₂ (actual emission factor based)
Scope 1 and Scope 2	-9,703

Note 1: LR also reviewed the NABTESCO's 2019 calendar year against its 2018 to confirm the year-on-year change in Scope 1 and 2 emissions data (-9,703 tonnes-CO₂). We did this as it is a specific requirement for CDP's 2020 Climate Change Information Request (CDP Reporting). The 2018 data was taken from NABTESCO's Integrated Report, covering the calendar year 2018.

Signed



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LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited

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