

Verification Statement



22 July 2020
Statement No : SGS20/019

Mr. Toshikazu Nishimoto
President
TOKYO STEEL MFG. CO., LTD.

Objective

SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by TOKYO STEEL MFG. CO., LTD. (hereinafter referred to as "the Organization") to conduct independent verification based on Criteria of Verification (ISO14064-3: 2006 and the SGS verification protocol) regarding the data prepared by the Organization on the scope of verification (hereinafter referred to as "the assertion"). The objective of this verification is to confirm that the assertion in the Organization's applicable scope has been correctly calculated and reported in the assertion in conformance with the criteria, and to express our views as a third party.

Scope

The scope of verification is Scope 1 and 2 emissions, energy consumption, and Scope3 emissions. The period subject to report is from 1 April 2019 to 31 March 2020. Refer to the attached sheet for the detailed scope of verification.

Procedure of Verification

The assertion was verified in accordance with Criteria of Verification, and the following processes were implemented at a limited level of assurance:

- Verification of the calculation system: Interviews on the measurement, tabulation, calculation and reporting methods employed by the Organization as well as review of related documents and records
- Verification of the assertion: On-site verification and review of vouchers conducted at Kyushu Plant and Okayama Plant, and analytical procedures and interviews for other sites in the scope of verification carried out at Head Office and Utsunomiya Plant.
- The criteria for this review are based on, Act on the Rational Use of Energy, GHG Emissions Calculation and Reporting Manual Ver. 4.4., Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.3, Database of emissions unit values on the same Accounting Ver. 3.0 and the protocol specified by the Organization.

Conclusion

Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's assertion was not calculated and reported in conformance with the criteria.

SGS Japan Inc. affirms our independence from the organization, being free from bias and conflicts of interest with the Organization.

For and on behalf of SGS Japan Inc.
Senior Executive & Director
Certification and Business Enhancement

Yuji Takeuchi



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The details of the scope of verification

The scope	The boundary	The assertion
1 The performance data Scope 1 and 2 include energy related greenhouse gas emissions and energy consumption, excluding the vehicles which run outside of the sites and part of the on-site vehicles.	4 domestic plants of the Organization	Scope 1: 303,698 t-CO ₂ Scope 2: 749,088 t-CO ₂
2 Scope3 (category 4) CO2 emissions as a specified consigner (under the Act on the Rational Use of Energy).	The organization	49,010 t-CO ₂