

Verification Statement



10 July 2019
Statement No : SGS19/019

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

Objective

SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by TOKYO STEEL 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 GHG emissions calculated by the Organization on the scope of verification (hereinafter referred to as "the GHG assertion"). The objective of this verification is to confirm that the GHG assertion in the Organization's applicable scope has been correctly calculated and reported in the GHG assertion in conformance with the criteria, and to express our views as a third party.

Scope

The scope of verification is limited to the GHG assertion at the Utsunomiya Plant, the Tahara Plant, the Okayama Plant and the Kyushu Plant of the Organization.

GHG emissions included in the GHG assertion are Scope 1 and 2: energy-related CO₂ emissions which was directly used in the production process, and excluded the vehicles which run outside of the sites, and Scope 3: CO₂ emissions from the activities as a specified consigner within category 4.

The period subject to report is from 1 April 2018 to 31 March 2019.

Procedure of Verification

The GHG 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 GHG assertion: For Scope 1 and 2, on-site verification and review of vouchers conducted at the Utsunomiya Plant and the Tahara Plant, and analytical procedures and interviews for other sites in the scope of verification carried out at the the Utsunomiya Plant, and for Scope 3, on-site verification and review of vouchers conducted at the head office

The criteria for this review are based on Act on the Rational Use of Energy and Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Ver. 2.3.

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 (Scope1:324,567 t-CO₂, Scope2: 941,142 t-CO₂, Scope3: 53,531 t-CO₂) 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 & Business Manager
Certification and Business Enhancement

Yuji Takeuchi



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