

Assurance Statement

related to GHG Emissions Inventory 2016

prepared for Brother Industries, Ltd.

Terms of Engagement

This Assurance Statement has been prepared for Brother Industries, Ltd.

Lloyd's Register Quality Assurance Ltd. (LR) was commissioned by Brother Industries, Ltd. (BIL) to assure its GHG Emissions Inventory for the fiscal year 2016 (1 April 2016 to 31 March 2017) (hereafter referred to as "the Report").

The Report relates to direct GHG emissions (Scope 1¹), energy indirect GHG emissions (Scope 2¹) and other indirect GHG emissions (Scope 3^{2 3}).

The Report includes GHG emissions associated with the operations and activities of BIL and Brother Group's manufacturing and non-manufacturing sites in Japan and overseas.

Management Responsibility

BIL'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 BIL.

Ultimately, the Report has been approved by, and remains the responsibility of BIL.

LR's Approach

Our verification has been conducted in accordance with ISO 14064-3:2006 *Specification with guidance for validation and verification of greenhouse gas assertions* to provide limited assurance that GHG data as presented in the Report have been prepared in conformance with ISO 14064-1:2006 *Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals*.

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

- conducted site tours of the facilities and reviewed processes related to the control of GHG emissions data and records at Mizuho Factory and Hoshizaki Factory in Japan;
- reviewed the management system documents for GHG emissions data, information and records, covering all the processes up to the preparation of the GHG Inventory;
- interviewed relevant staff of the organization responsible for managing GHG emissions data and records;
- assessed effectiveness of implementation of the GHG management system and the internal data verification; and
- verified historical GHG emissions data and records at an aggregated level for the fiscal year 2016.

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 Scope 1 and 2 emissions are as defined in *The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard*.

² The categories of Scope 3 emissions are as defined in the *Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, Table 5.3.

³ Scope 3 GHG emissions covers Category 1 to 15.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that the total direct GHG emissions and energy indirect GHG emissions and other indirect GHG emissions disclosed in the Report as summarized in Table 1 below are not materially correct and that the Report has not been prepared in conformance with ISO 14064-1:2006.

LR's Recommendations

Whilst the Brother Group implements the plan to continue reporting GHG emissions, BIL should:

- make continuous efforts for completeness of data collection for the domestic and overseas group companies and strengthening of internal data checks.
- make continuous efforts for strengthening the calculation method of non-energy origin GHG related to the manufacturing process.

Signed:

Dated: 30 June 2021



Koji Tagami

LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited

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LR Reference: YKA4005060

Table 1. Summary of BIL, GHG Emissions Inventory for the fiscal year 2016

Scope of GHG emissions	Tonnes CO ₂ e
Direct GHG emissions (Scope 1)	72,819
Energy indirect GHG emissions (Scope 2, Location-based)	123,093
Energy indirect GHG emissions (Scope 2, Market-based)	122,244
Other indirect GHG emissions (Scope 3)	3,001,247

Note 1: Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015

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Due to inherent limitations in any internal control, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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