

LR Independent Assurance Statement

Related to Brother Group's GHG Emissions Inventory and Energy Consumption Data for the fiscal year 2020

This Assurance Statement has been prepared for Brother Industries, Ltd. in accordance with our contract.

Terms of Engagement

Lloyd's Register Quality Assurance (LR) was commissioned by Brother Industries, Ltd. ("BIL") to provide independent assurance on Brother Group's Greenhouse Gas ("GHG") emissions inventory and energy consumption data within its Corporate Website etc ("the report") for the fiscal year 2020, that is, from 1 April 2020 to 31 March 2021, against the assurance criteria below to a limited level of assurance and professional judgement of the verifier using ISAE3000 (Revised) and ISO14064-3:2006 for GHG Emissions Inventory.

Our assurance engagement covered the operations and activities relating BIL and its consolidated subsidiaries in Japan and overseas¹ and specifically the following requirements:

- Verifying conformance with Company's reporting methodologies and ISO14064-1:2006
- Evaluating the accuracy and reliability of data for only the selected indicators listed below²
 - Scope 1 GHG emissions (tonnes CO₂e)
 - Scope 2 GHG emissions [Market-based and Location-based] (tonnes CO₂e)
 - Scope 3 GHG emissions (Category 1-15) (tonnes CO₂e)
 - Energy consumption (MWh, kl, tonnes, km³, and GJ)

Our assurance engagement excluded the data and information of BIL's suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to BIL. LR disclaims any liability or responsibility to others as explained in the end footnote. BIL'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 BIL.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that BIL has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable GHG emissions inventory and energy consumption data as summarized in Table 1 and 2 below.

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

Note: 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.

¹ GHG emissions from BIL's some sales offices are not included in the report due to relatively small impacts to the total GHG emissions of Brother Group.

² GHG quantification is subject to inherent uncertainty.

LR's Approach

LR's assurance engagements are carried out in accordance with ISAE 3000 (Revised) and ISO 14064-3 for GHG Emissions Inventory. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing BIL's data management systems to confirm that there were no significant errors, omissions or misstatements 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 historical GHG and energy data and records for the fiscal year 2020;
- Visually observing areas around the physical boundary of Mizuho Factory and Momozono Factory; and
- Employing remote verification approach to a part of the processes whereby confirming the effectiveness of its data management systems via emails and Microsoft Teams in order to abide by BIL's "No Visitor" Policy due to the global infection spread of COVID-19.

LR's Recommendations

It is recommended that BIL should proactively explore opportunities of further improvement and ensure effective and accurate aggregation and calculation of GHG inventory.

LR's Standards, Competence and Independence

LR 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.

LR 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.

This verification is the only work undertaken by LR for BIL and as such does not compromise our independence or impartiality.

Signed



Koji Tagami
LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

Dated: 17 June 2021

LR reference: YKA4005060

Table 1. Summary of Brother Group's GHG Emissions for the fiscal year 2020

Scope of GHG emissions	Tonnes CO ₂ e
Direct GHG emissions (Scope 1)	18,356
Energy indirect GHG emissions (Scope 2, Location-based)	98,508
Energy indirect GHG emissions (Scope 2, Market-based)	98,685
Other indirect GHG emissions (Scope 3)	2,752,567
1. Purchased goods & services	1,302,661
2. Capital goods	75,897
3. Fuel- and energy-related activities	10,987
4. Upstream transportation & distribution	103,148
5. Waste generated in operations	4,138
6. Business travel	1,558
7. Employee commuting	14,698
8. Upstream leased assets	4,642
9. Downstream transportation & distribution	14,671
10. Processing of sold products	0
11. Use of sold products	968,174
12. End of life treatment of sold products	250,107
13. Downstream leased assets	1,886
14. Franchises	0
15. Investments	0

Table 2. Summary of Brother Group's Energy Consumption for the fiscal year 2020

Scope	Energy Consumption	GJ equivalent
Electricity	194,679.3 MWh	700,845 GJ
Gasoline	2,201.2 kl	72,160 GJ
Kerosene	12.1 kl	423 GJ
Light oil	737.1 kl	26,622 GJ
Heavy oil	10.0 kl	342 GJ
LPG	226.1 t	10,693 GJ
Town gas	5,431.3 km ³	182,492 GJ
Heat	768 GJ	768 GJ

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