



LRQA Independent Assurance Statement Relating to SCSK Group's Greenhouse Gas Emissions Inventory for the fiscal year 2021

This Assurance Statement has been prepared for SCSK Corporation in accordance with our contract.

Terms of Engagement

LRQA Limited (LRQA) was commissioned by SCSK Corporation (the Organisation) to provide independent assurance of SCSK Group's greenhouse gas (GHG) emissions inventory ("the Report") for the fiscal year 2021 (from 01/04/2021 to 31/3/2022) against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA's verification procedure. LRQA's verification procedure refers to ISO14064-3:2019.

Our assurance engagement covered the operations and activities of SCSK Group's 23 companies in Japan and overseas, and specifically the following requirements:

- verifying conformance with the Organisation's in-house reporting methodologies for the selected datasets;
- evaluating the accuracy and reliability of the selected datasets listed below:
 - Direct GHG emissions (Scope 1) ^{1 2},
 - Energy indirect GHG emissions (Scope 2), Location-based and Market-based,
 - Other indirect GHG emissions (Scope 3) Categories ³ 1, 2, 3, 5, 6, 7, 11 and 12

Our assurance engagement excluded the data and information of the Organisation's suppliers, contractors and any third-parties mentioned in the Report. The Organisation's GHG Emissions Inventory excludes emissions of GHGs other than energy-oriented CO₂, and GHG emissions from use of energy at rental offices that the group companies are using and have difficulty to collect data. These GHG emissions excluded from the calculation are relatively small to the total GHG emissions of the Organisation.

LRQA's responsibility is only to the Organisation. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Organisation'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 the Organisation.

LRQA's Opinion

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

- met the requirements of the criteria listed above; and
- disclosed accurate and reliable performance data and information on GHG emissions as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance⁴ and at the materiality of the professional judgement of the verifier.

¹ GHG quantification uses emission factors and is subject to inherent uncertainty.

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

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

⁴ 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.



Table 1. Summary of SCSK Group’s GHG Emissions Inventory for fiscal year 2021

Scope of GHG emissions	t-CO ₂
Direct GHG emissions (Scope 1)	306.9
Energy indirect GHG emissions (Scope 2) Location-based	67,417.5
Energy indirect GHG emissions (Scope 2) Market-based	39,536.8
Other indirect GHG emissions (Scope 3)	493,934.4
Category 1 Purchased Goods and Services	231,542.2
Category 2 Capital Goods	24,302.3
Category 3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	10,455.9
Category 5 Waste Generated in Operations	315.4
Category 6 Business Travel	1,270.2
Category 7 Employee Commuting	3,440.2
Category 11 Use of Sold Products	222,591.9
Category 12 End-of-Life Treatment of Sold Products	16.3
Note : Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015.	

LRQA’s Approach

LRQA’s assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- conducting site assessments on netXDC Sanda Center and West Japan Nishihama Office;
- interviewing relevant employees of the Organization responsible for managing data and records;
- assessing the Organisation’s data management systems to confirm they are designed to prevent significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal quality control at the Organisation’s head office in Tokyo, Japan; and
- verifying historical GHG emissions data and records at an aggregated level for the fiscal year 2021.

Observations

Further observation and finding, made during the assurance engagement, is:

- the Organisation should continue to make efforts to collect the current information of emission sources, to continually review the calculation procedures, and to strengthen the internal data checks.

LRQA’s Standards, Competence and Independence

LRQA 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 – Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA 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.

The verification is the only work undertaken by LRQA for the Organisation and as such does not compromise our independence or impartiality.



Signed

Dated: 22 July 2022

A handwritten signature in black ink, appearing to read 'Michiaki Chiba', is written over a light blue horizontal line.

Michiaki Chiba
LRQA Lead Verifier
On behalf of LRQA Limited
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