



## Independent Assurance Report

**Mr. Kazutoshi Kobayashi**  
**President & CEO**  
**KOSÉ Corporation**

We, SOCOTEC Certification Japan (hereafter "SOCOTEC"), have performed a limited assurance engagement, in response to the entrustment from KOSÉ Corporation (hereafter "the Corporation") in order to provide an opinion as to whether the subject matter information ("FY2023 GHG Emissions (Scope 1+2) Calculation Report", "FY2023 GHG Emissions (Scope 3) Calculation Report", "FY2023 Water-Related Data Calculation Report", "FY2023 Energy Consumption Calculation Report" and "FY2023 Social Nonfinancial Information Calculation Report" (hereafter "FY2023 GHG Emissions, Environmental and Social Data Calculation Report") (period: 1 January 2023 to 31 December 2023)) of the Corporation meets the criteria in all material respects.

### 1 Subject Matter Information and Criteria

The subject matter information for our assurance is "a report on GHG Emissions, Environmental and Social Data (shown in APPENDIX)" covering the operations and activities of the Corporation and its consolidated companies in Japan and overseas (18 domestic companies and 17 overseas companies) described in "FY2023 GHG Emissions, Environmental and Social Data Calculation Report" (period: 1 January 2023 to 31 December 2023).

The criteria for preparing subject matter information is "GHG Emissions (Scope 1+2) Calculation Rules Ver.1.6", "GHG Emissions (Scope 3) Calculation Rules Ver.2.0", "Water-Related Data Calculation Rules Ver.3.0", "Energy Consumption Calculation Rules Ver.1.1" and "Social Nonfinancial Information Calculation Rules Ver.1.0".

### 2 Management Responsibility

"FY2023 GHG Emissions, Environmental and Social Data Calculation Report" (period: 1 January 2023 to 31 December 2023) was prepared by the management of the Corporation, who is responsible for the integrity of the assertions, statements, and claims made therein (including the assertions over which we have been engaged to provide limited assurance), the collection, quantification and presentation of all data and information in the report, and applied criteria, analysis and publication.

The management of the Corporation is responsible for maintaining adequate records and internal controls that are designed to support the reporting process and ensure that "FY2023 GHG Emissions, Environmental and Social Data Calculation Report" (period: 1 January 2023 to 31 December 2023) is free from material misstatement whether intentional or negligent.

### 3 Assurance Practitioner's Responsibility

The responsibility of SOCOTEC is to express a limited assurance conclusion as to whether the subject matter information has been prepared in compliance with the criteria in all material respects.

SOCOTEC performed limited assurance engagement in accordance with the verification procedures stipulated by SOCOTEC and "JIS Q 14064-3:2023 (ISO14064-3 : 2019) Specification with guidance for the verification and validation of greenhouse gas statements" and the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" of International Auditing and Assurance Standards Board (IAASB).

The procedures implemented in the limited assurance engagement are limited in their type, timing and scope as compared to the procedures implemented in the reasonable assurance engagement. As a result, our limited assurance engagement does not provide as high assurance as reasonable assurance engagement.

Our procedures performed depend on the assurance professional practitioner's judgement, including the risk of material misstatement, whether due to fraud or error. Our conclusion was not designed to provide assurance on internal controls. We believe that we have obtained the evidence to provide a basis for the conclusion for limited assurance.





#### 4 Assurance Procedures

The procedures that SOCOTEC has conducted are based on professional judgment and include, but are not limited to:

- Evaluation of policies and procedures created by the Corporation in relation to subject matter information
- Questions to the Corporation personnel to understand the above policies and procedures
- Verification that the target project meets eligibility requirements
- Matching with the basis data by trial calculation and recalculation
- Obtaining and collating material for important assumptions and other data
- We visited Head office of the Corporation, Kumagaya Factory of ALBION CO., LTD. and Sayama Factory of KOSÉ INDUSTRIES CO., LTD. in order to confirm the calculation structure and procedures, data collection and implementation status of record control.

#### 5 Statement of Our Independence, Quality Control and Competence

SOCOTEC has introduced and maintained a comprehensive management system that conforms to the accreditation requirements of "ISO17021 Conformity assessment -- Requirements for bodies providing audit and certification of management systems". In addition, we have also established a management system according to "ISO14065 Greenhouse gases -- Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition". These meet the requirements of International Standard on Quality Control 1 by the International Auditing and Assurance Standards Board and Code of Ethics for Professional Accountants by International Ethics Standards Board for Accountants. We maintain a comprehensive quality control system that includes ethical rules, professional standards and documented policies and procedures for compliance with applicable laws and regulations.

The SOCOTEC Group is a comprehensive third-party organisation in inspection, testing and certification operations, and conducts management system certification services and training services related to quality, environment, labour and information security in countries around the world. Engaged in performance data and sustainability report assurance of environmental and social information, SOCOTEC affirms that it is independent of the organisation that has ordered the assurance engagement, its affiliated companies, and stakeholders, and that there is no possibility of impairing impartiality or conflict of interest.

We assure that the team engaged in the assurance is selected based on knowledge, experience in the relevant industry, and the competence requirements for this assurance engagement.

#### 6 Use of Report

Our responsibility in performing our limited assurance activities is to the management of the Corporation only in accordance with the terms for this engagement as agreed with the Corporation. We do not therefore assume any responsibility for any other purpose or to any other person or organisation.

#### 7 Our Conclusion

On the basis of our procedures performed and evidence obtained nothing has come to our attention that causes us to believe that the subject matter information is not, in all material respects, prepared and reported in accordance with the stated criteria.

SOCOTEC Certification Japan

Seigo Futaba  
Managing Director  
31 July 2024

## GHG Emissions, Environmental and Social Data

Table1 GHG Emissions

Item			Figure	Unit
Scope 1			5,991.190	t-CO <sub>2</sub> e
Scope 2 (Location-based)			14,423.266	t-CO <sub>2</sub> e
Scope 2 (Market-based)			8,039.700	t-CO <sub>2</sub> e
Scope 3 (Breakdown)	Category 1	Purchased goods and services	386,756.864	t-CO <sub>2</sub> e
	Category 2	Capital goods	16,041.977	t-CO <sub>2</sub> e
	Category 3	Fuel and energy related activities not included in Scope 1 or 2	3,723.104	t-CO <sub>2</sub> e
	Category 4	Transportation and delivery (upstream)	79,679.795	t-CO <sub>2</sub> e
	Category 5	Waste generated in operations	3,225.818	t-CO <sub>2</sub> e
	Category 6	Business travel	1,697.984	t-CO <sub>2</sub> e
	Category 7	Employee commuting	3,584.109	t-CO <sub>2</sub> e
	Category 11	Use of sold products	260,233.896	t-CO <sub>2</sub> e
	Category 12	End-of-life treatment of sold products	9,051.023	t-CO <sub>2</sub> e
	Total		763,994.570	t-CO <sub>2</sub> e

Table2 Water-Related Data

Item	Figure	Unit
Water withdrawals	308,982.57	m <sup>3</sup>
Water discharges	194,889.06	m <sup>3</sup>
Water usages	113,462.51	m <sup>3</sup>



Table3 Energy Consumption

Item	Figure	Unit
Kerosene	1,735.758	GJ
	482.155	MWh
Heavy Oil	8,169.000	GJ
	2,269.168	MWh
Gasoline	23,946.776	GJ
	6,651.888	MWh
Light Oil	1,642.402	GJ
	456.223	MWh
City Gas	61,788.091	GJ
	17,163.372	MWh
Propane Gas	1,472.537	GJ
	409.038	MWh
Electricity	383,075.165	GJ
	32,314.328	MWh
Total Energy Use*	481,829.729	GJ
	59,746.174	MWh

\* : Total Energy Use is the sum of each item, including those below the displayed digits, and may not match the apparent total of each item.

Table4 Social Nonfinancial Information

Item	Figure	Unit
Male-female ratio in management positions	Man/Consolidated	68.9 %
	Woman/Consolidated	31.1 %
	Man/Including unconsolidated	68.9 %
	Woman/Including unconsolidated	31.1 %
Childcare leave acquisition rate for man and woman in Japan	Man	82.4 %
	Woman	100.0 %