

# LR Independent Assurance Statement

## Relating to DNP Group's Environmental Data within DNP Group Environmental Report 2021 for the fiscal year 2020

This Assurance Statement has been prepared for Dai Nippon Printing Co., Ltd.'s in accordance with our contract but is intended for the readers of this report.

### Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Dai Nippon Printing Co., Ltd. ("the Company") to provide independent assurance on DNP Group's environmental data and information ("the report") within DNP Group Environmental Report 2021 for the fiscal year 2020, that is, 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) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ISO14064-3:2006 *Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions* for GHG data.

Our assurance engagement covered the operations and activities relating the Company and its consolidated subsidiary in Japan and overseas<sup>1 2 3</sup> and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies;
- Evaluating the accuracy and reliability of data for the selected environmental indicators listed Appendix 1;<sup>4 5</sup>

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

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

### LR's Opinion

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

- Complied with the Company's reporting methodologies
- Disclosed accurate and reliable environmental data

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 substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### LR's approach

LR's assurance engagements are carried out in accordance with ISAE3000 and ISO14064-3 for GHG emissions. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

<sup>1</sup> The scope is covered Dai Nippon Printing Co., Ltd. and its 23 Manufacturing companies and 1 logistics company.

<sup>2</sup> The scope is covered non-manufacturing sites of Dai Nippon Printing Co., Ltd. and domestic subsidiaries (including 3 Development base, office-building, and business offices etc.)

<sup>3</sup> Overseas 10 manufacturing subsidiaries (DNP Photomask Europe S.p.A., DNP Denmark A/S, DNP Imagingcomm Europe B.V., DNP Imagingcomm America Corporation (Concord), DNP Imagingcomm America Corporation (Pittsburgh), DNP Imagingcomm Asia Sdn. Bhd., Tien Wah Press (Pte.) Ltd., PT DNP Indonesia (Karawang), PT DNP Indonesia (Pulogadung), DNP Vietnam Co.,Ltd.)

<sup>4</sup> LR undertook a limited assurance engagement of the environmental data marked with "✓" within DNP Group Environmental Report 2021. And see Appendix 1 for detailed information on the data covered by this Independent Assurance Statement.

<sup>5</sup> When breakdown data for each department is listed in DNP Group Environmental Report 2021, the data is also assured.

- Auditing the Company'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 environmental data and records for the fiscal year 2020; and
- By implementing the Company's "No Visitor" Policy due to the global infection spread of COVID-19, conducting the remote verification to Okayama Plant of DNP imagingcomm Corporation and Kuki Plant of Dai Nippon Printing Co., Ltd. for confirming the effectiveness of its data management systems via emails and Microsoft Teams.

### Observations

It is recommended the Company will continue to maintain the high-level data management systems and discover further improvement opportunities proactively to ensure accurate aggregation and calculation of environmental data.

### 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.

LR is the certification body of ISO9001 and ISO14001 for the DNP Ellio Co., Ltd. which is the consolidated subsidiary of the Company and as such does not compromise our independence or impartiality.

Signed



Norihiko Kinoshita

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: 5 July 2021

LR reference: YKA00000845

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## Appendix 1 : The Scope of Work

LR undertook a limited assurance engagement of the environmental data listed below within the Environmental Report 2021. (The number of pages on the left side of this table below is the page published in the Environmental Report 2021.)

|         |  |
|---------|--|
| P16     | GHG emissions <sup>6</sup>   |
|         | Fuel use for transport per amount of sales   |
|         | Emissions of VOCs (except for methane)   |
|         | Waste emissions per amount of sales  |
|         | Landfill waste rate  |
|         | Water use per amount of sales (includes overseas location)   |
|         | Sales of environmentally conscious products and services   |
| P.17-18 | Main raw materials consumption (Paper, Film, Plastic, Metal, Ink, and Others)  |
|         | Solvent use  |
|         | Acid and alkaline use  |
|         | Energy consumption (Electricity, City gas, LNG, LPG, Fuel oil, Steam, and Kerosene)  |
|         | Water use  |
|         | GHG emissions <sup>6</sup>   |
|         | Atmospheric emissions of VOCs  |
|         | Water discharged   |
|         | Total amount of undesired materials  |
|         | Waste emissions  |
|         | Landfill waste amount  |
| P.19    | Transition of sales of environmentally conscious products and services (including the breakdown of the sales amount of the department) |
| P.21    | Scope 1 and Scope 2 GHG emissions <sup>6</sup> (including the breakdown of Scope 1 and Scope 2 [Market-based])                         |
|         | Domestic fuel composition  |
| P.22    | Fuel use for transport   |
|         | Fuel use for transport per amount of sales   |
|         | Power consumption at major offices   |
| P.23    | Scope 3 GHG emissions <sup>6,7</sup> (Categories 1,2,3,4,5,6,7,9,11, and 12)   |
| P.24    | Undesired material generation (including the breakdown of the department)  |
|         | Waste emissions (including the breakdown of the department)  |
| P.25    | Water use  |
| P.27    | Atmospheric emissions of VOCs (includes the breakdown of PRTR and non-PRTR VOCs)   |
| P.28    | Chemical Substances Subject to the PRTR Law (includes the breakdown of Release and Transfer amount)                                    |

### Verification period

- Fiscal year 2020 (1 April 2020 to 31 March 2021)
- Some overseas plants collect and aggregate the environmental data in the calendar year 2020 (1 January 2020 to 31 December 2020).

<sup>6</sup> GHG quantification is subject to inherent uncertainty.

<sup>7</sup> Regarding Scope 3 GHG emissions, the scope is covered major domestic sites (excluding Hokkaido Coca-Cola Products and the subsidiaries book stores etc.) and major overseas sites (PT DNP Indonesia, DNP Imagingcomm America Corporation, DNP Imagingcomm Asia Sdn.Bhd., and Tien Wah res (Pte.) Ltd. GHG emissions from the company's own logistics transportation should be partially categorized as Scope 1, but due to difficulties in separating it out, all GHG emissions are calculated as Category 4 of Scope 3.