

LR Independent Assurance Statement

Relating to Toyota Tsusho Corporation's Environmental and Social Data within the Integrated Report 2020 for the Fiscal Year 2019

This Assurance Statement has been prepared for Toyota Tsusho Corporation in accordance with our contract but is intended for the readers of this report.

Terms of engagement

Lloyd's Register Quality Assurance (LR) was commissioned by Toyota Tsusho Corporation ("the Company") to provide independent assurance on its environmental and social data within the Integrated Report 2020 for the fiscal year 2019¹ ("the report") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064 - 3 for GHG emissions data.

Our assurance engagement covered the operations and activities relating the Company and its consolidated subsidiaries in Japan and overseas^{2,3} and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies:
- Evaluating the accuracy and reliability of data for the selected indicators listed below:

Environmental

- Water usage (m³), and
- GHG emissions data⁴
 - Scope 1 GHG emissions^{5,6} (tonnes CO₂)
 - Scope 2 GHG emissions, market-based (tonnes CO₂)
 - Scope 3 GHG emissions, associated with Categories 2,3,4,5,6,7,8, and 14 (tonnes CO₂e)
- Energy consumption (MWh)
- Waste Emissions (tonnes)

Social⁶

- Number of industrial accidents
- Lost time injury frequency rate

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.

¹ Period of 1 January 2019 to 31 December 2019 for environmental data, 1 April 2019 to 31 March 2020 for social data.

² Scope 1 and Scope 2 GHG emissions and Water usage cover Toyota Tsusho Corporation, its consolidated subsidiaries in Japan and overseas subsidiaries in Asia-Pacific. Scope 3 GHG emissions and Waste emission cover Toyota Tsusho Corporation and its consolidated subsidiaries in Japan.

³ Number of industrial accidents and Lost time injury frequency rate cover Toyota Tsusho Corporation, its consolidated subsidiaries in Japan and overseas subsidiaries (more than 50% ownership, excluding Africa).

⁴ GHG quantification is subject to inherent uncertainty.

⁵ Scope 1 GHG emissions includes only energy-oriented CO₂.

⁶ Regenerated oil usage isn't included in the scope.

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:

- Met the requirements above
- 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 ISO 14064 - 3 for GHG emissions data. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no 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 verification;
- Interviewing with 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 emissions, energy consumption, water usage, waste emission, number of industrial accidents, and Lost time injury frequency rate data and record for the fiscal year 2019; and
- For environmental data verification, by implementing a Company "No Visitor" Policy due to the global infection spread of COVID-19, conducting the remote verification for Toyotsu Steel Pipe & Tubular Products Co., Ltd., Kanto Grain Terminal Co., Ltd., and Toyota Tsusho headquarter via emails, telephone, and Zoom.

Observations

The Company should further demonstrate the completeness, accuracy and reliability of its future GHG Emissions Inventory. And it is expected to improve the reliability of the data collection and analysis systems used by the Company with further use.

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 - Part 1: 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 Company's certification body for ISO14001. The verification and certification assessments are the only work undertaken by LR for the Company and as such does not compromise our independence or impartiality.

Signed



Takahiro Iio
LR Lead Verifier



Ichiro Ueno
LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited
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Dated: 12 March 2021