

# Greenhouse Gas Emissions Verification Report

**To: Air Water Inc.**

## 1. Objective and Scope

Japan Quality Assurance Organization (hereafter “JQA”) was engaged by Air Water Inc. (hereafter “the Company”) to provide an independent verification on “Scope 1 & 2 calculation report (domestic only)”, “Scope 1 & 2 calculation report (overseas)”, “6.5 gases calculation report” and “Scope 3 calculation report” (hereafter “the Reports”). The content of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding the FY2022\* GHG emissions and energy consumption in the Reports was correctly measured and calculated, in accordance with the “GHG (Scope 1 & 2) emissions calculation manual (revised on July 1, 2023)” and “Scope 3 calculation manual (revised on July 1, 2023)” (hereafter “the Rules”). The purpose of the verification is to evaluate the Reports objectively and to enhance the credibility of information regarding environmental data in the Reports.

\*The fiscal year of the Company ended on March 31, 2023.

## 2. Procedures Performed

JQA conducted verification in accordance with “ISO 14064-3” and “ISAE3000”. The scope of this verification assignment covers GHG emissions from Scope 1 & 2 (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, NF<sub>3</sub>, HFC, PFC and SF<sub>6</sub>), energy consumption in Scope 1 & 2 and GHG emissions from Scope 3 (13 categories: Category 1, 2, 3, 4, 5, 6, 7, 8, 11, 12, 13, 14 and 15). The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent of each total environmental data in the Reports. The organizational boundaries of this verification cover 759 domestic sites and 50 overseas sites of Air Water Inc. and its consolidated subsidiaries for Scope 1 & 2 and energy consumption, 185 companies of Air Water Inc. and its consolidated subsidiaries for Scope 3.

Our verification procedures included:

- Performing validation of integrated functions to check the Rules.
- Holding on-site verification at Head office of the Company (for Scope 3) and the Company’s sites (6 domestic sites for Scope 1 & 2 and energy consumption and 4 domestic companies for Scope 3) selected on the basis of sampling, as follows.  
Scope 1 & 2: Kashima Plant of the Company, Kakogawa Plant of the Company, Ako Factory and 2nd Factory of Nihonkaisui Co., Ltd., Matsumoto Factory of Gold-Pak Co., Ltd., Shonan Plant of AIR WATER PERFORMANCE CHEMICAL INC. and Murooran Factory of AIR WATER CARBONIC INC.  
Scope3: Gold-Pak Co., Ltd., AIR WATER PERFORMANCE CHEMICAL INC., Air Water Logistics Co., Ltd., and AIR WATER SAFETY SERVICE INC.  
The number and location of sampling sites for on-site assessment were selected by the Company.
- On-site assessment for Scope 1 & 2 and energy consumption to check the report boundaries, GHG sources, monitoring points, monitoring and calculation system and its controls, for Scope 3 to check the report boundaries, calculation scenario and allocation method, monitoring and calculation system and its controls.
- Vouching: Cross-checking the GHG emissions data against evidence for all sampling sites.

## 3. Conclusion

Based on the procedures described above, nothing has come to our attention that caused us to believe that the environmental data in the Reports is not materially correct or has not been prepared in accordance with the Rules.

## 4. Consideration

The Company was responsible for preparing the Reports, and JQA’s responsibility was to conduct verification of GHG emissions and energy consumption in the Reports only. There is no conflict of interest between the Company and JQA.



Sumio Asada, Board Director

For and on behalf of Japan Quality Assurance Organization

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November 2, 2023