

# Third-party Assurance

Canon has received third-party assurance from Lloyd's Register Quality Assurance Limited (LRQA) for GHG emissions, energy consumption and water consumption data within Canon Sustainability Report 2022 for the years 2020 and 2021.



## LRQA Independent Assurance Statement

Relating to CANON Group's Environmental Data within CANON Sustainability Report 2022 for the calendar year 2020 and 2021

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

### Terms of Engagement

LRQA was commissioned by CANON INC. ("the Company") to provide independent assurance of its Environmental data within CANON Sustainability Report 2022 ("the report") for the calendar year 2020 (from 1 January 2020 to 31 December 2020) and 2021 (from 1 January 2021 to 31 December 2021), against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using ISAE 3000 (Revised) and ISO 14064-3:2019 for greenhouse gas emissions.

Our assurance engagement covered operations and activities of the Company and its subsidiaries in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected dataset; and
- Evaluating the accuracy and reliability of data for the selected environmental indicators listed below:<sup>1</sup>
  - Scope 1 GHG emissions (tonnes CO<sub>2</sub>e)
  - Scope 2 GHG emissions, [market-based and location-based] (tonnes CO<sub>2</sub>e)
  - Scope 3 GHG emissions associated with Categories 1 to 15<sup>2</sup> (tonnes CO<sub>2</sub>e)
  - Energy Consumption<sup>2</sup> (TJ)
  - Water consumption<sup>2</sup> (m<sup>3</sup>)
  - GHG emissions intensity (tonnes CO<sub>2</sub>e/100Myen-consolidated net sales)

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

LRQA's responsibility is only to the Company. LRQA 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.

### LRQA's Opinion

Based on LRQA'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 of the criteria listed above; and
- Disclosed accurate and reliable environmental data

The opinion expressed is formed on the basis of a limited level of assurance<sup>3</sup> and at the materiality of the professional judgement of the verifier.

### LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE3000 (Revised) and ISO 14064-3. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

<sup>1</sup> GHG quantification is subject to inherent uncertainty.

<sup>2</sup> Verification was only conducted for 2021 year's data.

<sup>3</sup> 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.



- 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 tracing activity data back to aggregated levels;
- Verifying the historical GHG emissions, energy consumption, water consumption and GHG emissions intensity data and records for the calendar year 2020 and 2021.
- Verification of the effectiveness of the data management system for the Company's head office and Utsunomiya plant by implementing the Company's "restriction of visitors to the workplace" due to the global infection spread of COVID-19 is conducted remotely using email, telephone, and WEB meeting system.

#### Observations

The Company should continue efforts for implementing quality assurance and quality control (QA/QC) systems in the data and information management of GHG emissions, energy consumption and water consumption. In particular, it is expected that data management at overseas sites will be more accurate.

#### 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 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* 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.

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.

This is the only work undertaken by LR for Company and as such does not compromise our independence or impartiality.

Signed

Dated: 15 July 2022

Norihiko Kinoshita  
LRQA Lead Verifier  
On behalf of LRQA Limited  
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LRQA reference: YKA4005113

LRQA, its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © LRQA, 2022.