



## Assurance Statement related to NYK Group GHG Assertion, dated June 27, 2012 for the fiscal year 2011

### Terms of Engagement

This Assurance Statement has been prepared for NYK Group (NYK).

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by NYK Group (NYK) to verify its GHG Assertion for the fiscal year 2011 (01 April 2011 to 31 March 2012), being the base year. The GHG Assertion covers direct GHG emissions (Scope 1), energy indirect GHG emissions (Scope 2), other indirect emissions (Scope 3 from capital goods, fuel-and energy-related activities not included in Scope 1 and 2, business travel, and employee commuting), as summarised in Table 1 below.

### Management Responsibility

The management of NYK Group was responsible for preparing the GHG Assertion and for maintaining effective internal controls over the data and information including all inputs disclosed in the GHG Assertion. LRQA's responsibility was to carry out an assurance engagement on the GHG Assertion in accordance with our contract with NYK.

Ultimately, the GHG Assertion has been approved by, and remains the responsibility of NYK.

### LRQA's Approach

LRQA's verification has been conducted in accordance with *ISO14064-3:2006 "Specification with guidance for validation and verification of greenhouse gas assertions"* to provide limited assurance that the GHG Assertion made by NYK Group has been prepared taking into account *ISO14064-1:2006 "Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals"*, and that its Scope 3 emissions have been prepared taking into consideration the quantification methodologies described in the *Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard."*

To form our conclusions the verification was undertaken as a sampling exercise and covered the following activities:

- Visiting NYK headquarters and two of its member companies offices in Tokyo and Chiba;
- Interviewing key personnel responsible for, and reviewing processes and supporting evidences related to the management of GHG data, information and records, and for the preparation of the GHG Assertion;
- Assessing the effective implementation of the in-house reporting systems for collecting and reporting the GHG data and information; and
- Verifying the historical GHG data and information related to the GHG Assertion for the fiscal year 2011 both at the corporate and individual company levels.

### Level of Assurance & Materiality

The opinion expressed in this assurance statement has been formed on the basis of a limited level of assurance and at a materiality of the professional judgement of the verifier.

### LRQA's Opinion

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that the GHG data and information as presented in the GHG Assertion and the Inventory as summarised in Table 1 below is not materially correct, except for the following qualifications:

- NYK has included associated CO<sub>2</sub> emissions only and has not included the other five Kyoto Protocol GHGs (i.e. N<sub>2</sub>O, CH<sub>4</sub>, CFCs, PFCs and SF<sub>6</sub>) which may exist within its main business (ie, vessel and shore) operations.
- NYK has included the CO<sub>2</sub> emissions data of 133 out of a total 183 member companies as per its established organizational boundary for verification. The emissions from excluded companies are not considered material.

**LRQA's Recommendations**

It is recommended that NYK consider the following improvements to its GHG data management system:

- Improve the data management system with internal self-verification controls at both the corporate and member company levels and put in place appropriate control systems and methodologies to ensure the robustness, effectiveness, accuracy, completeness and timeliness of its data collection and management systems. This is particularly important for associated CO<sub>2</sub> emissions attributed to bunker fuels.
- Improve its existing procedures (Environmental Management Guidelines) and ensure that they describe comprehensively the ISO14064-1:2006 standard requirements.
- Further demonstrate completeness and relevance of its Scope 3 emissions by covering more categories within its corporate value chain.



Dave Mateo, Lead verifier

Date: June 28, 2012

On behalf of Lloyd's Register Quality Assurance  
 LRQA Ltd, Yokohama, Japan  
 LRQA Reference: YKA4004919

Table 1: GHG Emissions as reported by NYK Group for the financial year 2011

Scope (as defined within ISO 14064-1:2006)	Financial year 01 April 2011–31 March 2012
Direct GHG Emissions	20,328,966
Energy Indirect GHG Emissions	57,406
Other Indirect Emissions	2,422,742
<b>Total GHG Emissions</b>	<b>22,809,114</b>
Data is presented in tonnes of CO <sub>2</sub> only.	

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Because of the inherent limitations in any internal control it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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