



Independent Practitioner's Assurance Report



Independent Assurance Report

Mr. Shunichi Kito
President and Representative Director
Idemitsu Kosan Co.,Ltd.

We, SOCOTEC Certification Japan (hereafter "SOCOTEC"), have performed a limited assurance engagement, in relation to Idemitsu Kosan Co.,Ltd. (hereafter "the Company") in order to provide an opinion as to whether the subject matter information ("FY2019 GHG Emissions and Environmental Performance Data" and "FY2019 Social Performance Data") of the Company meets the criteria in all material respects.

1 Subject Matter Information and Criteria

The subject matter information for our assurance is "a report on GHG emissions, Environmental and Social Performance Data (shown in APPENDIX)" covering the operations and activities of the Company and the consolidated companies as Idemitsu Kosan Co.,Ltd. group described in "FY2019 GHG Emissions and Environmental Performance Data" and "FY2019 Social Performance Data (period (*1): April 2019 to March 2020)".

The criteria for preparing subject matter information is "GHG emissions, Environmental and Social Performance Data Calculation Rule (Ver. 1.0)".

2 Management Responsibility

"FY2019 GHG Emissions and Environmental Performance Data" and "FY2019 Social Performance Data" was prepared by the management of the Company, who is responsible for the integrity of the assertions, statements, and claims made therein (including the assertions over which we have been engaged to provide limited assurance), the collection, quantification and presentation of all data and information in the report, and applied criteria, analyses and publication.

The management of the Company is responsible for maintaining adequate records and internal controls that are designed to support the reporting process and ensure that "FY2019 GHG Emissions and Environmental Performance Data" and "FY2019 Social Performance Data" is free from material misstatement whether due to fraud or error.

3 Assurance Practitioner's Responsibility

The responsibility of SOCOTEC is to express a limited assurance conclusion as to whether the subject matter information has been prepared in compliance with the criteria in all material respects.

SOCOTEC performed limited assurance engagement in accordance with the verification procedures stipulated by SOCOTEC and "ISO14064-3: Specification with guidance for the validation and verification of greenhouse gas assertions", "the International Standard on Assurance Engagements (ISAE) 3000 Revised: Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and "the International Standard on Assurance Engagements (ISAE) 3410: Assurance Engagements on Greenhouse Gas Statements".

The procedures implemented in the limited assurance engagement are limited in their type, timing and scope as compared to the procedures implemented in the reasonable assurance engagement. As a result, our limited assurance engagement does not provide as high assurance as reasonable assurance engagement.

The procedures performed depend on the assurance professional practitioner's judgement, including the risk of material misstatement, whether due to fraud or error.

Our conclusion was not designed to provide assurance on internal controls.

We believe that we have obtained the evidence to provide a basis for the conclusion for limited assurance.



4 Assurance Procedures

The procedures that SOCOTEC has conducted are based on professional judgment and include, but are not limited to:

- Evaluation of policies and procedures created by the Company in relation to subject matter information
- Questions to Company personnel to understand the above policies and procedures
- Verification that the target project meets eligibility requirements
- Matching with the basis data by trial calculation and recalculation
- Obtaining and collating material for important assumptions and other data
- We selected the headquarters and Aichi refinery as verification sites in order to confirm the calculation structure and procedures, data collection and implementation status of record control.

5 Statement of Our Independence, Quality Control and Competence

SOCOTEC Certification International has introduced and maintained a comprehensive management system that conforms to the accreditation requirements of ISO 17021 "Conformity assessment -- Requirements for bodies providing audit and certification of management systems". In addition, we have also established a management system according to ISO 14065 "Greenhouse gases -- Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition". These meet the requirements of "International Standard on Quality Control 1" by the International Auditing and Assurance Standards Board and "Code of Ethics for Professional Accountants" by IESBA (*2). We maintain a comprehensive quality control system that includes ethical rules, professional standards and documented policies and procedures for compliance with applicable laws and regulations.

The SOCOTEC Group is a comprehensive third-party organisation in inspection, testing and verification operations, and conducts management system certification services and training services related to quality, environment, labour and information security in countries around the world. Engaged in performance data and sustainability report assurance of environmental and social information, SOCOTEC affirms that it is independent of the organisation that has ordered the assurance engagement, its affiliated companies, and stakeholders, and that there is no possibility of impairing impartiality or conflict of interest.

We assure that the team engaged in the assurance is selected based on knowledge, experience in the relevant industry, and the competence requirements for this assurance engagement.


6 Use of Report

Our responsibility in performing our limited assurance activities is to the management of the Company only in accordance with the terms for this engagement as agreed with the Company. We do not therefore assume any responsibility for any other purpose or to any other person or organisation.

7 Our Conclusion

On the basis of our procedures performed and evidence obtained nothing has come to our attention that causes us to believe that the subject matter information is not, in all material respects, prepared and reported in accordance with the stated criteria.

SOCOTEC Certification Japan


Seigo Futaba
Managing Director
30 November 2020

*1: The figure on FY2020 referred in some Social Performance Data as shown in the APPENDIX of Independent Assurance Report

*2: International Ethics Standards Board for Accountants



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APPENDIX of Independent Assurance Report

: GHG Emissions, Environmental and Social Performance Data

Table 1-1 GHG Emissions by Scope

	Figure	Unit
Scope 1	12,041	thousand tCO ₂
	1,986	tCH ₄
	0.103	tHFC
	228	tN ₂ O
	0.004	tSF ₆
	12,158	thousand tCO ₂ e
Scope 2	855	thousand tCO ₂
Scope 3 ^{*1}	117,691	thousand tCO ₂
Scope 1 + 2	12,896	thousand tCO ₂
	13,014	thousand tCO ₂ e
Scope 1 + 2 + 3 ^{*1}	130,586	thousand tCO ₂
	130,704	thousand tCO ₂ e

^{*1} Scope3 records category 11 (Solid products consumption)

Table 1-2 Energy Consumption

	Figure	Unit
Heat quantity equivalent	196	PJ
Crude oil equivalent	5,070	thousand kL
Unit energy consumption (Refinery)	8.09	L/kL
Unit energy consumption (Petrochemical plant)	0.421	kL/t

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Table 1-3 Amount of Water Resources Intake and Wastewater

	Figure	Unit
Seawater intake	1,330,838	thousand t
Industrial water intake	81,740	thousand t
Tap water intake	16,500	thousand t
Underground water intake	18,894	thousand t
Total water intake	1,447,972	thousand t
Wastewater	1,412,073	thousand t
Water recycling rate	94	%

Table 1-4 Water Pollution Effects

	Figure	Unit
COD	276	t
Total nitrogen	97	t
Total phosphorus	1.8	t

Table 1-5 Air Pollutant Emissions

	Figure	Unit
SO _x	12,315	t
NO _x	17,286	t
Soot/dust	232	t
VOC	5,536	t

Table 1-6 Waste

	Figure	Unit
Total waste	217,516	t
Reduced by intermediate treatment	110,264	t
Recycled	106,640	t
Final disposal	614	t
Final disposal rate	0.282	%

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Table 2-1 Status of Employees

	Figure	Unit	
Number of employees ^{*2}	4,917	People	
	Men	4,323	People
	Women	594	People
	Percentage of women	12.1	%
Number of employees in managerial positions (including managers, general managers, and executive officers) ^{*2}	943	People	
	Men	920	People
	Women	23	People
Average age ^{*2}	42.1	years old	
	Men	42.4	years old
	Women	40.2	years old
Average years employed ^{*2}	18.7	years	
	Men	19.0	years
	Women	16.3	years
Status of employees with disabilities ^{*3}	2.20	%	
New graduate retention rate (Average for newly hired employees between 2015 and 2017)	89.0	%	
Turnover rate of new graduates	11.2	%	

^{*2} As of April 1, 2020^{*3} As of June 1, 2020

Table 2-2 Status of Recruitment

	Figure	Unit	
Recruitment of new graduates ^{*4}	190	People	
	Men	163	People
	Women	27	People

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	Percentage of women	14.2	%
	Foreign nationality	2	People
	Percentage of foreign nationality	1.1	%
	Career recruitment*1	82	People

*1 Hired in April 2020

*5 Hired in FY2019

Table 2-3 Work-Life Balance Support Systems and Usage Numbers

		Figure	Unit
Maternity leave	Women	39	People
		96	People
Childcare leave	Men	15	People
	Women	81	People
Nursing care leave		7	People
	Men	6	People
	Women	1	People
		69	People
Reduced working hours for parenting	Men	2	People
	Women	67	People
Leave to care for sick/injured child		206	People
	Men	103	People
	Women	103	People
Family care leave		50	People
	Men	19	People
	Women	31	People
		543	People
Telecommuting	Men	400	People
	Women	143	People
Self-development leave of absence		3	People
	Men	2	People
	Women	1	People

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Table 2-4 Overtime Work and Annual Paid Leave

	Figure	Unit
Average overtime work hours per employee	18.9	hours/month
Average annual paid leave taken by an employee	14.2	days
Average usage rate of annual paid leave per employee	70.0	%

Table 2-5 Training Results

		Figure	Unit
Training hours	Total	117,455	hours
	Per person	19.5	hours
Amount of investment in training	Total	352,000	thousand yen
	Per person	59	thousand yen

Table 2-6 Occupational Accidents*6

	Figure	Unit
Occupational accidents frequency rate	0.46	-
Severity rate	0.03	-

*6 January 2019 to December 2019

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