



LRQA Independent Assurance Statement

Relating to Rinnai Corporation's Environmental Data for the fiscal year 2023

This Assurance Statement has been prepared for Rinnai Corporation in accordance with our contract.

Terms of Engagement

LRQA Limited ("LRQA") was commissioned by Rinnai Corporation ("the Company") to provide independent assurance on its environmental data ("the report") for the fiscal year 2023¹ 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 (Revised) and ISO 14064-3:2019 for greenhouse gas ("GHG") emissions.

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

- Verifying conformance with the Company's reporting methodologies for the selected indicators:
- Evaluating the accuracy and reliability of data for only the selected indicators listed below:
 - Scope 1 GHG emissions (tonnes CO₂e)^{2 3}
 - Scope 2 GHG emissions [Market-based, Location-based] (tonnes CO₂e)
 - Scope 3 GHG emissions (Category 1,2,3,4,5,6,7,8,11,12) (tonnes CO₂e)^{4 5 6 7}
 - Energy consumption (GJ)⁸

Our assurance engagement excluded the 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 Company's reporting methodologies
- Disclosed accurate and reliable environmental data as summarized in Table 1, Table 2 and Table 3 below

The opinion expressed is formed on the basis of a limited level of assurance⁹ and at the materiality of the professional judgement of the verifier.

¹ The reporting period is based on the fiscal year of domestic and overseas subsidiary companies: (1) domestic subsidiary companies: FY2023(01/04/2023 – 31/03/2024), and (2) overseas subsidiary companies: CY2023 (01/01/2023– 31/12/2023)

² GHG quantification is subject to inherent uncertainty.

³ Scope1 fluorocarbon leakage cover Rinnai Corporation and consolidated subsidiaries in Japan.

⁴ Scope3 Category 1, 4 and 11 cover Rinnai Corporation.

⁵ Scope3 Category 2, 3, 5, 6 and 7 cover Rinnai Corporation and its consolidated subsidiaries in Japan and overseas.

⁶ Scope3 Category 12 covers Rinnai Corporation and its consolidated subsidiaries in Japan.

⁷ The reporting period covered by Scope 3 category 12 is FY2022(01/04/2022 – 31/03/2023)

⁸ The scope includes the breakdown of energy consumption.

⁹ 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.



LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019 for GHG emissions. The following tasks 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 misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the historical environmental data and records for the fiscal year 2023; and
- Visiting Akatsuki Plant of Rinnai Corporation and Head Office of GASTAR Co., Ltd. to investigate whether the data management systems have been effectively implemented.
- Conducting the remote verification to HQ of the Company for confirming the effectiveness of its data management systems via emails and Microsoft Teams.

Observations

- It is expected that the Company will continue to maintain data management systems to ensure efficient and accurate aggregation and calculation of environmental and social data.

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 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part1: 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.

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 LRQA for the Company and as such does not compromise our independence or impartiality.

Signed

Dated: 19 July 2024

A handwritten signature in black ink, appearing to read 'Kazuyori Yukinaka', is written over a light blue horizontal line.

Kazuyori Yukinaka

LRQA Lead Verifier

On behalf of LRQA Limited

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LRQA reference: YKA4005612

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

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Table 1. Summary of Rinnai Corporation's GHG Emissions Inventory in FY 2023

Scope	Tonnes CO ₂ e
Direct GHG emissions (Scope 1)	34,876
Energy indirect GHG emissions (Scope 2, Market-based)	63,502
Energy indirect GHG emissions (Scope 2, Location-based)	64,457
Other indirect GHG emissions (Scope 3, Category 11)	13,143,285
Category 1	889,861
Category 2	132,800
Category 3	16,763
Category 4	8,685
Category 5	4,960
Category 6	1,585
Category 7	5,286
Category 8	(Included in Scope 1,2)
Category 11	12,075,588
Category 12	7,755

Table 2. Summary of Rinnai Corporation's Energy Consumption Data in FY2023

Electricity		121,924.6 MWh	438,928.6 GJ
Town gas	<i>for the use of equipment in each facility</i>	9,759.7 10 ³ Nm ³	439,285.2 GJ
	<i>for vehicle use</i>	- 10 ³ Nm ³	- GJ
Methane		32.4 10 ³ m ³	1,287.7 GJ
LPG	<i>for the use of equipment in each facility</i>	2,097.1 t	105,065.7 GJ
	<i>for vehicle use</i>	1.3 t	64.1 GJ
Butane		6.5 t	322.2 GJ
Acetylene		6.5 t	323.9 GJ
Ethylene		0.04 t	2.1 GJ
Heavy oil		0.18 kl	7.0 GJ
Kerosene		13.3 kl	486.7 GJ
Light oil	<i>for the use of equipment in each facility</i>	80.4 kl	3,055.2 GJ
	<i>for vehicle use</i>	318.1 kl	12,087.1 GJ
Gasoline	<i>for the use of equipment in each facility</i>	4.3 kl	145.2 GJ
	<i>for vehicle use</i>	1,950.9 kl	65,161.2 GJ

Table 3. Summary of Rinnai Corporation's Renewable Energy Data in FY2023

Self-owned solar power generation	for private	1,176.8 MWh	4,236.5 GJ
	for sale	355.4 MWh	1,279.6 GJ
Purchased renewable electricity		1,329.5 MWh	4,786.3 GJ
Carbon neutral Natural Gas		22.0 10 ³ m ³	959.1 GJ
Carbon neutral LPG		2.5 t	124.2 GJ