О NTT DATA

NTT DATA enters a new era of corporate sustainability

Our global strategy embeds sustainability principles and practices in company processes and procedures and engages our people to create a multiplier effect that reaches well beyond our business.

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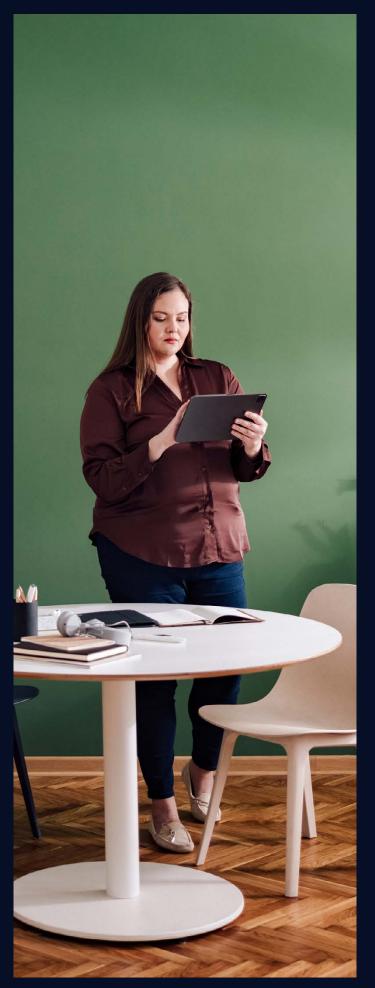
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At NTT DATA, our commitment to sustainability isn't in what we say: it's in what we do.

This guide provides an insight into our corporate sustainability strategy, helping you understand more about what drives us and the way we work. We explain how our strategy has evolved and why sustainability is so important to us. We also share how we measure performance to ensure we can achieve our goals.

After reading this guide, we hope you will know more about our culture, our priorities and our approach to technology and innovation as we work to create a more positive society for all.

Our vision for sustainability

Our vision for achieving net-zero greenhouse gas emissions reflects high standards.

The climate crisis is one of the greatest challenges facing our global society.

There is mounting pressure to stabilize global temperatures as the devastating impacts of climate change become clear. Commitments made during the 2015 Paris Convention mean that companies must take responsibility for reducing their emissions, both directly and indirectly, through their value chains.

We have revised our vision for achieving net-zero greenhouse gas (GHG) emissions to reflect even higher standards. This has been done in recognition of a rising global demand for accelerated initiatives to achieve net-zero emissions and acknowledging the change in scope of our operations, resulting from the integration of NTT Ltd. and NTT DATA, to become a global IT powerhouse.



NTT DATA Net-Zero Vision 2040

We have moved our target for achieving net-zero emissions, as described by SBTi, from 2050 to 2040.

This target has been incorporated into our newly formulated NTT DATA Net-Zero Vision 2040. We have set a target to achieve net-zero emissions in our data centers by 2030, in our facilities by 2035 and across our value chain by 2040.

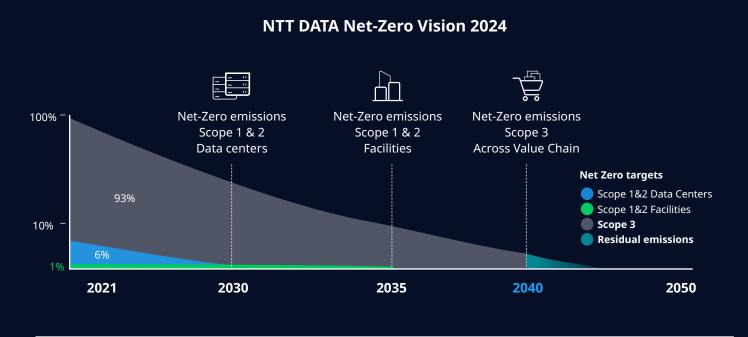


Figure 1: NTT DATA Net-Zero Vision 2040

We are making good progress

In FY22, we successfully reduced our total emissions by an impressive 21%.

This resulted in the saving of over 1.6 million tons of carbon. More needs to be done, and we are looking to further our progress through reforestation and regenerative agriculture practices.

Engaging our employees to effect change is fundamental to our company values and aligns very strongly with our employee value proposition. We encourage employees to contribute to our sustainability goals by helping our clients realize their sustainability ambitions and by making an impact in their local communities through volunteer work.

Our sustainability credentials

- A Leader and Strong Performer in Everest Group's Sustainability Enablement Technology Services PEAK Matrix® Assessment 2024
 Everest Group's Sustainability Enablement Technology Services PEAK Matrix® Assessment, 2024
- A Strong Performer in The Forrester Wave[™]: IT Sustainability Service Providers, Q3 2023

The Forrester Wave™: IT Sustainability Service Providers, Q3 2023

• Major Contender in Everest Group's Sustainability Enablement Technology Services PEAK Matrix® Assessment, 2022

Everest Group's Sustainability Enablement Technology Services PEAK Matrix® Assessment, 2022

We partner and collaborate with established sustainability-led organizations to strengthen our commitment and align our goals with the latest guidance from leading experts.



United Nations Climate Change

WORLD ECONOMIC FORUM



Understanding NTT DATA's history of sustainability

Sustainability a globally recognized concept

The term "sustainability" first emerged as a concept in the late 1970s.¹ Sustainable development was defined in the 1987 Brundtland Report as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".² In the 1990s, "sustainability" started to enter everyday language through references in books and articles, and it is now a globally recognized term.

Sanpō yoshi the Japanese business philosophy

In Japan, sustainability has long been a way of life, as reflected in the language and well-known sayings such as "mottainai spirit", meaning "to take good care of things"³ – the same sentiment as "waste not, want not".

Japan mastered the art of self-sufficiency during the Edo era (1603 – 1868), when people learned to reap the benefits of recycling. Whole industries emerged, such as paper recycling, repairing umbrellas and creating new art by mending broken pottery with gold – an artform called kintsugi.

The era led to the creation of a class of top-tier merchants, known as Omi Shonin, who traveled across Japan in search of new business. They built long-term, trusted relationships, creating prosperity among a diverse group of communities and inspiring the term "sanpō yoshi", which means good in three ways. By the end of the Edo period, the Omi Shonin were some of the most successful merchants of their time.

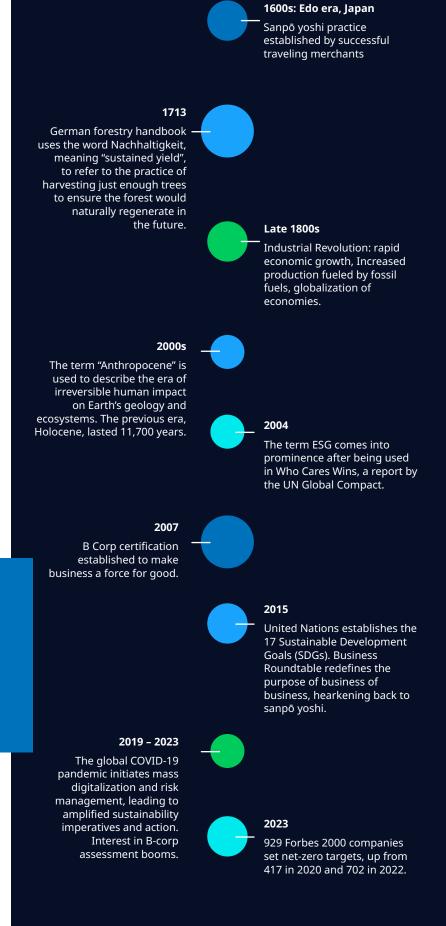
Sanpō yoshi

In Japanese, Sanpo Yoshi means 'Three way satisfaction'. Business transactions provide benefits to all stakeholders - the buyer, the seller and society at large.



¹ JL Caradonna, 2014. Sustainability: a history. Oxford University Press. ² United Nations Commission on Sustainable Development, 2007. Framing sustainable development: the Brundtland Report – 20 years on.

³ Japan Living Guide, 2022. Sustainable lifestyles in Edo and Japanese history.



The COVID-19 pandemic radically changed attitudes to sustainability, and the term "environmental, social and governance" (ESG) became ubiquitous in the world's financial markets. Larry Fink, CEO of Blackrock, said, "There is no company whose business model won't be profoundly affected by the transition to a net-zero economy...⁴" At COP26, a new group representing US\$130 trillion in assets, formed the Glasgow Financial Alliance for Net Zero. Meanwhile, Gartner, Inc. predicted that "87% of business leaders expect to increase their organization's investment in sustainability over the next two years."⁵

NTT DATA continues to uphold many of Japan's established traditions, including a commitment to sustainable business and the values of trust and long-term relationships.

> Through our solutions, operations and people, we aim to create connections in innovative and sustainable ways that have a positive impact on the world.

 $^{\rm 4}$ A Winston, 2021. Sustainable business went mainstream in 2021. Harvard Business Review.

⁵ Gartner, Inc., 2022. Gartner Survey Finds 87% of Business Leaders Expect to Increase Sustainability Investment Over the Next Two Years.

From historical roots to today's business reality

Our purpose at NTT DATA is to help businesses succeed, to enable the transformation of industries for good and to contribute our ideas and commitment, to help shape a better world for all.

The prosperity of our business and society at large will depend on sustainability and sustainable practices. We therefore recognize the importance of embedding sustainability into the fabric of our organization.





Prosperity Positive 100% sustainable-by-design

services and products by 2035

Transform businesses and society for successful growth with 100% sustainable services and solutions involving our endto-end value chain.



Planet Positive

Net-zero emissions across our operations by 2030, offices by 2035 and value chain by 2040

Lead by example to disrupt industries for good with innovative services and solutions to regenerate our planet. ○**○**○ (⊕)

People Positive

100% of employees' sustainability engagement -"acting today"

Shape a better world for all, applying our digital capabilities to improve livelihoods and contribute to a diverse, equitable and inclusive society.

Figure 3: The three pillars of NTT DATA's corporate sustainability strategy

The three pillars of our sustainability strategy

The NTT DATA sustainability strategy is based on three pillars: Prosperity Positive, Planet Positive and People Positive. Each has a unique objective that aligns with our corporate sustainability goals.



Prosperity Positive

Prosperity Positive addresses the potential for business and society to grow using 100% sustainable services and solutions in NTT DATA's end-to-end value chain.

We have set ourselves the goal to generate 100% of our revenues from sustainable-by-design services and products by 2035 (see Figure 7).

Proof point: Our private 5G network for the City of Las Vegas is making roads safer and giving local children access to online resources.



Planet Positive

Planet Positive looks at ways in which companies can lead by example to transform industries for good by using services and solutions in new ways that help to regenerate our planet.

Our goal is to achieve net-zero emissions across our data centers by 2030, our facilities by 2035 and our value chain by 2040.

Proof point: NTT DATA's headquarters in Barcelona have been acknowledged as the most sustainable office in Europe by the Leadership in Energy and Environmental Design (LEED)⁶ because of the building's design and construction. In addition to highly efficient energy and water consumption, the building recycles 82% of construction waste while the interior design focuses on reducing our carbon footprint by promoting the use of clean energy and eliminating plastic.



People Positive

People Positive is our ambition to shape a better world for all by deploying NTT DATA's digital capabilities to improve the livelihoods of diverse communities and contribute to creating a more diverse, equitable and inclusive society.

Our goal is that 100% of our employees will engage in sustainability. Our strategy aims to drive behavioral change by encouraging employees to act today.

Proof point: We have been externally acknowledged as a top employer. In 2024 NTT DATA was one of only 17 Global Top Employers to be recognized for their outstanding people policies and practices worldwide by Top Employers Institute.

⁶NTT DATA press release, NTT DATA's headquarters in Barcelona recognized as the most sustainable office in Europe | NTT DATA, 2 March 2023.

Building a global skills base and sustainability talent pool

NTT DATA currently employs more than 400 people in sustainability, with experts located all around the world. We are very proud of our diverse, inclusive and globally distributed sustainability team.

This is an area we want to expand rapidly, and we have set ourselves the goal of building a team of 2,000 dedicated sustainability experts by 2027.



Figure 4: NTT DATA's sustainability experts are located globally

Through inspirational technology, we are investing in the talent pool of tomorrow

Together with HotTopics, we're a founding partner of Tech Girl 2023, an initiative designed to expand the skills and jumpstart the careers of girls considering entering the technology sector. Tech Girl 2023 gave young women (aged 16 to 18) in the UK the opportunity to showcase their innovative ideas and equip them with the mentorship and experiences essential for a successful career in technology. NTT DATA also participates in Technovation Girls, the international competition that promotes science, technology, engineering, arts and mathematics (STEAM) talent in girls by developing applications with a social or environmental purpose. Engaging our employees to effect change is fundamental to our company values and aligns very strongly with our employee value proposition.

15+ years of experience

in sustainability

1,500+ projects executed

400+

professionals in 23 countries

10+ sectors

manufacturing, automotive, public, energy, retail, real estate, banking, insurance, transportation & logistics, tourism, telecom, agriculture

Policy and regulation are important drivers of sustainable business

The Kyoto Protocol in 1997 was the first legally binding greenhouse gas (GHG) emissions reduction treaty to be globally recognized, while the Paris Agreement in 2015 set out ambitious, legally binding commitments from 196 signatories⁷.

Regulation in sustainability is now increasing to positively influence commercial activities and behaviors, for example:

- January 2023: The European Union (EU) introduced new legislation, the Corporate Sustainability Reporting Directive, requiring all companies to publish regular reports on their environmental and social impact activities. The aim is to help stakeholders better evaluate large companies' nonfinancial performance. The regulation also requires companies to report on diversity topics, for instance, gender equality⁸.
- **March 2024:** The Securities and Exchange Commission (SEC) adopted rules to enhance and standardize climate-related disclosures from public companies to enable financial investors, primarily, to better evaluate exposure to risk⁹.

Our sustainability value proposition for clients

To help our clients achieve their sustainability goals, we have developed a sustainability value proposition that covers end-to-end services, from strategic advisory to transformation and continuous performance monitoring. As further regulations come into play, we are well positioned to help businesses through our Sustainability Consulting and Technology Services practice.

Sustainability Consulting and Technology Services

- → End-to-end value proposition with advisory services and IT for sustainability, powered by NTT DATA's intellectual property and our partner ecosystem.
- Climate and nature services Shape your net-zero and nature-positive strategy, mitigate climate risks and monitor your carbon footprint and biodiversity.
- → Corporate sustainability services Define your corporate sustainability strategy and leverage the power of data to monitor and enhance your environmental, social and governance (ESG) performance beyond regulatory demands.
- → Sustainable value chain services Embed circularity, traceability and transparency across your supply chain to maximize its sustainability and efficiency.
- ightarrow Sustainable IT services

Incorporate low-carbon and circularity principles into your IT strategy and operations to fast-track the realization of your sustainability goals.

 \rightarrow Smart in sustainability

Leverage our cutting-edge technologies, proprietary assets and consulting expertise to address sustainability challenges in diverse areas, from energy, water and waste management to mobility, cities and social impact.



Comprehensive sustainability strategy

Figure 6: NTT DATA's sustainability services market proposition

⁷ United Nations, 2015. As Kyoto Protocol turns 10, UN says 'first critical step' must trigger new 2015 emissions-curbing deal.

⁸ BDO, 2023. Sustainability and ESG regulations are growing.

⁹ U.S. Securities and Exchange Commission, 2024. SEC adopts rules to enhance and standardize climate-related disclosures for investors.



Transparency and accountability

NTT DATA is deeply committed to public transparency and accountability.

To monitor progress toward our sustainability goals, we use industry-leading standards and frameworks, including those of the Science Based Targets Initiative (SBTi) and Task Force on Climate-related Financial Disclosures (TCFD). We're proud to be an EcoVadis silver-medal winner, placed in the top 15% of all companies assessed globally, and a leader in carbon management and environmental criteria. Across different parts of the business, we have been highly praised by some of the most prestigious sustainability ranking agencies.



A Division of S&P Global

Carbon Disclosure Project (CDP)

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

In August 2022, we became the first Japanese company to conclude an agreement to license the use of global corporate GHG emissions data from CDP for our in-housedeveloped platform.

Through this partnership, we will strengthen cooperation, raise awareness of initiatives through joint promotions and provide support for CDP through our technical knowledge in areas such as generative artificial intelligence (GenAI). We will further strengthen our collaboration with CDP by providing consulting and solutions that lead to reductions in GHG emissions and contribute to the realization of carbon neutrality for society.

CDP website

Green Software Foundation (GSF)

The GSF has a mission to reduce the total change in global carbon emissions associated with software, choosing the option that advocates for abatement (reducing emissions) and not neutralization (offsetting emissions).

We believe it is essential to promote a carbon-aware software development style that effectively incorporates these technologies.

Through the GSF's activities, we aim to make software greener by developing technologies to properly understand and reduce carbon emissions from software use, developing integrated development methodologies, and turning these into practical tools.

GSF website

World Economic Forum partnership

As a global business and IT services powerhouse, we aim to maximize our potential by making a bigger impact in the global sustainability arena.

In 2024 we launched a three-year partnership with the World Economic Forum, and will be investing in three key areas:

1 Center for Urban Transformation

Improving public–private collaboration in cities for greater resilience.

We are involved in two proof-of-concept projects in this area. The first is to test the scope and application of digital twin technology for the Chamartín metro station (ADIF) in Madrid, Spain, with the aim of improving safety and promoting accessibility and fluid mobility across the city. The second project, in collaboration with Valladolid. Ltd and Orange, aims to help passengers locate train platforms and services more easily through a mobile app, using 5G.

2 Center for Nature and Climate

Leading climate action through an acceleration toward net-zero with regenerative food, water and ocean systems and the promotion of circular economies.

We have committed to achieving net-zero emissions by 2030, with 100% renewable energy to power our data centers. Through a subsidiary company, NTT Anode Energy Corporation, NTT DATA will be able to source power from its own renewable energy power plants.

We also plan to build a system that uses digital twin computing to predict future food supply and demand, using data from wholesale markets, to improve supply efficiency.

Center for Advanced Manufacturing and Supply Chain

Creating more resilient, sustainable and inclusive manufacturing ecosystems and supply chains.

We will contribute to research and education in key areas and publish findings on topics such as exploring the industrial metaverse.

Purpose, promise and progress

Our purpose – to transform businesses for success, disrupt industries for good and shape a better world for all – informs our approach to sustainability.

We recognize the importance of embedding sustainability into the fabric of our organization.

Our promise is to provide sustainability business services to clients as they accelerate their sustainability transformations.

As a trusted global innovator, we will continue to use technology to effect lasting change.

NTT DATA website

We are proud of the progress we have made toward our sustainability goals, and we are resolute in continuing to have a positive impact on the planet, people and society.



resources

To find out more about NTT DATA's sustainability commitments, visit:

Sustainable Future

Sustainability Management

World Economic Forum

List of abbreviations

Abbreviation	Meaning
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
СОР	Conference of the Parties
EMEAL	Europe, Middle East, Africa and Latin America
ESG	environmental, social and governance
EU	European Union
FY	fiscal year
GenAI	generative artificial intelligence
GSF	Green Software Foundation
GHG	greenhouse gases
IT	information technology
LEED	Leadership in Energy and Environmental Design
TCFD	Task Force on Climate-related Financial Disclosures
SDGs	Sustainable Development Goals
SEC	Securities and Exchange Commission
STEAM	science, technology, engineering, arts and mathematics
SBTi	Science Based Targets initiative
TCFG	Task Force on Climate-related Financial Disclosures
UN	United Nations
5G	fifth-generation wireless technology standard

