1 NTT DATA Corporation

|	Company thinking
☐ **Background and purpose for accounting**	• The NTT DATA Group is promoting "environmentally oriented management" that considers the environment in all facets of corporate activities. As a part of this, we have been conducting environmental load LCA (life cycle assessment) for our system solutions. • By accounting for CO_2 emissions for the entire supply chain related to our business activities instead of just our systems, we are able to comprehend the overall situation from a different point of view, and hope that this leads to total CO_2 reduction activities.
☐ **Utilization of accounting results**	• Use of accounting results: Investing management resources in categories that prove to be effective in reducing CO_2. • Methods of disclosing information: (1) By responding to questions from outside our company regarding emissions from our supply chain, such as CDP, the Nikkei "Environmental Management" Survey, DJSI (Dow Jones Sustainability Index), etc. (2)Including the results in CSR reports, etc.
☐ **Advantages of accounting**	• It becomes possible to understand the categories which allow for the greatest CO_2 reductions, so that effective measures can be taken.
☐ **Internal accounting organization**	• Data collecting departments: Purchasing department (Categories 1, 8, 11, 12); Human Resources department (Categories 6, 7); Facilities department (Category 2); logistics subcontractors (Category 4); waste treatment subcontractors (Category 5); various organizational environmental managers (Category 3) • Responsible for accounting: Environmental Management Promotion Office

	Company thinking
☐ **To reduce supply chain emissions**	• Reduction of final treatment volumes of Category 3 ("Fuel and energy related activities not included in Scope 1 or 2") and Category 5 ("Waste generated in operation") are established as one of the mid-term environmental load reduction goals and implemented by the entire group. • In the same way, we shall implement various reduction measures in order for categories with large reduction effects.
☐ **Tasks to account for supply chain emissions**	• Because the categories and ranges which are included in accounting have been increased, it appears that emissions have gone up, so that a mechanism that assesses an increase in range is necessary in addition to adding categories. • A calculation method that reflects "efforts in reduction measures" must be established to assess reduction over a span of time. • Emission factor that can be used with globalization of our business activities is necessary.
☐ **For those starting to account for supply chain emissions**	• We recommend that the initial calculations should be rough, and then the range of the actual data that can be comprehended should be increased over the years to gradually replace the rough data. • Although it is important to gain an understanding of the whole, it is easier to attain cooperation from other organizations if priority is given to categories that can lead to cost reductions.

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Category	Accounting methods	
	Activity data	**Emission factor**
Category 1: Purchased goods and services	• Procurement amount by type of purchased products and services	• Emission factor Database*
Category 2: Capital goods	• Capital investment amount	• Emission factor Database*
Category 3: Fuel and energy related activities not included in Scope 1 or 2	• Electrical energy usage	• Emission factor Database*
Category 4: Transportation and delivery (upstream)	• Logistics amount for purchased products • Logistics ton-km for subcontracted transport (that reported for energy savings)	• 3EID • Ministry of Land, Infrastructure, Transport and Tourism White Paper
Category 5: Waste generated in operations	• Weight by type of waste	• Emission factor Database* • CFP Program Basic Database
Category 6: Business travel	• Transportation expenses paid	• Emission factor Database*
Category 7: Employee commuting	• Transportation expenses paid	• Emission factor Database*
Category 8: Leased assets (upstream)	• Not relevant because over 80% of leased assets and leased buildings are already accounted for in Scope 1 and 2).	
Category 9: Transportation and delivery (downstream)	• Not relevant (no consumer products)	
Category 10: Processing of sold products	• Not relevant (no intermediate products)	
Category 11: Use of sold products	• Procurement amount by type of purchased products (excluding those for internal use)	• Emission factor Database* • Percentages of product manufacturing, use and treatment • (Calculated from NTT Group emission factor)
Category 12: End-of-life treatment of sold products	• Procurement amount by type of purchased products (excluding those for internal use)	
Category 13: Leased assets (downstream)	• Including Category 11	
Category 14: Franchises	• Not applicable (no franchises)	
Category 15: Investments	• Scope 1 and 2 emissions calculated by percentage of shares owned of companies invested in	

* "Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain"
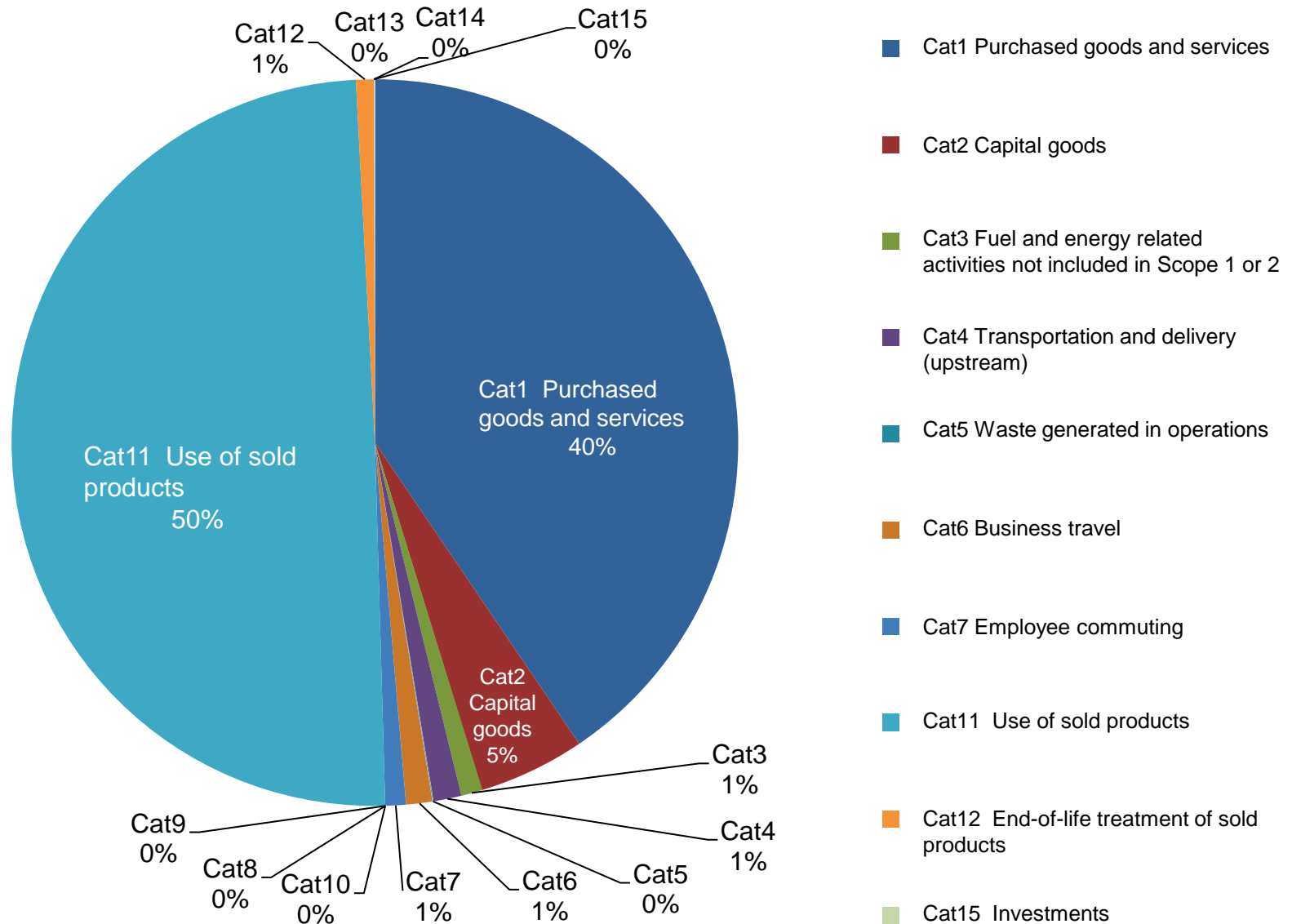
Scope 3 Emissions Ratio (by category)