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	Companies' approach
① **Background and purpose of accounting**	• The NTT DATA Group emphasizes environmental considerations 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 GHG 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 GHG reduction activities.
② **Utilization of accounting results**	• Use of accounting results: Investing management resources in categories that prove to be effective in reducing GHG. • Methods of disclosing information: (1) Including the results in Sustainability Reports, etc. (2) By responding to questions from outside our company regarding emissions from our supply chain, such as CDP, DJSI (Dow Jones Sustainability Index), the Toyo Keizai CSR Survey, the Nikkei “Environmental Management” Survey, etc.
③ **Benefits of accounting**	• It becomes possible to understand the categories which allow for the greatest GHG reductions, so that we can identify the emission sources to invest management resources. • By disclosing information on our supply chain emissions, we will be able to give more information to the requests of our stakeholders, and then NTT DATA global brand will be more and more improved.
④ **Internal system for accounting**	• Data collecting departments: Purchasing department (Categories 1, 4, 8, 11, 12); Human Resources department (Categories 6, 7); Finance department (Category 2); logistics subcontractors (Category 4); waste treatment subcontractors (Category 5); various organizational environmental managers (Category 3) • Responsible for accounting: Sustainability Group, ESG Promotion Department

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	Companies' approach
⑤ **Efforts 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.
⑥ **Issues in supply chain emissions accounting**	• 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. • An intensity unit that can be used to calculate supply chain emissions of overseas subsidiaries is required.
⑦ **Other**	• The NTT DATA Group is continuing to promote progressive initiatives in "the greening of clients and society" as a whole through its products and services. • We received third-party verification of Scope3 greenhouse gas emission volume results for fiscal 2019 from Lloyd‘s Register Quality Assurance Limited. We intend through this effort to further improve transparency in environmental information.

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Category	Accounting methods ※Accounting period : 04/2019 – 03/2020	
	Activity data	Emission factor
Category 1: Purchased goods and services	● Procurement amount by type of purchased products and services	● Intensity Database*
Category 2: Capital goods	● Capital investment amount	● Intensity Database*
Category 3: Fuel and energy related activities not included in Scope 1 or 2	● Electrical energy usage	● Intensity Database*
Category 4: Transportation and delivery (upstream)	● Logistics amount for purchased products ● Logistics ton/km for subcontracted transport (that reported for energy savings)	● 3EID ● Joint guidelines for calculating CO2 emissions in the logistics field
Category 5: Waste generated in operations	● Weight by type of waste	● Intensity Database* ● LCI Database IDEAv2
Category 6: Business travel	● Transportation expenses paid	● Intensity Database*
Category 7: Employee commuting	● Transportation expenses paid	● Intensity 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)	● Intensity Database* ● Percentages of product manufacturing, use and treatment ● (Calculated from NTT Group intensities)
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	● Not applicable (no finance business)	
Other	● Not applicable (not included in the boundary)	

* "Emissions Intensity Database for Accounting for Greenhouse Gas Emissions from Organization Supply Chains"

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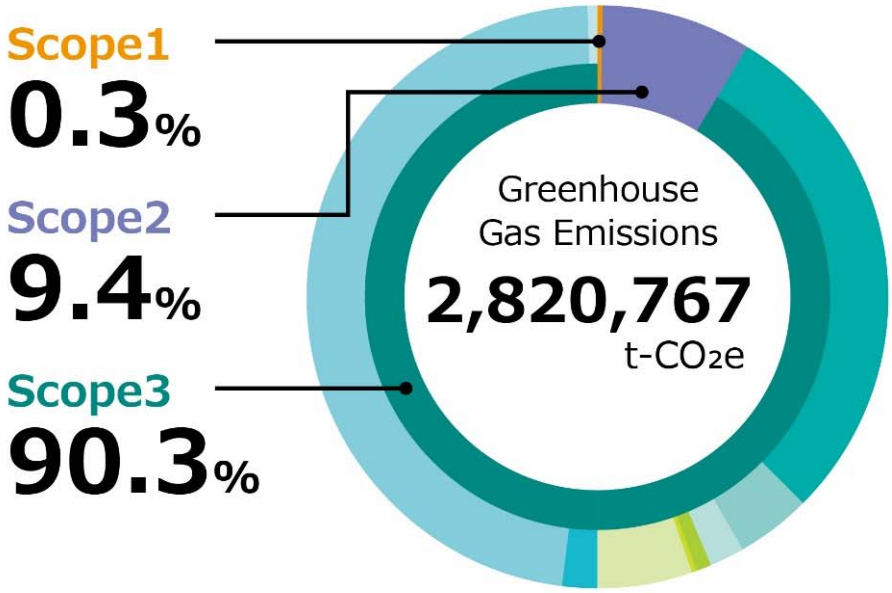
Supply chain emissions : Accounting results



Scope1: Fuel usage and other direct emissions 0.3%
Scope2: Indirect emissions through the use of purchased electricity and heat 9.4%
Scope3: Indirect emissions in the supply chain 90.3% (not included in Scope 2)

Breakdown of Scope 3

- Emissions from purchased goods and services 31.5%
- Capital goods 4.5%
- Fuel- and energy-related activities 2.1% (not included in Scope 1 or 2)
- Transportation / distribution (upstream) 1.2%
- Waste generated in operations 0.2%
- Business travel 5.9%
- Employee commuting 1.9%
- Use of sold products 52.2%
- End-of-life treatment of sold products 0.4%