

Basis of Reporting

FY25 NTT DATA, Inc. GHG emissions methodology and basis of reporting

NTT DATA, Inc.

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Corporate Sustainability

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1. Purpose

1.1. Objectives

The purpose of this document is to outline the process for greenhouse gas (GHG) emissions data collection, calculation methodology and the key assumptions taken, which is aligned with the GHG Protocol corporate accounting and reporting standard. Our reporting includes both the greenhouse gases required under the GHG Protocol and additional non-Kyoto gases.

NTT DATA, Inc. aims to deliver reductions in operational emissions (Scope 1 & 2) and value chain emissions (Scope 3) as part of wider sustainability commitments and emissions reduction targets set at NTT DATA Group level, validated by the Science Based Targets initiative (SBTi) ¹:

NTT DATA aims to achieve Net-Zero for direct and indirect emissions from its own operations (Scope 1 and 2) for data centers by 2030, the entire company including offices and other facilities by 2035, and its entire supply chain (Scope 3) by 2040.

High quality data is integral to achieving our goal. We are continuously improving our data collection and calculation methodologies and controls, and we track our contribution and progress towards group level science-based targets.

1.2. Scope

This document refers to NTT DATA, Inc.'s FY25 (Financial year 2025). We consider FY25, starting on 01 April 2025 and ending on 31 March 2026, and the emissions reported in this document correspond to our business activities across operations and value chain completed during the period.

¹ News release: [NTT DATA Formulates New Vision for Net-Zero GHG Emissions by 2040 | NTT DATA Group](#)

2. Boundary of Control

NTT DATA, Inc. follows the financial control approach to defining the organizational boundary for sustainability reporting. A company has financial control over an operation if the former has the ability to direct the financial and operating policies of the latter with a view to gaining economic benefits from its activities. All emissions from these businesses or facilities should be included in NTT DATA, Inc.'s GHG inventory. Businesses or facilities over which NTT DATA, Inc. does not have financial control are considered out of scope. However, emissions from GHG-intensive activities in which NTT DATA, Inc. holds a noncontrolling equity share (e.g., data center joint ventures) are accounted for in Scope 3, Category 15 (Investments), based on NTT DATA, Inc.'s proportional share of Scope 1 and Scope 2 emissions attributable to the equity investment during the reporting year.

NTT DATA Group financial control boundary definition:

First layer = organizational boundary:

- Use “financial control approach” as the consolidation approach, aligned with NTT DATA.
- The updated consolidated group company list under financial control approach will be shared by NTT DATA to NTT DATA, Inc. on a yearly basis to update the master facility list on entity level

Second layer = operational boundary:

- Update the facility information under each valid entity determined in the first layer
- Noted that top-down approach/rule from NTT Group requires that all the owned and leased facilities (DCs & offices) should be counted in Scope1/2. The exceptional case is that, if the leaser is an internal NTT DATA entity, the lessee should exclude it from Scope1/2 reporting to avoid double counting with Scope 3 Category 13 reporting from the leaser

In FY25 the first layer includes, in line with NTT DATA, Inc.'s internal regions and units:

Regions:

- Europe
- North America (Includes Apps& BPO and Cloud & Security units)
- Middle East and Africa (MEA)
- Asia-Pacific (APAC)
- Iberia, Benelux & France, International Organizations, Latam (IBIOL)

Units:

- Business Solutions (BS)
- Global Data Centres (GDC)
- Technology Solutions (erstwhile CDO)

3. GHG emissions scopes and relevance

Our reporting includes both the greenhouse gases required under the GHG Protocol and additional non-Kyoto gases.

Under the GHG Protocol corporate accounting and reporting standard greenhouse gas emissions are classified into three categories: Scope 1, Scope 2 and Scope 3 with all emissions reported in units of carbon dioxide equivalent (CO₂e). For non-CO₂ GHGs (CH₄, N₂O, HFCs and PFCs), conversions were made using the AR6 published by IPCC global warming potentials (GWP) for a 100-year period without climate carbon feedback.

3.1. Scope 1

Scope 1 emissions are direct emissions from owned or controlled sources. They are further broken down into three categories:

- **Stationary combustion:** Onsite combustion of fuels for generating electricity, steam or heat, or from diesel driven pumps including boilers/generators sets
- **Mobile combustion:** Combustion of fuels for use of company vehicles (owned and leased)
- **Fugitive emissions:** Direct emissions of GHGs from refrigeration and air conditioners, and cooling infrastructure, fire suppression systems, and the purchase and release of industrial gases

3.2. Scope 2

Scope 2 emissions are indirect emissions from the generation of purchased energy. This includes:

- Purchased electricity
- Purchased heat
- Purchased cooling
- Purchased steam

3.3. Scope 3

Scope 3 emissions are all indirect emissions (not included in Scope 1 or 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. There are 15 emission categories under this scope:

Table 1-Scope 3 description and relevance

Category	Category description	Relevance for NTT DATA, Inc.
Cat. 1: Purchased goods and services	Extraction, production, and transportation of goods and services purchased or acquired	High
Cat. 2: Capital goods	Extraction, production, and transportation of capital goods purchased or acquired	High

Category	Category description	Relevance for NTT DATA, Inc.
Cat. 3: Fuel and energy related activities (not included in Scope 1 or 2)	Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company, not already accounted for in scope 1 or scope 2	High
Cat. 4: Upstream transport and distribution	Transportation and distribution of products and services purchased by the reporting company between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company)	Medium
Cat. 5: Waste generated in operations	Disposal and treatment of waste generated in the reporting company's operations	Low
Cat. 6: Business travel	Transportation of employees for business-related activities	Low
Cat. 7: Employee commuting	Transportation of employees between their homes and their worksites	Low
Cat. 8: Upstream leased assets	Operation of assets leased by the reporting company (lessee) not included in Scope 1 or 2	None
Cat. 9: Downstream transport and distribution	Transportation and distribution of products sold in vehicles and facilities not owned or controlled by the reporting company	Low
Cat. 10: Processing of sold products	Processing of intermediate products sold	None
Cat. 11: Use of sold products	End use of goods and services sold	High
Cat. 12: End-of-life treatment of sold products	Waste disposal and treatment of products sold	Medium
Cat. 13: Downstream leased assets	Operation of assets owned by the reporting company (lessor) and leased to other entities	High
Cat. 14: Franchises	Operation of franchises	None
Cat. 15: Investments	Scope 1 and 2 emissions of investees associated with equity investments, debt investments, and project finance not included in Scope 1 and 2 inventories	Low

4. Data collection and estimation methodology

4.1. Scope 1 data collection and estimation methodology

Stationary combustion emissions primarily arise from the operation of backup power generators and heating systems such as boilers.

Mobile combustion emissions originate from vehicles that are owned or leased by the company.

Fugitive emissions result from refrigerant leaks and recharges associated with refrigeration and air conditioning equipment and cooling infrastructure.

To calculate emissions, activity data is collected from company assets and facilities by facility management teams. This data is consolidated into standardized templates and uploaded to the ESG platform by a designated uploader, after which it is reviewed and validated by a designated approver.

When the exact amount of activity data is not known or source data is unavailable, we estimate it using the most appropriate methodology available in the ESG platform, based on historical data, country-specific references, and relevant operational assumptions. For refrigerants specifically, when purchase quantities are unavailable, default refrigerant types are assigned based on building type, and quantities are estimated using square footage.

Details of the emission factors applied are provided in Section 7 (Emission Factors).

4.2. Scope 2 data collection and estimation methodology

We capture in this category:

- Purchased electricity that power building, lighting and cooling infrastructure in our data centers² (referred to as non-IT load or non-IT energy).
- Purchased electricity in offices, other facilities and electric vehicles
- We collect the data periodically via the data collection template operationalised by central ESG digital platform. When the exact amount of electricity purchased is not known for any reason, we extrapolate it based historical data facility type and country specific references available in the ESG platform.

Note that in the data centers purchased electricity consumed by client equipment (IT load or IT energy) is addressed under Scope 3 Category 13 (downstream leased assets).

Activity data for Scope 2 and Scope 3 Category 13 are collected monthly at the DC level in the data collection templates of the digital platform.

We report emissions from purchased electricity using two methods:

Location-based method

The emissions are calculated based on the emissions intensity of the local grid area where the electricity usage occurs. The amount of electricity purchased in kWh is multiplied by the grid emission factor for the respective location.

Market-based method

² NTT Data, Inc. defines data center as “customer-facing data center”. Facility containing only 100% internal-use server suites are defined as “Office”.

This method calculates the specific emissions the company is responsible for through its purchasing decisions. This method considers renewable electricity purchased and generated as zero emissions provided adequate evidence (contractual or otherwise) is available. The remaining non-renewable electricity purchased in kWh is multiplied by the supplying company’s emission factor collected as part of the reporting data exercise). Details of the emission factors applied are provided in Section 7 (Emission Factors).

4.3. Scope 3 data collection and estimation methodology

Where possible we seek to use supplier-specific emissions data to calculate emissions. Where this is unavailable, a spend-based methodology is used to calculate emissions, with emission factor hierarchy leveraging product carbon footprint databases from vendors or third-party databases.

Where only partial estimates on the spend are available, assumptions around total spend are made using analysis of spend from previous years. Emission estimates are developed by extrapolating from the estimated total spend.

Table 2 - Scope 3 calculation methodology

Category	Data Source	Methodology
Cat. 1: Purchased goods and services	Spend data from NTT DATA, Inc. enterprise data platform, obtained by Group procurement team. Emissions factor (EF) Hierarchy: 1. Product specific emission factor obtained from exact match of product and country code to PCF data (e.g., from Cisco/ Rejoose) 2. CDP supplier specific emission factors obtained from company match to CDP spend-based emission factors 3. CEDA (Comprehensive Environmental Data Archive) spend-based emission factors – match to industry category emission factor, out of the box with our ESG platform Watershed	Emissions are determined by analyzing categorized spending data for purchased goods and services, utilizing a structured hierarchy of emission factor databases. The main goal is to shift towards better estimates - from using spend-based factors to those that accurately represent the carbon footprint of products.

Category	Data Source	Methodology
Cat. 2: Capital goods	Data center (DC) lifecycle assessment (LCA) from ARUP. Asset list of DCs that have gone live (capitalized assets) in the reporting period (FY25) provided by GDC management team. FY25 NTT DATA, Inc. Capital Expenditure provided by Group finance team.	Total NTT DATA, Inc. capital expenditure (CapEx) shows us capital investments in data centers (made by GDC division) account for the majority of all CapEx. For the construction of new data center facilities under our Global data center business, we used emission factors obtained by a LCA of the whole construction, fit out and lifetime of a DC, commissioned to a third party for one of our new DCs in 2023/2024 period (LON 1 in London, the UK). The total emissions kg CO2e per square meter and designed power capacity (kg CO2e per MWh) were then extrapolated to all other newly built DCs in the period. Same applies for capital investment on existing DCs per inventory type. For the remaining capital goods procured (around 10%) related to client fit outs, plant refurbishments etc., we estimated the emissions using capital expenditure.

Category	Data Source	Methodology
Cat. 3: Fuel and energy related activities (not included in Scope 1 or 2)	Fuel and electricity activity data from facilities management teams via ESG data collection platform Emission factors from IEA, DEFRA, eGrid, and Ecoinvent etc.	For well-to-tank (WTT) emissions, the fuels consumed and the purchased energy (electricity, heating, cooling and steam) from assets are multiplied by their corresponding WTT emission factors, which are sourced from DEFRA conversion factors or IEA emission factors. In the case of transmission and distribution (T&D), the purchased energy for electricity, heating, cooling, and steam supplied by assets is multiplied by grid loss rates for each regional grid. On-site renewables are assumed not to have any T&D losses. eGRID loss rates are used for US electricity consumption. Ecoinvent loss rates are used for non-US electricity consumption. For bundled renewable electricity purchases (e.g., Green tariff, PPAs), we use the upper end of the range of upstream emissions for current solar PV or wind power turbines based on literature including NREL Life Cycle GHG Emissions from Solar PV and <i>J Fundamentals of Renewable Energy App. LCA of Embodied Carbon Emissions from 14 Wind Turbines</i>
Cat. 4: Upstream transport and distribution	Spend data from NTT DATA, Inc. enterprise data platform, obtained by Procurement team. Emissions factor: EF hierarchy: PCF based- 1. PCF data from vendor (e.g., Cisco) 2. PCF data from Rejoose database 3. Extrapolation to rest of remaining based on spend value of hardware sold.	Expenditures associated with sold hardware are utilized in this analysis to determine emissions. Emissions from transportation stage that occur during product lifecycle are considered. The estimation of emissions employs a hierarchy of emission factors utilizing product carbon footprint (PCF) approach.

Category	Data Source	Methodology
Cat. 5: Waste generated in operations	Spend data from NTT DATA, Inc. enterprise data platform, obtained by Procurement team. Emissions factor from CEDA (out of the box with our ESG platform Watershed)	Non-material in FY25, emissions captured within category 1 using spend data and CEDA factors as waste treatment-related expenditures cannot be distinctly identified within the primary procurement dataset. Improving data quality over time will enable a transition from spend-based estimates to actual waste tonnage data.
Cat. 6: Business travel	Activity data or emissions obtained from Regions and Units when available. If not available, spend data from NTT DATA, Inc. enterprise data platform, obtained by procurement team, reports from travel agencies and internal expense system Emissions factors from DEFRA, IEA and CEDA	Business travel emissions were calculated using a combination of activity data, emissions data, and expenditure by mode of transport, collected from major partner travel agencies. For incomplete data, expenditure was extrapolated based on the previous year's spending to account for missing values. CEDA emission factors were then applied to estimate emissions from the spend-based data. In regions and business units where primary activity data—such as kilometers traveled, air miles, and hotel nights—was available, this information was used to improve the accuracy of emissions estimates. Additionally, the calculation includes upstream emissions associated with fuel and energy use, including well-to-tank (WTT) emissions, transmission and distribution (T&D) losses.
Cat. 7: Employee commuting	Headcount and work mode data from HR teams in regions and units applied to emission factors out of the box from the ESG platform. For one region (IBIOL) data from internal commuting survey. Emission factors in the ESG platform are from DEFRA and EPA	Employee commuting emissions are calculated using an employee work mode methodology, based on the number of employees and their work arrangement (onsite, hybrid, or remote). Onsite employees commute full time, hybrid employees are assumed to commute 50% of working days, and remote employees generate no commuting emissions. Location-specific commute distances, transport mode splits, and emission factors from DEFRA and EPA. Emissions from home office energy use are included for hybrid and remote employees based on average residential energy benchmarks and the share of time worked remotely.
Cat. 8: Upstream leased assets	N/A	Not material in FY25

Category	Data Source	Methodology
Cat. 9: Downstream transport and distribution	Spend data from NTT DATA, Inc. enterprise data platform, obtained by procurement team. Emissions factor: EF hierarchy: CEDA (out of the box with our ESG platform Watershed)	Spend related to freight and logistics purchase orders items are considered in this category. Assumption: hardware sold related expenditures will form the basis for Cat.4 and all third-party related logistics suppliers spend will be considered here in Cat.9.
Cat. 11: Use of sold products	Cisco products' carbon footprint provided by Cisco (PAIA methodology applied is referenced in the data set). Spend data from NTT DATA, Inc. enterprise data platform, obtained by Procurement team. EF hierarchy: PCF approach 1- Vendor based (e.g. Cisco) 2- Rejoose database for Product and Manufacturer specific 3- Rejoose database for broad categories (averages) 4- Extrapolate (if any)	NTT DATA, Inc. resells products from various suppliers. Notable suppliers such as Cisco offer carbon footprint information for their hardware products. For other expenditures where primary product carbon footprint (PCF) values are not accessible, NTT DATA, Inc. utilizes alternative PCF databases, like Rejoose, to estimate emissions. In cases where there are no PCF values or broad category factors for hardware, emissions are extrapolated based on available spend data linked to available carbon emissions.
Cat. 12: End-of-life treatment of sold products	Cisco products' carbon footprint provided by Cisco (PAIA methodology applied is referenced in the data set). Spend data from NTT DATA, Inc. enterprise data platform, obtained by Procurement team. EF hierarchy: PCF approach 1- Vendor based (e.g. Cisco) 2- Rejoose database for Product and Manufacturer specific 3- Rejoose database for broad categories (averages) 4- Extrapolate (if any)	NTT DATA, Inc. resells products from various suppliers. Notable suppliers such as Cisco offer carbon footprint information for their hardware products. For other expenditures where primary product carbon footprint (PCF) values are not accessible, NTT DATA, Inc. utilizes alternative PCF databases, like Rejoose, to estimate emissions. In cases where there are no PCF values or broad category factors for hardware, emissions are extrapolated based on available spend data linked to available carbon emissions.

Category	Data Source	Methodology
Cat. 13: Downstream leased assets	Electricity and renewable electricity activity data from facilities management teams via a data collection platform. Emission factors directly from utility suppliers, if not available, published residual emissions factors from local grid authority, national/regional grid or location-based factors from IEA.	This covers the emissions from electricity used to power clients' IT hardware located in colocation DCs and emissions from the operation DCs that are owned but not operated by NTT DATA, Inc. For our colocation DCs, renewable electricity purchased and attributed to client IT load is considered and reported as zero emissions, provided adequate evidence (contractual or otherwise) is available. The remaining non-renewable electricity purchased in kWh powering client IT load is multiplied by the relevant market-based emission factor. For DCs that are owned but not operated by NTT DATA, Inc., will estimate emissions for these facilities based on comparison with similar facilities. In the future, NTT DATA, Inc. will try to obtain emission or activity data from the client (lessor) to calculate emissions. For Offices, emissions coming out of sublet spaces are also included here.
Cat. 15: Investments		For DCs that are managed as associated companies, we use the same emissions calculation method as for DCs under financial control but apply a proportional factor based on equity share for Scopes 1 & 2.

4.4. Estimation approach and assumptions made

When activity data is unavailable or incomplete, emissions are estimated using the best available information. Historical data is applied where it exists and is considered reliable. In cases where utility consumption data (such as electricity or heating) is missing and cannot be reasonably estimated based on historical trends or other available information, emissions are calculated using ESG platform functionality, which relies on building characteristics and established energy performance benchmarks.

4.4.1 Scope 1

Regarding Scope 1 mobile combustion emissions, we report greenhouse gas (GHG) emissions from corporate-owned or leased vehicles used for operational and day-to-day business activities by employees. In certain cases, these vehicles are also used for personal purposes. Where applicable, efforts have been made to exclude personal usage based on local non-working days and/or vehicle logs and records maintained as bottom-up evidence.

For electric vehicles, emissions are calculated based on electricity consumption data. However, in cases where only distance traveled data is available, such vehicles are conservatively categorized under Scope 1.

In the case of refrigerant recharges in air conditioning units, the gas refills are considered as "leaks". This is because when a recharge is needed, it is assumed that some refrigerant has been released into the atmosphere, either during the recharging process or due to previous losses in the system. The emissions from these gases are accounted for as leaks, which can contribute to greenhouse gas emissions, especially if high global warming potential (GWP) refrigerants are used.

4.4.2 Scope 2

Market-based emissions are estimated using supplier-specific emission factors wherever available. In cases where such factors are not accessible, regional residual mix emission factors or location-based emission factors are applied to calculate emissions from non-renewable electricity consumption.

For location-based emissions, the most relevant and recent grid intensity data available for the regions in which NTT DATA, Inc. operate, is used. Where regional grid intensity data is not available, national-level grid intensity factors are applied.

4.4.3 Scope 3

Where direct supplier data was unavailable, a spend-based analysis and screening approach was used to estimate the magnitude of emissions associated with relevant categories. Accordingly, a spend-based methodology was applied to selected Scope 3 categories, including Category 1: Purchased Goods and Services.

In cases where only partial spend data was available - such as for the Business Travel category - assumptions were made to estimate total expenditure based on analysis of prior years' data. Emissions were then estimated by extrapolating these figures to the total assumed spend.

5. Base year

5.1. Base year methodology

NTT DATA, Inc. has used FY21 (01.04.2021 to 31.03.2022) as the base year to calculate greenhouse gas (GHG) emissions and which aligns with NTT DATA Group SBTs and scope 1, 2 and 3 reduction targets.

- A Scope1 and 2 emissions inventory was developed for FY21
- A Scope 3 screening was conducted for FY21 to identify the most material categories
- The baseline calculation methodology is aligned with the GHG Protocol
- The 2021 Financial Year is from 01 April 2021 to 31 March 2022

5.2. Recalculation policies

NTT DATA, Inc., as a part of the NTT DATA Group (Japan), which has established active SBTi targets, will implement its recalculation policy in accordance with the guidelines set forth by the recalculation policy of the NTT DATA Group.

5.2.1 Changes to company structure

GHG impact simulations will be conducted when an acquisition, merger or divestment occurs. This also includes any joint ventures or partnerships, reorganization or restructuring that change the organizational boundary i.e. for which NTT DATA, Inc. has financial control

- If the impact exceeds the 5% significance threshold of total Scope 1, 2, and 3 emissions i.e. NTT DATA Group's total base year emissions (CO₂e) - a full-year approach with re-baselining will be applied whereby the current and baseline year including intermittent years will be recalculated for the entire financial year, to ensure alignment with the current GHG Protocol and SBTi requirements.
- If the impact is below the 5% significance threshold of total Scope 1, 2, and 3 emissions, a pro-rata approach will be applied, to ensure consistency with financial accounting practices.

5.2.2 Methodology changes

- Should emissions calculation methodology changes be more than 5% of NTT DATA Group's total base year emissions (CO₂e), the NTT DATA, Inc., base year emissions would be adjusted to incorporate such changes
- Methodology changes include adjustments in emission factors, reporting frameworks and protocols, improved data access, and data sources

5.2.3 Data errors

- Should NTT DATA, Inc. become aware of significant errors in either sourcing of data or in calculations, which impact emissions by more than 5% of NTT DATA Group's total base year emissions (CO₂e), the base year emission calculation will be conducted.

5.2.4 Timeline

Recalculations should be completed within the same fiscal year where feasible. Where this is not possible due to data availability constraints, recalculations will be completed in the subsequent fiscal year and transparently disclosed.

6. Process to address data gaps, uncertainty and assumptions made

6.1. How do we capture and respond to uncertainty?

In our emissions calculation, we focused on minimizing parameter uncertainty i.e. the uncertainty associated with quantifying the parameters used as inputs (e.g. activity data, emission factors or other parameters). We have captured the accuracy levels for each emissions category as high/ medium/ low based on the parameter uncertainty associated in GHG calculation methodology document.

Especially for scope 1 and 2, electricity represents up to majority (up to 90%) of the total location-based emissions. Therefore, we collected primary data such as meter readings, consumption data from utility bills, supplier specific emission factors (where available) to calculate scope 2 emissions. The data was validated against presented evidence (bills, renewable electricity certificates, contracts, letters from landlords) by reporting focal points in each asset unit to ensure the accuracy. The remaining 10% is comprised of i) stationary combustion – where we used fuel consumption data reported by our data centre assets and facilities ii) mobile combustion data – where we used fuel purchase data/distance travelled for our fleet and ii) refrigerant leak data – where we used recorded leaks from data centres and offices. The parameter uncertainty is higher for refrigerant leak as we expect gaps in the reporting of leaks. Given that refrigerant leaks constitute around 5% of the total scope 1 and 2 emissions, the impact on the overall parameter uncertainty for scope 1 and 2 emissions are expected to be minimal. We are setting up internal processes to closely monitor refrigerant leaks at our facilities as part of our sustainability program.

For estimating scope 3 emissions, where possible we use inventory-type data based on LCA commissioned to reputable and independent external third parties such as ARUP and PAIA. For completeness emissions obtained in this way were then extrapolated to the rest of the business based on spend or asset data obtained by finance or procurement functions, and using associated emissions factors, such as those from the PCF from suppliers, other PCF databases, CDP provided supplier specific and CEDA.

To continuously improve the quality of emissions estimates we work with suppliers and partners to obtain more accurate and actionable data sources like manufacturer specific product carbon footprint, or CDP supplier specific emission factors. When that is not possible, we utilize data sources based on product categories average emission factors and aim to reduce the use of purely spend based categories average factors.

Scientific uncertainty and model uncertainty are beyond the scope of our inventory efforts.

6.2. How do we address data gaps?

We focussed on addressing data gaps especially for emission categories that represent more than 1% of the total emissions. We addressed gaps by extrapolating activity data (where activity data was missing) and using conservative emission factors (where we could not get supplier specific emission factors).

For example, for scope 3 category 11 we had collected supplier specific PCF emission factors for the use of sold products from our biggest supplier. We know that the specific supplier constitutes majority of the total volume of our product/ hardware sales. We calculate the total category 11 emissions by using third party proprietary PCF datasets and extrapolate the rest of our hardware sales to achieve all suppliers' emission figures. In case of scope 2 market-based emissions calculation, we used conservative residual emission factors and location-based factors when we could not find market specific emission factors.

As part of our sustainability program, we plan to address the remaining data gaps by engaging with our supply chain to gather supplier specific emission factors. This year we have improved the data collection and emissions calculation through implementing an automated internal reporting platform to collect and validate all emissions related data.

7. Training and quality control

7.1. Quality control

We have requested three step verification of data for all activity data collected via data collection platform

- All data must be submitted with accompanying evidence (e.g., electricity bills, renewable electricity certificates or contracts, letters from landlords specifying our consumption in the period).
- An independent second person must always play the role of data verifier and approver reviewing all submitted data and evidence before they are reported in the final GHG emissions report.
- Finally, all the data is probed, validated and verified by both the region/ unit and also sample based data quality checks by the central corporate sustainability team when in the reporting tool before data is published.

7.2. Training

All engaged stakeholders – data input or data approval owners – have been enabled with training material and policies for evidence documentation and data quality.

This year, we rolled out an ESG data collection and reporting platform and provided system training to all relevant stakeholders as part of the roll out and launch of the new system.

8. Emission Factors

All Scope 1, Scope 2 and Scope 3 emissions reported in units of carbon dioxide equivalent (CO₂e). For non-CO₂ GHGs (CH₄, N₂O, HFCs and PFCs), conversions were made using the AR6 published by IPCC global warming potentials (GWP) for a 100-year period without climate carbon feedback.

When selecting emissions factors each fiscal year, we use the data that is available at the time of reporting. We recognize that there may be a time delay between data availability and publication. For example, the IEA publishes data in September each year covering time series up to two years before, with some information for selected countries available up to the previous year.

Table 3 - Emission factors

Emissions factor	Source
Scope 1	
Mobile combustion	Latest available version at the time of reporting: - Department for Environment, Food and Rural Affairs (DEFRA) - US EPA Emission Factors Hub - Spanish Ministry for Ecological Transition and Demographic Challenge
Stationary combustion	Latest available version at the time of reporting: - Department for Environment, Food and Rural Affairs (DEFRA) - US EPA Emission Factors Hub - Spanish Ministry for Ecological Transition and Demographic Challenge
Refrigerants	Latest available version at the time of reporting: - IPCC assessment reports (e.g. AR6) - California Air Resources Board (CARB) report on High-GWP Refrigerants For refrigerant blends, blended emission factors are calculated using the 100-year global warming potential (GWP) values of the component gases.
Scope 2	
Location-based electricity	Latest available version at the time of reporting: - IEA Emissions Factors - US EPA Emission Factors Hub - Emission factors published by reputable sources, such as national governments.
Market-based electricity emission factors	Latest available version at the time of reporting: - Green-e residual EFs for US grids with CH₄ and N₂O EFs added from eGRID subregions and converted to CO₂e using the latest IPCC GWPs. 4. European Residual mixes with CH₄ and N₂O EFs added from IEA and converted to CO₂e

Emissions factor	Source
	using the latest IPCC GWPs. for each country's grid. - Australia National GHG Accounts Factors - Supplier specific emission factors by utility provider Location-based EFs are also used to calculate market-based emissions if no other market-based emission factors are available, following the data hierarchy in the GHG Protocol Scope 2 Guidance
Purchased heating/cooling/steam emission factors	Latest available version at the time of reporting: - Johansen & Werner EFs for Denmark and the rest of the EU-28, with CH₄ and N₂O added using DEFRA UK EFs, converted to CO₂e using latest IPCC GWPs. - US EPA Emission Factors Hub - Department for Environment, Food and Rural Affairs (DEFRA)
Scope 3	
Cat 1: Purchased goods & services	Latest available version at the time of reporting according to the following hierarchy: - PCF from vendors (Cisco, Arista) - Other PCF databases (Rejoose) - CDP supplier specific emission factors - CEDA data set
Cat 2: Capital goods	Project specific life cycle assessment (LCA) report
Cat 3: Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2)	Latest available version at the time of reporting: Well-to-tank: - Department for Environment, Food and Rural Affairs (DEFRA), IEA yearly WTT emissions are used for every country. For bundled renewable electricity purchases, we use the upper end of the range of upstream emissions for current solar PV or wind power turbines based on literature including NREL Life Cycle GHG Emissions from Solar PV and <i>J Fundamentals of Renewable Energy App. LCA of Embodied Carbon Emissions from 14 Wind Turbines</i> For Transmission and Distribution (T&D) losses – used residual mixes along with supplier specific emissions factors. This also includes EFs from national/region grid intensities and other reputable sources.
Cat 4: Upstream transportation and distribution	Latest available version at the time of reporting according to the following hierarchy:

Emissions factor	Source
	11. PCF from vendors (Cisco, Arista) 12. PCF from Rejoose
Cat 6: Business travel	Latest available version at the time of reporting: 13. CEDA dataset 14. Department for Environment, Food and Rural Affairs (DEFRA) 15. IEA data set (EV vehicle electricity)
Cat 7: Employee commuting	Latest available version at the time of reporting: 16. Department for Environment, Food and Rural Affairs (DEFRA) 17. IEA emission factors 18. US EPA Emission Factors Hub 19. Ecoinvent database 20. Country level inventories (e.g. Australia, Canada, South Africa, Spain, New Zealand)
Cat 9: Downstream leased assets	Latest available version at the time of reporting: 21. CEDA emission factors
Cat 11: Use of sold products	Latest available version at the time of reporting according to the following hierarchy: 22. PCF from vendors (Cisco, Arista) 23. PCF from Rejoose
Cat 12: End-of-life treatment of sold products	Latest available version at the time of reporting according to the following hierarchy: 24. PCF from vendors (Cisco, Arista) 25. PCF from Rejoose
Cat 13: Downstream leased assets	See Scope 2 market-based emissions factor
Cat 15: Investments	See Scope 1 and 2 (market-based)

Above table lists the major sources for emission factors used. The exhaustive list along with citations and notes are available in full GHG footprint export from the ESG data platform utilizing platform emission factor engine.

9. Exclusions

Exclusions from reporting:

- In FY25 GHG emissions reporting the following categories of Scope 3 are excluded as non-relevant for NTT DATA Inc., cat 8, 10, and 14.
- In FY25 GHG emissions reporting for category 5 is reported under category 1 as waste treatment-related expenditures cannot be distinctly identified within the primary procurement dataset. Improving data quality over time will enable a transition from spend-based estimates to actual waste tonnage data.
- There are no exclusions on the basis of geography or boundaries of control, all NTT DATA, Inc. operations and value chain activities are covered under one of Scope 1, 2 or 3 in our FY25 report.

10. Document control

Identification: Classified as Public

Table 4 - Document identification

Document Type	Basis of Reporting	Controlled Document	Yes*
Location	Policy Center	Issue Number	1.03
Title	FY25 NTT DATA, Inc. GHG emissions methodology and basis of reporting		
Last Review Date	20.05.2026	Next Review Date	
	Name	Job Title	Date
Author	Agustina Maria Fernandez Mazzuz	Corporate Sustainability, GHG and Net Zero team	22.04.2026
	Vladislav Marinov		
Reviewed and Approvals	Vicky Bullivant	SVP, Corporate Sustainability, NTT DATA. Inc.	20.05.2026
Reviewed and Approvals	Yiting Wang	Sustainability Business Office NTT DATA Group	28.04.2026
	Takeshi Saheki		

Table 5 - Version control

Issue no.	Issue date	Sections changed	Change details
1	28-Feb-25	All	First issue
2	02-May-25	Pages 9,11,12, 15	Minor text edits as per the feedback from Sustainability committee stakeholders
3	17-Mar-26	Most of pages	New version – changes in EFs libraries, a few updates in scope 3 calculation methodology, recalculation policy etc.
4	2-Jun-26	Page 13	Updated 4.4 Estimation approach and assumptions made- Including a reference to our ESG platform as an estimation method
5	16-Jun-26	Pages 19-21	Updated 8-EFs table.
6	19-Jun-26	Page 4 and 6	Added reference to non-Kyoto gases
7	12-Aug-26	Page 8	Clarification on the methodology applied for refrigerant estimation