NTT DATA

NTT DATA Business Solutions AG

Sustainability Report 2023/2024

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About this Report

This Sustainability Report 2023/2024 is the second Sustainability Report published by NTT DATA Business Solutions AG. It provides an overview of our approach to sustainability, performance and progress in our own business operations and supply chain. The Report is aimed at our customers, employees, partners, suppliers, and the general public.

As a company, we are currently not subject to any statutory reporting obligations. However, we see voluntary reporting as an opportunity to systematically document the status of this key social issue, create the basis for improvements and to prepare for the legal reporting obligation that will apply to us as of the 2025/2026 fiscal year.

The period under review corresponds to fiscal year 2023/2024 (April 1, 2023, to March 31, 2024) and is consistent with the NTT DATA Group's fiscal reporting period. The Report also includes information on key activities between the end of this period and the editorial deadline for the report in August 2024.

For the first time, this Report covers all subsidiaries of NTT DATA Business Solutions worldwide. This is clearly different from fiscal year 2022/2023, in which the initial Report had a limited scope for selected focus countries and our data centers.

By expanding our reporting, we have taken an important step towards presenting our data as completely, reliably, and accurately as possible. Due to the significant change in the scope of the Report, the data in this report is not directly comparable with that of the previous year. From now on, the data for fiscal year 2023/2024 will serve as a reference for assessing our sustainability performance in future years. This year our emissions data was also subjected to a voluntary content review by third parties for the first time.

In its sustainability reporting, NTT DATA Business Solutions is guided by the standard standards set out in the German Sustainability Code (GSC). The GSC Office has approved our Code Declaration for its completeness and compliance with the GSC standards. It is available on the GSC website under www.deutscher-nachhaltigkeitskodex.de. Notes on calculation methods and reference values are provided in the relevant chapters alongside the respective performance indicators.

This Sustainability Report reproduces the content of the GSC Declaration in a slightly looser structure for ease of reading and navigation. In addition, we use interviews and project reports to provide an insight into how our company addresses environmental, social and governance issues in practice.

The contents and figures presented in this Report constitute the best data available at the time of publication. All forward-looking statements in this Report are based on the assumptions as at the editorial deadline. Actual results and developments and the company's actual performance may deviate from our forecasts, estimates and announcements due to known or unknown risks, uncertainties, and other factors. This Sustainability Report has been approved by the Executive Board and Supervisory Board of NTT DATA Business Solutions AG.

The Report is available in digital form in German and English. In the event of discrepancies, the German version is binding. Additional information can be found on our website and in the 2023/2024 Annual Report. ∎

"To spark enthusiasm"

Sustainable data centers, transparent supply chains and innovative IT solutions for the green transformation in medium-sized companies: CEO Norbert Rotter reports on the progress the company has made, where he sees weaknesses – and what he hopes for from employees.

Mr. Rotter, this is the second Sustainability Report published by NTT DATA Business Solutions. You could say that the first Report was a kind of trial run – but now things are getting serious. Compared to last year, what improvements were made?

In the first Report, we focused on countries and business units that account for a large part of total sales and have a particular impact on sustainability. Apart from Germany, these included Brazil, UK & Ireland, India and the USA. This year, we have included figures from the entire Group, which was a major challenge following our many acquisitions in recent years. I am very pleased that we can now paint a more comprehensive picture.

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What does that picture look like?

We are on the right track and have made important progress – for example in terms of the energy supply for our data centers. But there is more work to be done. This Report lays the foundations for the traceability and comparability of our performance so that we can clearly identify potential for improvement in the future.

Before we go into potential improvements and specific plans: What insights have you gained so far within the context of sustainability reporting?

The complexity and effort involved are high. We had to set up completely new processes and were forced to realize that some data was harder to access than we thought. A lot of information is not yet integrated into central IT systems by default; in some cases, we had to rely on manual workarounds while working on automation and data management in parallel. This shows how important it was to make a start and gain experience well before the legal reporting requirements come into force in 2026. We also voluntarily had this year's Report reviewed externally. This means that we are well prepared for anything that legislators require.

If the effort involved is high even for a leading IT company, how is a medium-sized company expected to manage it?

That's a good question. But complaining doesn't help, we all have to confront the issue. And the effort has made it even clearer to us what other companies need to do now. That is why we are going to share our solutions and findings with our customers in order to make their sustainability reporting as easy as possible. Innovative IT solutions are a powerful lever here – not least because they create freedom for sustainability managers.

Can you elaborate on that?

The detailed reporting obligations pose a serious risk: sustainability managers have to deal so intensively with formal issues that they have little time to drive change. The more automated the process, the greater the scope for driving change internally. In addition, many managers will then find it easier to spark the enthusiasm needed for the green transformation.

Risk assessment under the Supply Chain Due Diligence Act

Now, it looks as if there will be more rather than less regulatory requirements in the future. I'm thinking, for example, of the Supply Chain Act, which the EU launched this year. Have you already had any experience in this regard?

Yes, this year we carried out a risk assessment for the first time, as required by the German Supply Chain Due Diligence Act. This regulation – unlike the EU requirements – is already applicable. As a global company, we naturally also have business partners in regions where the risks are higher than in Europe. It is therefore important to me, irrespective of the statutory requirements, to be able to exclude as far as possible the likelihood of any potential breaches. In addition, we have again gained valuable experience in this area, which helps us to develop solutions for our customers.

In the interview for last year's Sustainability Report, you emphasized that your biggest lever is to support customers in the green transformation. Is this limited to creating transparency and facilitating reporting or do your software solutions also go beyond this, for example by reducing emissions?

Definitely yes. IT offers great opportunities to increase efficiency and reduce the consumption of resources – for example, by optimizing supply chains and production processes. This plays a key role in our transformation projects. In addition, we are pushing ahead with several projects that have an even more immediate impact.

Artificial intelligence for children in need, impetus for sustainable tourism

For example?

In Denmark, we support an organization that distressed children can contact by phone, text message or chat. But there are not enough volunteers to respond immediately to everyone who contacts it. We have therefore applied artificial intelligence to develop a software solution that supports counsellors in helping more children more effectively. (→ For more information, see page 51). Another great project is an app that provides tourists visiting nature reserves tips on environmentally friendly behavior. The basis for this is an innovative platform that combines data from various tourism service providers (→ For more information, see page 34).

Back to the internal structures and processes: How do you plan to address gaps and become more climate friendly in the months ahead?

We believe that If you want to be credible externally, you have to do your homework internally. We are therefore continuing to push ahead with the topic of green energy for our data centers. Specifically, we will invest two million euros in a photovoltaic system at the Bautzen site in the current fiscal year. We are also setting up a Sustainable Buildings Hub to track the energy consumption and emissions of our office buildings and data centers more accurately. This is an important basis for launching further targeted measures.

How are you progressing with changing the vehicle fleet to electric vehicles?

Due to multi-year leasing contracts and long order times, we have not yet made as much progress in this respect as we would have liked to. In Germany, the share of purely electric vehicles is currently around nine percent, plus 26 percent hybrid vehicles. However, the change is now gradually becoming more visible. We are already much further ahead in terms of charging options at our locations. In addition, we have launched our own software product called it.4Ecar to manage home charging in Germany.

What about beyond your home market?

The first thing we had to do was get an idea and create transparency. We recorded which drive systems are represented in the respective fleets worldwide for the first time this year.

Less data, less energy, fewer emissions

The topic of recycling is also on your mind, especially electronic waste. Have you been able to increase transparency in this area?

This is another area where we still lack information. It is also due to the fact that we initially focused on energy data, as this is where we see a more direct and stronger lever for a positive contribution. However, the topic of electronic waste is anchored as a field of action in our sustainability activities, so we are tackling it. Aside from that, I also see potential in the area of data waste.

What does that involve?

We intend to work with our customers to identify potential data savings and maximize data reduction by taking various measures. After all, when companies store less data, this goes hand in hand with decreasing energy consumption for server and database operations.

It is often said that companies need more data, don't they?

This cannot be overlooked – especially when it comes to artificial intelligence. Above all, however, they need the right, high-quality data. And many companies are still storing outdated and unusable data. Getting rid of this can help reduce energy consumption in the long term and offset some of the additional energy requirements created by AI.

Keyword AI: Apart from to high energy consumption, other ethical issues are at stake here. In particular, there is a risk that AI systems could malfunction and discriminate, deceive or even manipulate people.

It is true that, given for all its opportunities, AI also entails considerable risks. If key aspects are not appropriately embedded in the algorithm, this can lead to a distorted presentation of facts and trigger wrong decisions. To rule out bias, discrimination and manipulation, AI must not be a black box that no one can control. We have therefore laid down principles and

binding rules in our Data Ethics Policy that ensure a high degree of transparency and effectively prevent undesirable developments.

High levels of investment in training and further education

This is likely to be particularly important in the case of the children's hotline that you mentioned earlier.

That's right! When AI interacts with vulnerable children and interprets their emotions, it is of course crucial to protect personal data and prevent manipulation. Projects like these are valuable for us because they also raise awareness of the responsible use of technology.

Let's move on to another recurring topic: the women's quota.

At the corporate level, we increased it again slightly to around 32 percent in the past fiscal year. But I would like to say openly that we are not yet as far as I would like to be at management level. However, I am confident that we will gradually achieve the goal of a 20 percent quota in the Global Leadership Team by 2028. The high level of investment in the training and further education of our employees should also help to open up additional opportunities for many talented women.

What skills are particularly in demand with regard to sustainability?

We need employees who understand complex relationships and use the right tools – irrespective of whether they are working with our customers or here with us. In addition, as already mentioned, I would like our managers to spark enthusiasm for the topic. Granted, the green transformation is highly complex. And yes, the regulatory requirements are very bureaucratic. But we are driving great projects forward – and we are working toward achieving a big goal. ■

Sustainability at NTT DATA Business Solutions

Business Overview

Facts and Figures

MORE THAN	AVAILABLE IN	MORE THAN	TOTAL REVENUES OF
10,000	**>30**	**15,300**	**1.613**
SATISFIED CUSTOMERS IN VARIOUS INDUSTRIES	COUNTRIES	EMPLOYEES WORLDWIDE	BILLION €

WOMEN'S QUOTA	SHARE OF RENEWABLE ELECTRICITY	SCOPE 1 AND SCOPE 2 EMISSIONS	
32.1%	**44.0%**	**14,302**	
		TONS CO_2-EQUIVALENT	
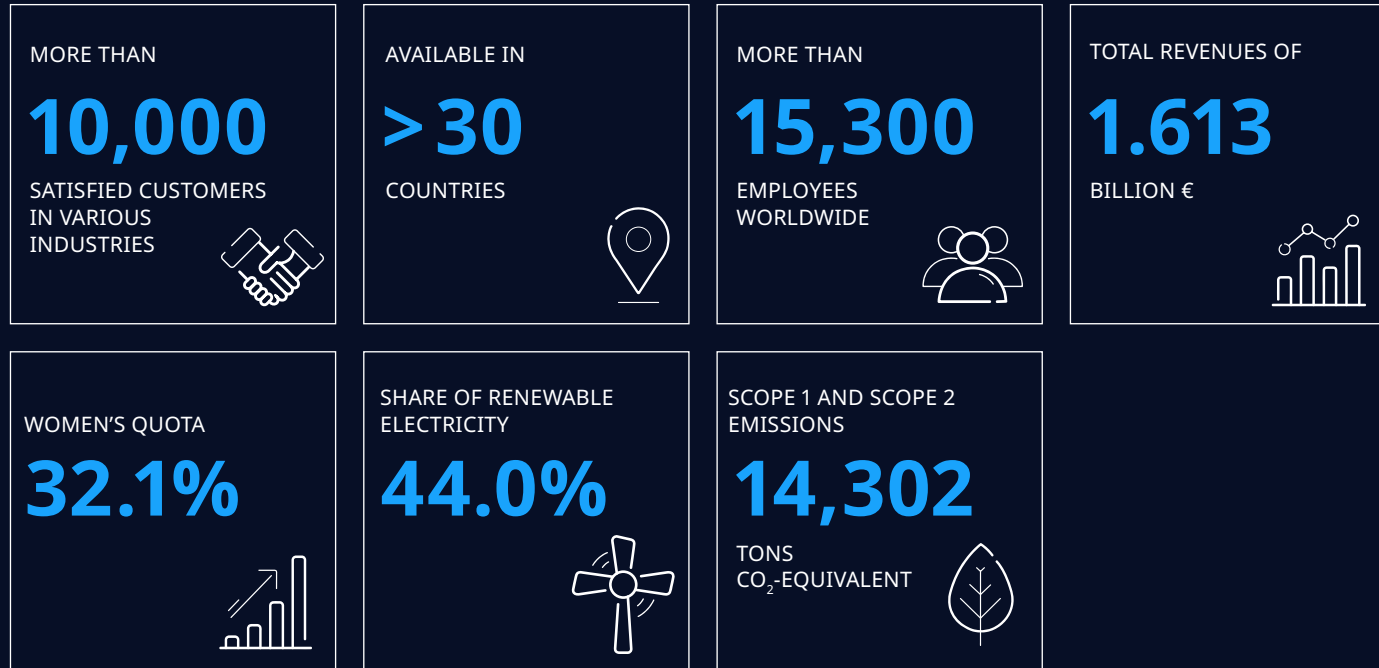
Global business model

Business purpose

NTT DATA Business Solutions is a global IT service provider focusing on SAP. The range of services includes consultancy, software provision and implementation as well as managed services and the continuous optimization of SAP solutions and technologies to make them work for companies – and their employees.

Thanks to our close ties to SAP and other strategic partners such as Microsoft, ServiceNow and Amazon Web Services, we are continuously expanding our range of services and offer our customers access to the latest technologies. In addition, we innovate and develop our own software products and IT solutions.

As an IT service and consultancy company, we are active in the business-to-business (B2B) sector. Our customers include traditional and upper midmarket companies with a strong international presence. We serve around 10,000 customers from various industries worldwide.

Markets

NTT DATA Business Solutions' business environment is largely shaped by the geographic regions and markets in which the company operates.

Our company headquarters are in Bielefeld, Germany. The NTT DATA Business Solutions group of companies includes a total of 69 fully consolidated companies in more than 30 countries. Through acquisitions, we are strengthening and expanding both our portfolio and our geographical market presence. Our business focus is mainly on OECD member states or countries with which the EU maintains strategic relations. In the reporting period, we strengthened our market presence, particularly in the United Kingdom, the United States and Brazil, by acquiring the Sapphire Group and Conexos.

Corporate structure

NTT DATA Business Solutions is an affiliate of the NTT DATA Group, which in turn belongs to NTT, the Japanese IT and telecommunications company. The headquarters of the parent companies are in Tokyo, Japan. Since 2016, the Group has become increasingly integrated. About two years ago, NTT and NTT DATA began to combine their businesses outside Japan into NTT DATA Inc. Since 2024, NTT DATA Business Solutions has been a subsidiary of NTT DATA Inc., which serves customers in more than 50 countries and generates sales of around $18 billion. (→ Interview Abhijit Dubey, CEO NTT DATA Inc.)

NTT DATA Business Solutions is headquartered in Bielefeld, Germany.
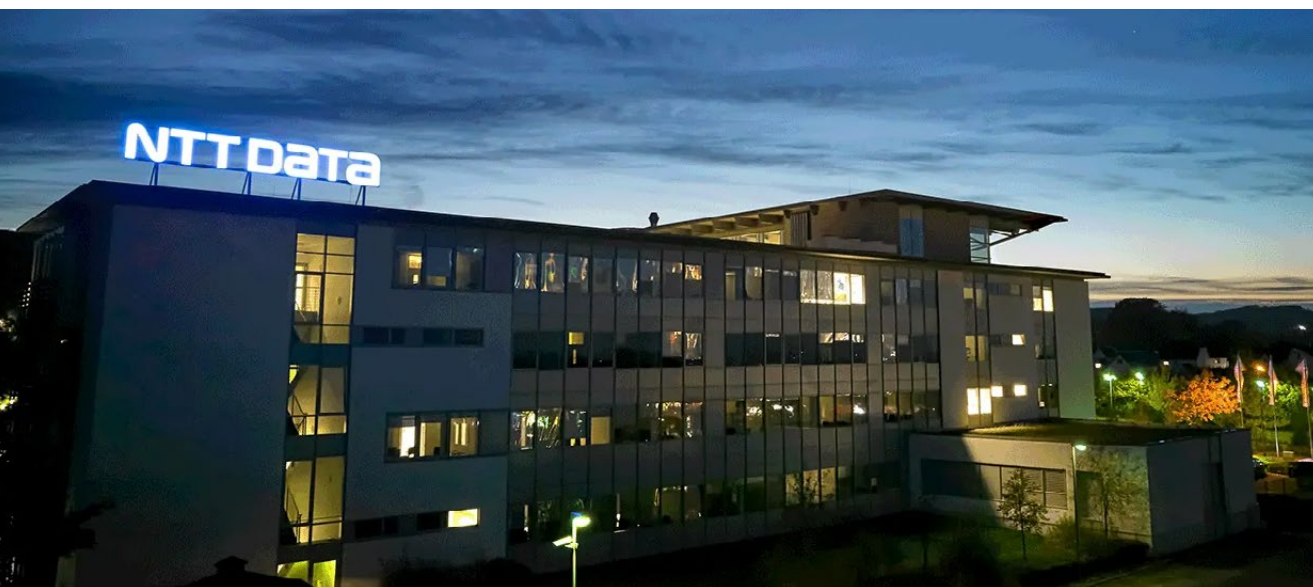
Value chain

The value chain of NTT DATA Business Solutions corresponds to the value created by a services and consultancy organization. It is not comparable to that of a manufacturing company.

The core activities serve to solve customer problems with the help of IT by applying our employees' knowledge and experience. This includes:

- The early determination of requirements with regard to new topics by means of conducting market analyses and maintaining close customer contact
- Innovating and developing new services and software solutions
- Marketing and selling our range of services
- Partner management in relation to software suppliers and service providers that are important for the implementation of solutions
- The delivery of software solutions and services

Customer-related value creation relies on strategic and support activities. First and foremost, this includes human resources management with a view to our most important strategic resource: our employees. Furthermore, it involves the purchasing and management of office facilities, data centers, fleet vehicles and business travel, internal IT, finance, risk and compliance management, and internal audit.

Implications for sustainability management

In terms of sustainability, at the upstream end of the value chain, the focus is protecting intellectual property and safeguarding the interests of all parties involved in the innovation and development process. In addition, the comsumption of energy and resources by the office facilities, data centers and IT equipment we require plays a significant role.

In the downstream end of the value chain, we pay particular attention to the impact of our services and products. The aim is to support customers in becoming more sustainable and efficient. The focus is therefore on reducing adverse effects and increasing desired positive impacts.

Based on a Supplier Code of Conduct, the company sets requirements for its business partners that primarily relate of integrity, social responsibility, and ecology. We are at the beginning of a process of working with various stakeholders on sustainability. We already work closely with major partners such as SAP and Microsoft, which pursue their own sustainability strategies. We do not reach this level with smaller partners such as freelancers. When choosing our dialog formats, we must consider the different partner types and structures. By the 2025/2026 fiscal year, we will examine which dialog formats are suitable for facilitating the exchange of information on key sustainability issues. ■

Our core activities are dedicated to solving customer problems using IT and consultancy expertise.

Sustainability Strategy

Three pillars of the sustainability strategy

Prosperity Positive	Planet Positive	People Positive
Strategy & Governance		
Business Processes		
Portfolio		

Fields of action for strategy implementation

Strategy and measures

Sustainability is an integral part of our corporate strategy. As an IT company, we see ourselves playing a special role because IT and digital technologies offer unique opportunities for solving sustainability problems. At the same time, we are aware that these opportunities are associated with challenges for which we need to find responsible solutions. That is why we always take a holistic view of sustainability by and of IT and strive to apply our digital expertise and our ability to innovate in a targeted manner.

This guiding principle is reflected in the three pillars of our sustainability strategy, which form the basis for the sustainability strategy of the entire NTT DATA Group: Prosperity Positive, Planet Positive and People Positive.

- **Prosperity Positive**
  This means that we intend to align our business with successful and sustainable operational growth by providing 100% sustainable services and software solutions through our end-to-end value chain.
- **Planet Positive**
  This means that we intend to make a positive contribution to the protection and preservation of our planet by setting appropriate environmental goals, realizing our net-zero vision and devising innovative services and solutions to regenerate our planet.
- **People Positive**
  This means that we intend to shape a diverse equitable and inclusive society by assuming social responsibility and applying our digital expertise in order to achieve this goal.

In fiscal year 2023/2024, we refined the global sustainability program of NTT DATA Business Solutions and focused it on the implementation of the strategy along the three pillars.

Sustainability program

We have maintained the fields of action of our global program: advancing our sustainability strategy and governance (strategy & governance), optimizing business processes within the company and along the supply chain (business processes), and expanding our sustainability offering to customers (portfolio). We have underpinned these fields of action with measures along the strategy pillars (see table on the right).

With regard to the strategy process, the company is guided by the UN's definition of sustainability and is committed to supporting the United Nations' Sustainable Development Goals (SDGs). In the context of individual sustainability aspects, other standards are also relevant for us, such as the ILO Labor Standards, the OECD Guidelines for International Enterprises and the UN Guiding Principles on Business and Human Rights.

Strategy & Governance

NTT DATA Business Solutions joined the UN Global Compact in the reporting period, reaffirming its commitment to sustainable corporate governance.

We continued our activities in preparation for the Corporate Sustainability Reporting Directive (CSRD) for example, we started to adapt our materiality analysis to the concept of double materiality.

With regard to the implementation of the new supply chain due diligence requirements, we have published a human rights policy and expanded our risk management process.

The topic of sustainability was further anchored in the organization's internal structures and processes (→ Organization and Responsibility, page 18).

The scope of sustainability reporting was successfully expanded to cover our entire global organization (prior year: focus countries).

Business Processes

Sustainability strategies, measures and metrics are gradually being integrated into divisional strategies. One priority is the net-zero strategy, which focuses on process optimizations in the areas of facility, fleet, business travel as well as purchasing and supplier management.

With regard to human resources, the topic of sustainability is already embedded in key fields of action such as diversity, equity, and inclusion (DEI). The focus here is on expanding our data management, especially regarding the new CSRD indicators.

Work continued on defining and establishing new specific processes for sustainability reporting and sustainability management.

Portfolio

NTT DATA Business Solutions established a global Center of Excellence (CoE) for sustainability with effect from April 1, 2024. The CoE will assume operational responsibility for portfolio expansion and go-to-market in sustainability.

We are developing new solutions to expand our sustainability offering to customers, such as an AI assistant that enables a Danish NGO to offer more effective and flexible counselling to children in need.
(→ Ethical Intelligence – Providing Better Help for More Children, page 51)

We pilot and test innovations that are relevant to our business within the context our internal sustainability activities. In the reporting year, for example, a platform for was launched to record and optimize emissions data from offices and data centers. In so doing, we shorten development cycles and share our experiences with customers.

Materiality

NTT DATA Business Solutions operates in the IT industry. Its business focuses on providing services in connection with innovative software and technology solutions. As a global company, we are concerned not only with the specifics of our industry environment, but also with a variety of local environmental, socio-economic, and political factors, which we take into account as part of our commitment to sustainability (→ Business Overview, page 9).

As part of an initial materiality analysis, we identified nine material topics in fiscal year 2022/2023 covering the three elements of sustainability E (Environment), S (Social) and G (Governance).

Double Materiality

In fiscal year 2023/2024, we launched a project to integrate the concept of double materiality into our sustainability reporting. We are guided by the methodological requirements set out in the ESRS (European Standard for Sustainability Reporting). We have made significant progress in identifying impacts, risks, and opportunities (IROs). This will now be followed by an analysis of the preliminary results and the involvement of the relevant stakeholders in the assessment. The project is being carried out in close cooperation with NTT DATA Inc. and is expected to be completed by the end of 2024. Until the double materiality analysis is finalized, the existing nine topics continue form the basis for our sustainability management and for this Sustainability Report.

Our impacts

From an inside-out perspective, our business activities have the greatest impact in the area of energy and emissions. This is because the use of modern competitive IT is associated with significant energy consumption and corresponding greenhouse gas emissions. Moreover, given the raw materials consumed, it also places special demands on sustainable procurement and responsible disposal. Of comparable relevance are impacts in the form of a potential loss of data that could lead to a breach of confidentiality and privacy. As a global services company, NTT DATA Business Solutions also places the utmost importance on all potential impacts that relate to people, both within the company and along the value chain.

Our risks and opportunities

From an outside-in perspective, we consider technological development to be crucial for our business. In particular, the use of artificial intelligence, including generative AI, has a significant impact on our industry. We want to play an active and ethically responsible role in shaping technological developments and, in particular, addressing the risks of discrimination or disinformation such as those arising from manipulated images, audio or video recordings ("deep fakes").

Material Sustainability Topics Pursued by NTT DATA Business Solutions

E = Environment	S = Social	G = Governance
• Climate Change & Emission Reduction	• Talent Management & Engagement	• Business Ethics & Compliance
• Circular Economy & Resource Use	• Diversity, Equity & Inclusion (DEI)	• Data Privacy & Cybersecurity
• Protection of Nature & Biodiversity	• Human Rights	• Responsible Technology

In addition, protecting our own infrastructure and customer systems in a managed cloud environment against cyber attacks is playing an increasingly important role. In future, demographic trends in some country locations, where we expect a decline in the number of highly qualified specialists, could also have a negative impact on our business.

Material sustainability topics pose both risks and opportunities for NTT DATA Business Solutions. For example, we have the opportunity to use IT to decarbonize business processes. At the same time, the resources and energy consumed usually increase along with the scope and complexity of IT applications. The risk-opportunity ratio is similar in the social dimension: Our business offers employees the opportunity for flexible working time models and mobile working. At the same time, the high workload and time pressure associated with customer projects also pose risks to our employees' work-life balance. We see additional relevant opportunities in the expansion of the sustainability portfolio by leveraging our technological expertise in the areas of blockchain, AI and IoT. Further risks for NTT DATA Business Solutions arise from the varying availability of renewable energy in relevant national markets.
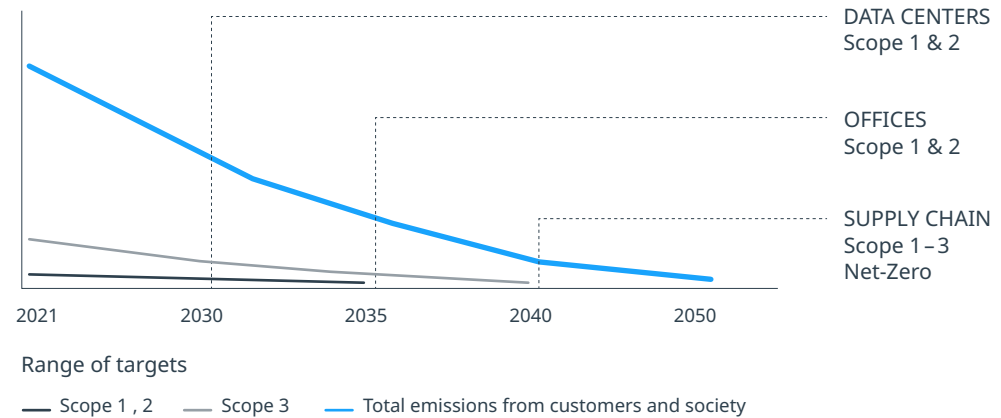
The results of the materiality analysis form the basis for NTT DATA Business Solutions' sustainability activities. The company addresses significant impacts, risks and opportunities by means of targeted measures and activities, for example through by in talented employees and an innovative work environment that is charac-

terized by diversity, equity, and inclusion (DEI), or via targeted engagement with partners, such as the Green Software Foundation.

Goals

NTT DATA Business Solutions has defined its sustainability goals in terms of the ESG elements. The goals have not yet been prioritized. This step will be taken based on the results of the double materiality analysis, probably at the end of fiscal year 2024/2025.

NTT DATA Net-Zero Vision 2040

DATA CENTERS
Scope 1 & 2

OFFICES
Scope 1 & 2

SUPPLY CHAIN
Scope 1 – 3
Net-Zero

2021 2030 2035 2040 2050

Range of targets

— Scope 1 , 2   — Scope 3   — Total emissions from customers and society

Environmental goals

With regard to the environment, we aim to achieve net-zero emissions in our own company (Scope 1 and 2) by 2035. This target is to be achieved in the operation of our data centers as early as by 2030. By 2040, the company aims to have achieved the net-zero target along the value chain (Scope 3). These targets are in line with the climate strategy of the entire NTT DATA Group, referred to as Net-Zero Vision 2040. This is linked to the goal of expanding the use of electricity from renewable sources and increasing it to 100% wherever possible. We strive to achieve the 100% renewable electricity quota by 2030 for our data centers and by 2035 for our office facilities.

Social goals

The goals for the social element of sustainability are defined in line with the established material topics. In the area of **diversity, equity, and inclusion (DEI)**, the proportion of women in the total workforce is to be increased to 33.3% by 2028. The target for the second management level below the Executive Board is set at 25.0% for the same period. This includes the Global Finance Team and the managing directors of our country operations. In the Global Leadership Team, the top management level below the Executive Board, the proportion of women is to increase to 20.0% by 2028.

In **Talent Management & Engagement**, our goal is to find and attract the best talent and to ensure that employees are passionate and committed to the company in the long term. We strive for regular certification and global awards by independent bodies for excellent HR processes and an outstanding level of employer attractiveness. The specific targets for the key performance indicators in this area vary from country to country.

Another important corporate goal is to respect and uphold **human rights** in our operations and in the supply chain. At NTT DATA Business Solutions, we have a zero-tolerance policy that does not accept any behavior that could lead to the violation of human rights. Our goal is to prevent such violations and to investigate and clarify any allegations or indications regarding potential violations.

Governance goals

In the spirit of good **corporate governance** and to ensure high standards in accordance with our Code of Conduct and general principles of business ethics, we aim to roll out relevant training courses to 100% of our employees. In order to take long-term absences into account, we aim for a participation rate of 80.0%.

Further development of the goals

We use quantitative and qualitative KPIs to measure the achievement of our strategic sustainability goals. Some KPIs have already been clearly defined and assigned target values. We will add further KPIs based on the results of our materiality analysis. We aim to complete the instruments for monitoring the achievement of our targets by fiscal year 2025/2026 (→ Monitoring our sustainability performance, page 20).

The strategic sustainability goals are monitored holistically by the strategic function for sustainability. Operational control and management along the KPIs are performed by the global functions in cooperation with the business units on a topic-by-topic basis.

When it comes to developing our goals and KPIs, we are guided by the UN's Sustainable Development Goals (SDGs). In general, we view all of the 17 goals as equally important. In view of our business model and the associated impacts, risks, and opportunities, NTT DATA Business Solutions focuses on the following twelve SDGs: 3, 4, 5, 7, 8, 9, 10, 12, 13, 15, 16 and 17.

Stakeholder groups

The most important stakeholder groups of NTT DATA Business Solutions have been identified by the corresponding departments. These include in particular:

- Employees
- Customers
- Suppliers
- Strategic partners in the field of portfolio, academia, and civil society
- NTT and NTT DATA group companies
- Analysts
- Press, media, and the public
- Legislators

Stakeholder engagement

NTT DATA Business Solutions is in close contact with its stakeholders. The respective dialog formats are aligned with the profile and needs of the stakeholder groups. For example, we have developed "Transformation Now", a global format for customer dialog that is being rolled out as a standard format in several key markets such as Germany, the UK and Switzerland.

The company maintains a close collaboration with software and technology partners within the alliance management function. In addition, networking events and services for SAP user groups enable a joint dialog with SAP and customers.

In the area of innovation and development, the company draws on regional exchange formats in which stakeholders from business and academia work together on specific projects. International innovation projects are also regularly undertaken with experts from several countries from the ecosystem of NTT DATA. Within the NTT and NTT DATA group, annual global sustainability conferences provide another framework for exchange and strategic alignment.

Our company uses various channels to maintain a dialogue of trust with its employees. These include, for example, regular employee surveys or regional town hall meetings for all employees and managers in the respective region. As part of a program for young managers, a project team looked at further possibilities to increase employee engagement on the topic of sustainability and conducted a survey of employees. The results of this survey are still being evaluated, but are expected to contribute ideas on how to implement improvements.

We engage in dialog with our suppliers as part of supplier management, as well as in the form of surveys on relevant topics in accordance with the Supply Chain Due Diligence Act. Moreover, our channels and procedures for submitting complaints or reports can be used by all stakeholder groups.

Topics and concerns

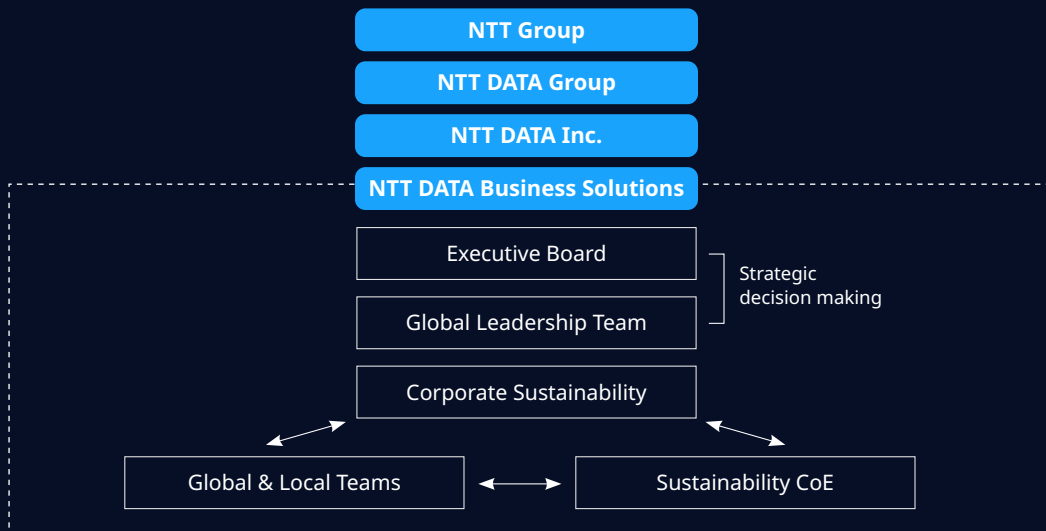### Performance indicator GRI SRS 102-44

Based on the findings from existing dialog formats with the identified stakeholder groups, we see a great interest in the topic of sustainability. The formats are therefore increasingly being used to create a targeted exchange on this topic. In the following table, a number of aspects are mentioned by way of example.

More systematic engagement of stakeholder groups is planned as part of the double materiality analysis process together with NTT DATA. This is scheduled to take place by the end of 2024. ◼

Stakeholder Group	Key Topics & Concerns	How we address these topics & concerns
Customers	• Reduction of our CO_2 footprint • Information on the impact of our products and services • Access to innovative solutions and specific IT support for the customers' own sustainability efforts	• Exchange and implement measures to counteract the negative effects of joint projects (with individual customers) • Customer requirements are incorporated into our innovation and development activities
Employees	• Information on sustainability strategy & measures • Consideration of suggestions for improvement • Exemplary and consistent behavior by the company	• Information for employees is provided via internal communication platforms, e.g., SharePoint portals • Participation through survey and idea management platforms
Suppliers	• Simple and efficient transmission of requested information on sustainability (emissions) and supply chain due diligence	• Consideration of this requirement in supplier risk management and in the preparation of the collection of Scope 3 emissions data
NTT & NTT DATA Group	• Introduction and implementation of overarching strategies and goals • Contribution to Group-level compliance programs and reporting activities	• Close cooperation in established sustainability committees and working groups • Monitoring & reporting on progress achieved

Sustainability Management

NTT Group

NTT DATA Group

NTT DATA Inc.

NTT DATA Business Solutions

Executive Board

Global Leadership Team

} Strategic decision making

Corporate Sustainability

Global & Local Teams ←→ Sustainability CoE

Organization and responsibility

Overall responsibility for sustainability lies with the Executive Board of NTT DATA Business Solutions. Together with the Executive Board, the Global Leadership Team constitutes the central decision-making body for all strategic issues affecting the company, including sustainability. The Global Leadership Team represents the various business units and regions of NTT DATA Business Solutions.

As previously mentioned, the year under review has seen the establishment of a new strategic function for sustainability in the CEO's area of responsibility. The employees of this function are centrally responsible for corporate sustainability management and sustainability reporting. We have therefore created a permanent corporate function within our organization that works on sustainability issues on an ongoing basis. In particular, the newly established function is responsible for specific projects and initiatives that have been integrated into our global sustainability program, and it coordinates with the specialist departments and the business units worldwide to deliver the global sustainability strategy.

Operational responsibility for the implementation of sustainability measures is organized per topic and lies with the global and local teams and process owners. They are supported and advised by the strategic function. Dedicated roles are filled with experts for individual sustainability-relevant specialist topics. These topics include data protection, information security and human rights.

Responsibility for developing our sustainability portfolio and go-to-market lies with the global Center of Excellence (CoE) for Sustainability in the Global Innovation & Industry Consulting business unit.

Rules and processes

NTT DATA Business Solutions applies the "Three Lines of Defense" approach in the implementation of its sustainability strategy. This includes risk identification and analyses, establishing measures, formulating required behaviors as guidelines and other specification documents, supporting employees in complying with processes and specifications through training, and ensuring compliance through operational processes controls and independent audits. For example, specifications and guidelines on such topics as the prevention of discrimination and sexual harassment in the workplace, data protection and data ethics or the responsible use of artificial intelligence.

Acting with integrity is business-critical for the company. That is why business partners who are involved in the provision of services are involved in this approach. Business partner reviews and the obligation to comply with the Supplier Code of Conduct are examples of this process.

NTT DATA Business Solutions bases its internal policies and guidelines on regulatory requirements, such as the Supply Chain Due Diligence Act. However, requirements from customers and employees are also decisive for the development of our policies. In the year under

Various departments are working on optimizing the data basis for systematic progress measurement.

review, new policies and guidelines with a relevance for sustainability came into force, including a human rights policy, guidelines on contracting and collaborating with external workers, and a policy to ensure the ongoing improvement of the legal and compliance program. An environmental policy is also in the pipeline.

All employees have a duty to report incidents that they consider to be violations of applicable laws, rules or regulations confidentially and, if desired, anonymously. This is also an option for customers, suppliers and third parties associated with NTT DATA Business Solutions. In the event of ethical predicaments, an interdisciplinary committee makes specific recommendations and ensures a fair procedure.

Monitoring our sustainability performance

The key performance indicators (KPIs) required to manage and monitor our sustainability goals have not yet been fully defined and established. They will be finalized and prioritized in close cooperation with NTT DATA Inc, also by taking into account the results of the double materiality analysis.

Existing relevant KPIs are grouped below along the three pillars of our strategy:

Reliable information on the results achieved in line with the defined performance indicators is crucial for our organization. This information is an essential factor for the company's reputation and meeting the expectations of our customers and other stakeholders.

NTT DATA Business Solutions is working to optimize the data basis for systematic progress monitoring and reliable control. A particular challenge here is international and cross-functional harmonization and consistency. In some areas, such as HR and finance, we can draw on long-established global systems and access and evaluate standardized data at all times.

Comparable, standardized systems and processes are still being developed for the most recent KPIs, for example on environmental topics. This means we have established internal quality assurance measures to reduce the risk of inadvertent errors in manual processes. At the same time, we are working on further automation.

The effectiveness of our quality assurance measures was independently audited and confirmed within the NTT DATA Group as part of the environmental audit. We will progressively extend the scope of external audits in collaboration with our parent company. This will ensure that we meet the requirements for external assurance of the CSRD report from fiscal year 2025/2026 onwards.

Planet Positive	People Positive	Prosperity Positive
• Absolute emissions in tons of CO_2-equivalents • Share of renewable electricity in total electricity consumption • Completeness and quality of our emissions inventory	• Proportion of female employees • Proportion of women in the first and second management levels below the Executive Board • Employee Engagement Index and the Net Promoter Score	• Business volume of customer projects in sustainability • Percentage of employee training on compliance, including all relevant sustainability topics, as provided for in our policies and guidelines • Number of confirmed incidents/breaches of duty and successful mitigation of damages

Incentive systems

As one of the five pillars of our corporate strategy, sustainability is one of the key topics that guide the management of NTT DATA Business Solutions in its day-to-day activities. The achievement of the goals set here is essential for the success of the entire company and is therefore also part of the appraisal of our top management.

We use a balanced scorecard approach to measure how goals are met. This is currently applied to around 50 people from top management and management. The goals are not just development goals, rather generally performance goals, the achievement of which is remuneration-relevant. The goals are determined

by the Executive Board and are a fixed element of the target agreements for management. Currently, a number of sustainability goals are included in the balanced scorecard of the individual top managers, such as increasing the proportion of women at NTT DATA Business Solutions at Group level and in local business units, where relevant.

The processes and services relating to sustainability are reviewed by the Supervisory Board of NTT DATA Business Solutions.

Remuneration

In addition to incentive systems, sustainability reporting also requires the disclosure of remuneration parameters. The disclosure requirements aim to create transparency regarding the extent to which target agreements and remuneration for executives and employees are aligned with the achievement of sustainability targets and long-term value creation.

In this context, the GSC reporting standard requires the disclosure of the following performance indicators: GRI SRS 102-35 and GRI SRS 102-38.

GRI SRS 102-35:
Remuneration policies for the highest governance body and senior executives

The remuneration of the members of the Executive Board and the Supervisory Board is disclosed in the notes to our annual financial statements in accordance with section 285 (9) (a) to (c) German Commercial Code (HGB). Remuneration is disclosed as total remuneration, summarized for each group of persons. The company's complete annual financial statements can be viewed in the Commercial Register (Handelsregister).

The Executive Board and the Supervisory Board of NTT DATA Business Solutions are committed to the principles of the German Corporate Governance Code (DCGK). In accordance with the recommendations of the DCGK, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, and the Chairman of the Personnel Committee, which is responsible for the remuneration of the members of the Executive Board are independent from the company and the Executive Board. The Chairman of the Audit Committee is independent of the controlling shareholder.

GRI SRS 102-38:
Annual total compensation ratio

The annual total compensation ratio is an indicator used to express the income divergence in companies. In the GSC, the information is provided in accordance with GRI SRS 102-38; the new EU reporting standard requires comparable disclosure. The GRI specifies that the indicator is to be determined as the ratio of the annual total compensation of the highest-paid individual per country to the median annual total compensation of all employees (except the highest-paid individual) in the same country.

NTT DATA Business Solutions did not determine the ratio of total annual compensation in fiscal year 2023/2024. It plans to determine this indicator by the start of the reporting obligation in 2025/2026. One of the biggest barriers to reporting this figure is posed by data protection regulations, which we are committed to comply with at all times.

In principle, the salaries paid by NTT DATA Business Solutions are based on the market. When determining salaries, we respect the applicable local standards and labor laws, such as the German Transparency in Wage Structures Act or the General Equal Treatment Act. ∎

Environment

As a global IT services and consulting company, we are also confronted with the particular challenges posed by climate change around the world. We therefore see it as our responsibility to minimize our carbon footprint, protect natural resources and preserve biodiversity. In fiscal year 2023/2024, we made a number of decisions in this regard and, for the first time, extended our sustainability reporting to all subsidiaries. In doing so, we are prioritizing our overarching goal: as part of the NTT DATA Group, we are working to achieve net-zero emissions along our supply chain by 2040.
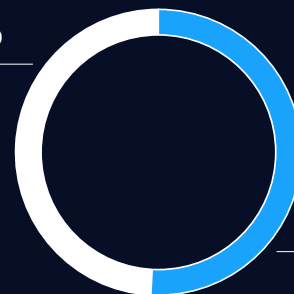
Climate Change & Emissions

GHG emissions by scope

in t CO_2e

	t CO_2e
Scope 1	7,010
Scope 2 (market-based)	7,292
Scope 2 (location-based)	10,465
Scope 3	not determined
Sub-total (Scope 1 + 2 market-based)	**14,302**

49% / 7,010 Scope 1

51% / 7,292 Scope 2

Climate protection and emission reduction are the central fields of action in the "Planet Positive" pillar of our global sustainability strategy. The basis for a portfolio of targeted measures is the tracking and monitoring of our footprint. Our performance is summarized below according to emission source and point of use.

GHG emissions by source

Currently, our reporting only reflects Scope 1 and Scope 2 emissions. The main sources of emissions here are energy consumption in our office buildings and data centers (purchased electricity and heating), as well as the emissions of the company car fleet (fuel combustion). Fugitive refrigerant emissions, and emissions from purchased cooling energy and steam play a minor role.

GRI SRS 305-1 and 305-2

Scope 1	t CO_2e
Fuel combustion	6,772
Fugitive emissions (refrigerant)	238
Scope 1 (total)	**7,010**

Scope 2 (market-based)	t CO_2e
Electricity	6,512
Heating	604
Cooling	167
Steam	9
Scope 2 (total)	**7,292**

We are striving to improve our greenhouse gas inventory and are currently working on expanding our data collection and reporting to include Scope 3 emissions in the future. This concerns, for example, emissions from business travel and purchased goods and services. Across NTT DATA Inc., the share of Scope 3 emissions is 93% – we therefore expect these categories to be highly relevant for NTT DATA Business Solutions as well.
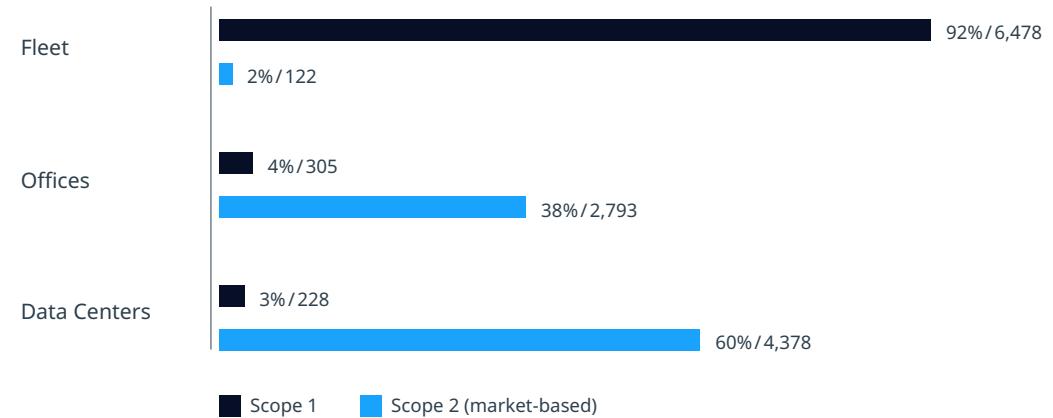
GHG emissions by point of use

In the year under review, our Scope 1 emissions accounted for 49% of our total emissions. 92% of these emissions were attributable to company vehicles, while the remaining 8% were produced by fuel consumption in offices and data centers.

The share of Scope 2 emissions accounted for 51% of total emissions. These were mainly attributable to purchased electricity, 98% of which result from the operation of our data centers and offices. The remaining 2% was accounted for by the use of our electric vehicles. The share of renewable electricity in our energy mix is currently 44%. For data centers, the rate is already 49%.

Due to the extended reporting scope in fiscal year 2023/2024, the reported figures are not directly comparable to the previous year. The effort required to recalculate the figures and make them comparable was deemed to be significant. Therefore, we have not included the figures for 2022/2023 in this Report to avoid misleading

GHG emissions by point of use
in t CO$_2$e

Fleet	Scope 1: 92% / 6,478
	Scope 2: 2% / 122
Offices	Scope 1: 4% / 305
	Scope 2: 38% / 2,793
Data Centers	Scope 1: 3% / 228
	Scope 2: 60% / 4,378

■ Scope 1   ■ Scope 2 (market-based)

comparisons. The data in this year's Report will serve as a reference for Reports in future years.

Reduction targets and measures

As part of the NTT DATA Group, the company is committed to the long-term goal of achieving net-zero emissions by 2040. The first intermediate step towards achieving this goal is 2030, when the net-zero target for direct and indirect emissions from data center operations is to be achieved. In 2035, this is to be extended to all facilities and the fleet worldwide, and subsequently to the entire supply chain in 2040. In April 2024, the Science-Based Targets initiative (SBTi) confirmed the scientific soundness of the NTT DATA net-zero targets.

At NTT DATA Business Solutions, we are currently drawing up a roadmap for our targets to contribute to the NTT DATA Group's net-zero vision. Fiscal year 2023/2024 was set as the base year or reference for measuring target achievement, as this was the first time 100% data coverage was achieved for our company.

Converting our fleet to lower-emission vehicles is an important lever for reducing our Scope 1 emissions.

Our emissions reduction planning currently focuses on greenhouse gas (GHG) emissions according to Scope 1 and 2, for which we have a sound data basis. We have analyzed our emission sources to identify relevant approaches with which to bring about reductions and evaluated and categorized them in terms of the effort required and complexity of implementation.

The fuel combustion emissions produced by our fleet, as well as the emissions associated with our electricity consumption, are comparatively easy to manage. Measures include switching to low-emission vehicles, in particular reducing the number of diesel-powered vehicles and increasing the share of electric vehicles (EV). Furthermore, we are pursuing the transition to 100% renewable electricity for our offices, data centers and EV charging where possible. Specific planning must take into account the varying availability and costs of renewable electricity in the markets and regions relevant to our business operations.

Emissions that are difficult to manage include those where the reduction of which is either overly expensive or complex to implement using currently available technologies. This primarily concerns measures that affect the basic technologies used in our data centers. These include switching to refrigerants with lower global warming potential or more sustainable cooling technologies, and also the use of clean fuels for emergency power generators. We have to take into account that we do not operate all the data centers that we use ourselves but instead rely on close cooperation with our facility management partners to reduce emissions.

In parallel to emission reduction planning, we are working on an environmental policy that is set to be published in fiscal year 2024/2025. ∎

Methodology and reference values

Accounting standard

NTT DATA Business Solutions complies with the Corporate Accounting and Reporting Standard of the GHG Protocol. The detailed compilation of our data – from collection, analysis, and estimation to the final calculation – is carried out in accordance with the guidelines set by our parent company NTT DATA.

Scope 1 emissions

Scope 1 emissions include all direct greenhouse gas emissions produced by the mobile combustion of fuels in our vehicle fleet and from stationary combustion by emergency generators in data centers and on-site heating systems. This also includes direct fugitive emissions from the use of refrigerants in data centers. To quantify our Scope 1 emissions, we use DEFRA emission conversion factors.

Scope 2 emissions

Scope 2 emissions include all indirect greenhouse gas emissions produced by purchased electricity, heating, and cooling energy and/or steam. The calculations using the market-based method include the proportion of electricity purchased from renewable energies (RE) in accordance with GHG Protocol guidelines, with corresponding evidence. To quantify our Scope 2 emissions, we use DEFRA emission conversion factors (for heating/cooling energy, steam), as well as EEA or IEA factors (for electricity).

Scope 3 emissions

NTT DATA Business Solutions currently records Scope 1 and Scope 2 emissions only. This means Scope 3 emissions are not reported for the 2023/2024 fiscal year. We are working to expand our greenhouse gas inventory to include the relevant Scope 3 emission categories by fiscal year 2025/2026 at the latest. This applies, for example, to emissions generated by business travel and purchased goods and services.

Data completeness and quality

In fiscal year 2023/2024, we extended our reporting scope to all NTT DATA Business Solutions' countries and subsidiaries for the first time. In cases where data was missing or incomplete, estimates were calculated based on NTT DATA Business Solutions' averages to ensure 100% coverage. Moreover, our environmental data was subject to limited assurance as part of the NTT DATA audit for the first time. This enabled us to significantly improve the completeness and quality of our reporting.

CFO Jürgen Pürzer

Contribution to Climate Protection

The volatility of energy prices has also been a challenge for us.

The fact that we were able to offset negative effects very well in the past fiscal year should not be a reason to sit back and relax – on the contrary:

This development has shown how important it is to change our energy supply and become less dependent on market price fluctuations. We are therefore continuing to rely on photovoltaic systems for our data centers and office buildings: For the current fiscal year, we are planning a major photovoltaic investment at our site in Bautzen, including feeding the generated electricity back into our own data center.

We continue to assume that investments like this will pay for themselves in six to eight years. But we also view them as a contribution to climate protection and sustainability in the broader sense. As part of the Bautzen project, for example, we will plant around 1,000 shrubs and trees. Doing this means we will meet the ecological requirements set out in the development plan and help to green and improve the urban climate. ◼

Resource Use & Circular Economy
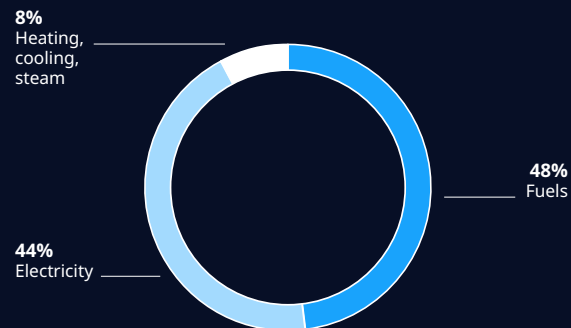
Energy consumption
in %

8%
Heating,
cooling,
steam

48%
Fuels

44%
Electricity

At NTT DATA Business Solutions, the most significant use of resources is related to energy consumption, especially electricity for data centers and offices, as well as fuel consumption for the vehicle fleet. This also includes the consumption of water, as well as the use of hardware, software, office equipment and other office materials that we do not produce ourselves. As a service provider, the company does not process any raw materials or auxiliary materials and does not use any packaging materials.

Energy

Energy consumption

In the following, the company's energy consumption is broken down by energy source and point of use. Fuels are the main source of our Scope 1 emissions. They account for 97% of these emissions. Energy in the form of electricity, heating, cooling, and steam are the source of our Scope 2 emissions, with electricity consumption alone accounting for 89% of these emissions.

The consumption of fuels from non-renewable sources amounts to a total of 25,820 megawatt hours – equivalent to 48% of total energy consumption. Fuel consumption is mainly attributable to the consumption of diesel and gasoline for the vehicle fleet. Small quantities of fuel are used to heat office buildings and to operate emergency power generators in data centers. In addition to fuels, electricity is the most widely used source of energy. Electricity consumption amounts to a total of 23,632 megawatt hours – equivalent to 44% of
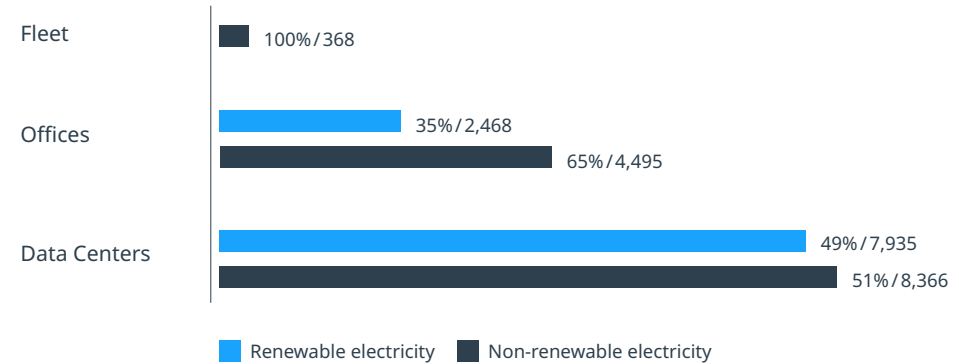
total energy consumption. In the 2023/2024 fiscal year 44% of the electricity we used came from renewable sources. Of this, 76% was consumed in the data centers and 24% in our offices.

GRI SRS 302-1: Energy consumption

	MWh	%
Fuels	**25,820**	**48.0**
Diesel	14,471	27.0
Gasoline	9,769	18.0
Natural gas	1,410	3.0
LNG	89	0.2
Fuel oil	81	0.2
CNG	0.3	0.0
Electricity, heating, cooling, and steam	**27,974**	**52.0**
Electricity	23,632	44.0
Heating	3,363	6.0
Cooling	931	2.0
Steam	48	0.1
Energy consumption (total)	**53,795**	**100**

Electricity consumption by point of use
in MWh

Fleet: 100% / 368 (Non-renewable electricity)

Offices: 35% / 2,468 (Renewable electricity); 65% / 4,495 (Non-renewable electricity)

Data Centers: 49% / 7,935 (Renewable electricity); 51% / 8,366 (Non-renewable electricity)

■ Renewable electricity   ■ Non-renewable electricity

GRI SRS 302-4:
Reduction of energy consumption

We are unable to provide a meaningful statement as to the reduction in energy consumption given that we changed the scope of this year's Report. The figures in this Report will serve as a reference for determining progress in future years.

Energy management

By consuming energy from non-renewable sources, we contribute to the greenhouse gases that cause global warming and climate change.

This is associated with a number of risks for humans and the environment, in particular damage to ecosystems as a result of gradual temperature increases and extreme weather events such as heat waves, heavy rainfall, or droughts. Our energy management goals are therefore derived from the NTT DATA Net-Zero Vision 2040.

To reduce our company's carbon footprint, we consider the following as the most important levers: improving our energy efficiency, switching to 100% renewable electricity, further electrifying our fleet, and switching to low-emission fuels. The schedule for these measures varies depending on where the energy is consumed –

As part of our implementation plan, we plan to switch to 100% electricity from renewable sources.

by 2030 for the data centers and by 2035 for the offices and the vehicle fleet. An environmental policy is currently being drafted to address resource efficiency and other ecological aspects.

The next step is to develop a specific implementation plan, starting with our own facilities or those we operate. The subsidiaries will initiate necessary dialogues with local partners, landlords and energy providers. In some countries, further measures have been proactively implemented. **NTT DATA Business Solutions Turkey**, for example, is using an automation system to control air conditioning and lighting outside working hours, which results in energy savings of 35 to 40%

during normal operation. In the past fiscal year, our subsidiary **GISA GmbH** began installing a new ventilation system with heat recovery in its data center. This system will collect the waste heat and reuse it to heat the offices. The data center in Bautzen also utilizes waste heat for its own operations.

In terms of energy, regulatory and macroeconomic conditions could potentially lead to higher costs – for example, if regulations are tightened and the grid infrastructure is insufficiently expanded and developed. It is important to minimize potential risks to our business activities through appropriate cross-border planning throughout the Group.

Water

Water consumption

Our total water consumption in the year under review amounted to 43.614 m^3, with the water mainly sourced from utility companies. 74% of this figure is based on reported data, the remainder on projections based on consumption averages. We record the greatest water consumption in sanitary facilities or drinking stations, as well as by cooling or humidification in data centers.

GRI SRS 303-3: Water withdrawal

Water withdrawal (by source)	m^3
Third-party water	43,572
Surface water	42
Groundwater	–
Water produced	–
Water withdrawal (total)	**43,614**

Water withdrawal (by point of use)	m^3
Data Centers	5,360
Offices	38,255
Water withdrawal (total)	**43,614**

Water management

All areas of life depend on the availability of sufficient and safe water. Even our company's comparatively low water consumption entails the risk of impaired ecosystems affecting local residents due to the increasing depletion of local water resources, especially in areas with high water stress. In addition to ongoing efforts to improve our data quality, we will therefore strive to reduce our consumption and promote the introduction of water-saving practices in the fiscal years ahead.

Together with NTT DATA, we conducted an initial assessment of water stress for our data centers. The risk assessment identified three data centers in Germany and Poland located in high-risk areas and which consume water for cooling purposes. These data centers take measures to ensure the most efficient use of water. For example, the water in the adiabatic cooling system is reused several times until conductivity falls below a certain level. After that, the water is used to flush the toilets in the building.

Waste

As a service company, our waste consists mainly of office waste and is not related to production processes.

GRI SRS 306-3: Waste generated

No detailed waste data was collected for our facilities in the year under review. We plan to disclose corresponding data for significant types of waste by 2025/2026.

Waste management

The disposal of waste by incineration or landfill carries the risk of releasing toxic pollutants that may harm people and the environment. Electronic waste in particular contains potentially harmful materials that can also pose a health hazard during the recycling process.

NTT DATA Business Solutions does not currently pursue any global waste reduction strategies or measures. However, the topic is included in the double materiality analysis. On this basis, we will develop strategies and measures for the main types of waste. In particular, we will incorporate the responsible handling of electronic waste into our sustainability practices.

Every year, NTT DATA participates in World Cleanup Day – an initiative in which many NTT DATA Business Solutions subsidiaries take part, including Germany and the Netherlands. We are also involved in Digital Cleanup Day to raise awareness of the environmental impact of digital waste, as unnecessary files not only take up storage space on the device, but also consume energy. ■

Biodiversity & Ecosystems

Biodiversity: Definition and relevance

Diversity of ecosystems, plant and animal species, as well as genetic diversity form the cornerstones of biodiversity. The loss of biodiversity throws eco-systems out of balance and threatens people's livelihoods and economic development. Preserving biodiversity is another important pillar for climate protection and adapting to climate change.

Since 1993, the conservation of biodiversity has been regulated by a legally binding international agree-ment, the "Convention on Biological Diversity" (CBD).

The CBD also calls on corporate entities to conserve environmental resources through sustainable action and to improve the situation of biodiversity by taking protective measures. The protection of life on land and under water is also part of the UN SDGs.

Land and biodiversity as a resource

Human impacts on the land surface, for example through deforestation or soil sealing, impair biodiver-sity and contribute to climate change. Our business activities as a service provider do not involve any significant direct effects of this kind. Nevertheless, they entail the use of land for office space and data centers.

The use of land and other natural resources can have different impacts on biodiversity. These include the risk impairing the local water balance or soil fertility due to soil sealing. We have no data or information on any specific negative impacts caused by this use. As part of our ongoing double materiality analysis in accordance with CSRD requirements for sustainability reporting, we are currently reviewing the relevance of this topic for the company.

Nature conservation measures

As a company, we want to make an active contribu-tion to nature conservation. This is achieved through local initiatives organized by the country business units and subsidiaries in line with local needs and contexts. Activities include planting trees, clean-up and waste removal campaigns or the protection of bee habitats.

At **NTT DATA Business Solutions Turkey**, activities were initiated as early as in 2019, where our colleagues worked with the Aegean Forest Foundation and the local management team to plant 1,000 trees. Since then, employees have donated additional tree seedlings to various nature conservation foundations as part of different events each year.

Planting trees is one of the ways we contribute to renaturation.

NTT DATA Business Solutions UK & I supports local and international reforestation and forest conservation initiatives by the non-profit organization One Tree Planted. As part of the "One Day, One Tree" initiative, the company is committed to planting a tree for every consulting and SAP Managed Services day that the UK&I team delivers each quarter. In fiscal year 2023/2024, 63,201 trees were planted in this way. Since the beginning of the partnership with this NGO, NTT DATA Business Solution UK&I has planted a total of 132,975 trees in regions such as Africa and Asia. This is not just about planting tens of thousands of trees, which contribute to CO_2 sequestration and the promotion of biodiversity, but also a contribution to securing livelihoods and the education of farmers by involving them in the projects through sponsorships.

An important lever for the company's Planet Positive strategy is innovation and our portfolio. With the help of data platforms and state-of-the-art technology, we can encourage people to change their behavior towards more sustainability using information – for example in tourism ($\longrightarrow$ Green Nudging, page 34), but also in the context of events or buildings. ∎

Project

Green Nudging

Making tourism more sustainable is one of the greatest challenges of our time. NTT DATA Business Solutions shows how new technologies and artificial intelligence can help solve these issues in Denmark. The next step is expanding it throughout Europe.

Per Falck Jensen is CEO of NTT DATA Business Solutions in Denmark, where the company employees 450 people. Jensen, who has been with the company for 12 years, is also responsible for sales and market development in the Nordic countries. So he is mainly on the road in Denmark, Sweden, Norway and Finland.

Anyone approaching the Wadden Sea National Park on Denmark's west coast will sooner or later come into contact with a seal wearing reading glasses. On stickers, flyers and advertisements, the friendly grinning marine mammal asks guests to scan a QR code. Scanning the QR code takes guests to a chat function providing answers to virtually all questions regarding the national park and generally caters to all the wishes tourists could have.

The seal knows the full history of the national park, what activities are on offer, and what restaurants and cafés to recommend. In addition, during high and low tide what weather to expect, when and where can birds be observed – even how many people are visiting the national park and their location. The seal is virtually omniscient. It knows so much because NTT DATA Business Solutions has fed the marine animal with all the knowledge available. Perhaps most importantly, the seal has been provided with the National Park's Code of Conduct, which allows it to inform and guide tourists on proper behavior in the National Park. The result is individualized information and dialog with tourists and other guests to the national park about relevant experiences and how to behave correctly in nature.

Some years ago, the Danish tourism industry decided to make better use of the vast amount of existing data for their business. What is more, the state tourism agency VisitDenmark was motivated to make tourism in Denmark more sustainable. NTT DATA Business Solutions was commisioned to develop a data platform that, over time, will be available to all stakeholders in the Danish tourism industry. Every player in the industry will be able to input, process or retrieve data. The platform is open and for the benefit of all. "With this platform, we have created the prerequisite for tourism in Denmark to become economically and ecologically more successful through data-driven technology," says Per Falck Jensen, CEO of NTT DATA Business Solutions in Denmark. Jensen is convinced: "We will see a lot of use cases in the future."

One of the first use cases is the seal chat. Google search is a thing of the past, chats are the new standard when it comes to getting information, and this is true also for digital Danish tourism. The artificial intelligence of ChatGPT 4.5 draws on the wealth of data available on the platform built by NTT DATA Business Solutions and prepares and parcels the data into portions suitable for the chat.

Nudges for more sustainable behavior

A key requirement for the platform was to promote sustainable behavior. For example, the data was used to generate recommendations on sustainable behavior for tourists. The keyword here is "green nudging". Specifically: In the suggestions for activities in the national

park, tips on how to behave are regularly incorporated into the chat responses so that people disturb wildlife in the park as little as possible. In doing so, communication is chosen that does not list regulations, but fosters understanding. Namely, that tourists need to be mindful of nature if they want to be able to experience it for many years to come.

> " It is the most significant experience of my professional life to have experienced the ambition and joy with which employees are committed to their work when the goal is such an important and positive one.
>
> **Per Falck Jensen**
> CEO NTT DATA Business Solutions Dänemark

Promoting environmentally friendly tourism is therefore a key goal for the data platform. "We want people to change their behavior in the direction of more sustainability based on information," says Jensen. "And we can already see that this is possible in many ways through our platform."

The fact that sustainability can be boosted so significantly using the technology created was a moving realization for him, says Jensen. And not only for the managing director. "It is the most important experience of my professional life to have experienced the ambition and joy with which employees are involved in their work when the goal is such an important and positive one," says Jensen.

However, now that the platform has been completed, the biggest challenge has only just begun. Namely, to transfer the countless data streams into applications. The tourism industry in Denmark is as big as the biotech industry or the healthcare industry. But it is much more fragmented and less structured. Thousands of companies depend on tourism in a wide variety of ways. However, the many different stakeholders must first be made aware of the possibilities of using data, adds Jensen. And this is followed by the question: How can the data be used for one's own purposes?

More data, less food waste

Lighthouse projects help to give the platform visibility. Like the seal chat. Another example for more sustainability: less food waste. NTT DATA Business Solutions has created a dashboard for a grocery chain that helps grocers to better plan their orders. When do tourists travel from their own country, when do they arrive from Norway or Germany? And where do they travel to? And above all: how many are coming? Holiday periods, weather forecasts, traffic flows, everything is processed in such a way that every grocery store in the

chain receives an individual forecast of the expected customer numbers. Most importantly, perishable goods can be ordered more precisely. The result: the difference between supply and demand is minimized, and significantly fewer items have to be thrown away. A significant contribution to the economical consumption of resources. "Successful applications like these help us to steadily increase awareness of the platform," says Jensen.

But something else is also important. Since the tourism industry is not only made up of chains and large companies, the platform also needs to be attractive for small businesses. After all, everyone should benefit from data-driven tourism. That is why there are already examples for this target group, including a planning app that NTT DATA Business Solutions has developed for cafés. This forecasts the expected number of guests in the coming days from the huge volumes of available data. Based on this, the café operator can plan how many supplies and staff they will need.

The examples show that there are no limits to the variety of ways that the data platform can be applied. Nor are there any national borders. "Our dream is that this platform, which is the most modern in the world, will become the standard platform for the European Union," says Jensen, adding that: "We are currently in talks with several EU states with the aim of including them part in our platform." This is also important because environmental issues do not stop at national borders. In addition, data protection rules are increasingly being set at EU level.

Denmark is a starting point, in other words. "The fact that we have launched the platform here makes sense because the Danes have a high level of trust in the proper use of data," says Jensen. The acceptance of data use is high here. However, the challenges posed by tourism are similar in most countries. Jensen adds: "It is therefore an obvious step to scale the project."

But he is thinking even bigger. The potential goes beyond Europe and sustainable tourism, says the CEO. "The architecture of the platform is pretty easy to transfer to other industries and other regions of the world." And Jensen continues: "It feels like you've built a Ferrari and now all you have to do is start the engine and drive off." He believes that this project has the potential to be the most scalable one in the entire company. ■

The Challenge

Tourism is one of the fastest growing economic sectors in the world. This increases the challenges: Guests want to have unique holiday experiences, while at the same time the well-being and prosperity of the people living in the tourist areas are becoming more important. Last but not least, the requirements for environmental protection are growing.

The Innovation

NTT DATA Business Solutions' tourism data platform captures and manages events from sensors, systems or applications at tourism locations (cities, islands, beaches, etc.) to help tourism businesses understand their locations. This can prevent overcrowding, reduce waste, improve tourists' holiday experiences and better protect the environment. The data-driven project thus makes a significant contribution to more responsible and sustainable tourism.

Green Nudging

The data platform supports "green nudging". These nudges are intended to help reduce the environmental impact of tourism. For example, by providing tourists with targeted advice on sustainable behavior on site. This includes, for example, the request to stay on the marked paths and take your own garbage home with you.

Social

The image we have of ourselves as a company includes social responsibility both internally vis-à-vis our employees and externally vis-à-vis customers, business partners and society in the broadest sense. An explicitly partnership-based approach is part of our mission statement and our value-based corporate culture. Social issues of particular relevance to us include effective talent management and active social responsibility for our employees, diversity, equity and inclusion, and the protection of human rights in our own operations as well as in our supply chain.

Responsibility for Employees

The commitment, skills and creativity of our employees are crucial to the success of our business and the satisfaction of our customers. Employer attractiveness is of strategic importance to us and goes far beyond minimum standards. We are committed to creating a work environment that attracts and inspires talent in the long term, promotes professional and personal development, which is why we continuously invest in the future of our employees. We are certified as a top employer in seven countries worldwide and are one of only 17 companies to receive the gold seal as a Global Top Employer 2024.

Employee rights

NTT DATA Business Solutions complies with applicable national and international laws, regulations, frameworks, and conventions aimed at protecting employee rights. These include, for example, the ILO Social Standards, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Furthermore, our own standards oblige us to comply with what are, at times, stricter rules. The management of our (inter)national subsidiaries ensures compliance with the laws and regulations applicable to the respective company under the supervision and support of the legal, risk and compliance departments.

Employee participation

The company adheres to specific legal provisions regarding the exercise of employee representation rights that exist in individual countries. These include, for example, both Denmark and Germany with their works constitution acts. Employee interests are also ensured by having a defined number of employee representatives on the supervisory boards of individual NTT DATA Business Solutions companies, allowing them to represent the interests of employees in the committees. The involvement and participation of employees in sustainability management is achieved, for example, through idea management systems or employee surveys.

Employees have the right to complain or report violations of rules within the company at any time. In this connection, they can use various channels, including the company's established whistleblowing system, employee surveys, or contact their line managers or employee representatives.

Our goal is to uphold employee rights fully at all times. We consider this to be an ongoing process, which is why we do not specify a deadline for achieving the goal. A quantitative assessment is made on the basis of the number of identified serious violations of the rules, which is rated at zero for the year under review. See also GRI SRS 419-1.

Risk analysis

The German Supply Chain Due Diligence Act requires NTT DATA Business Solutions to conduct a risk analysis and implement risk prevention measures regarding human rights and environmental issues – both within the company and in collaboration with suppliers. The human rights risks outlined in this law are closely linked to employee rights. Therefore, the risk analysis includes, for example, topics such as freedom of association, adequate remuneration, protection against discrimination and harassment, and occupational health and safety.

We strive to minimize risks to the protection of employee rights through regulations and measures at all times. The most important fields of action for NTT DATA Business Solutions include the regulation of working hours, the prevention of health hazards for "knowledge workers" (e.g., lack of exercise, back pain, mental illness), the prevention of bogus self-employment and our approach to dealing with external employees. A new guideline has been adopted to avoid risks in dealing with external workers. Specific objectives and indicators for monitoring progress have not yet been defined. This will be done on a risk-based approach, using the results of our risk analysis, at the latest by fiscal year 2025/2026.

Health and safety in the workplace

For service companies such as NTT DATA Business Solutions, the risks and fields of action for maintaining employees' health differ significantly from those that occur in industrial manufacturing companies. The main hazards in our industry include ergonomic risks, psychosocial risks due to overwork or performance pressure, workplace design and risks from noise or heat, such as those that can occur in data center environments.

Regular risk assessments, further training and promoting a supportive workplace culture are essential to creating a safe and healthy working environment.

Health and well-being initiatives

We offer a variety of initiatives and programs to maintain and strengthen the physical and mental health and well-being of our employees. These have a strong local focus and are designed differently by the HR departments of our business units and subsidiaries.

They include, for example, health days, the promotion of sports activities, guidance for active breaks, yoga sessions and mindfulness training, as well as training on occupational safety and ergonomics in the workplace combined with codes of conduct and health tips. The offer is complemented by inclusive global company running, climbing and cycling events. Our offers are well received by our employees. In fiscal year 2023/2024, around 1,500 employees from 25 countries took part in global and local events such as World Bicycle Day, International Day of Yoga, World Heart

We offer numerous initiatives and programs to promote health and well-being.

Day, World Mental Health Day and the NTT DATA Business Solutions Soccer Cup.

GRI SRS 403-4: Employee participation in occupational health and safety

NTT DATA Business Solutions places a high value on involving employees in the development of measures, obtaining their feedback and providing relevant information in an easily accessible way, for example via our Global People Portal in SharePoint. Further specific procedures are implemented locally by the respective national subsidiaries. In Germany, NTT DATA Business Solutions is a member of the VBG, the employers' liability insurance association for administrative professions. In addition, a private occupational health and safety company (Die Arbeitsschutzhelden – Arbeitsschutz Bundesweit GmbH) supports and advises employees on all matters relating to occupational health and safety.

GRI SRS 403-9 and 403-10: Work-related injuries and illnesses[1]

Work-related injuries	Number/rate
Number of recordable work-related injuries[2]	9
Rate of recordable work-related injuries[3]	2.33
Number of hours worked	3,859,029
Work-related illnesses	
Number of fatalities (due to work-related illnesses)[4]	5
Number of documentable work-related illnesses[4]	20,499

[1] Data availability is limited to employees of NTT DATA Business Solutions AG and GMS GmbH in Germany. This key figure cannot be disclosed for other subsidiaries or external employees – among other things because the collection of this type of data is restricted in several countries by local statutory and data protection regulations.

[2] The most important documented injuries are sprains and bruises.

[3] The rate was calculated as follows: the number of recordable work-related injuries x 1,000,000 hours / total hours worked for each of the designated companies in Germany.

[4] In principle, only general illnesses, or fatalities are reported, regardless of the work context. Consequently, it is not possible to determine whether illness or fatalities are work-related.

Measures against discrimination and sexual harassment

At NTT DATA Business Solutions, an internal compliance guideline fostering a safe workplace and preventing sexual harassment has been in force since 2021. It is intended to guarantee all employees a work environment that is characterized by respect and dignity and offers no room for offensive, hostile or intimidating behavior. The policy regulates what measures employees can take if they themselves are discriminated against or harassed or become aware of such behavior.

NTT DATA Business Solutions does not tolerate sexual harassment under any circumstances. It is clearly contrary to our corporate values and is strictly prohibited. Violations have serious consequences, depending on the severity of the incident. In cases of doubt, an independent ethics committee decides on sanctions. All employees who have been subjected to possible sexual harassment are encouraged to report this behavior to a line manager, the local compliance officer or the Chief Compliance Officer. Reports can also be submitted anonymously via our global whistleblowing system.

Anyone who witnesses sexual harassment or becomes aware of it must also report it via the appropriate reporting channels. The policy explicitly protects employees who report sexual harassment or testify in an investigation from retaliation. Retaliation of this nature is prohibited by law.

GRI SRS 406-1: Incidents of discrimination

In the year under review, one allegation of discrimination became known. The allegation was investigated by the global Legal, Risk and Compliance department, and a meeting was held with the individuals involved. The allegations were not confirmed and thus the investigation was concluded without further action being taken.

The further training and professional development of our employees is essential for the success of NTT DATA Business Solutions.

Qualifications

Goals

An excellently and appropriately trained workforce is the foundation for the success of NTT DATA Business Solutions. Especially in light of the rapid technological change, it is crucial that their qualifications are kept up to date and always meets the current knowledge requirements.

The aim is to develop a highly qualified, adaptable and motivated workforce in the company through life-long learning and professional development opportunities. In addition, we aim to create a diverse and inclusive work environment that supports employees of all ages and backgrounds, values different points of view, and ensures continuity and growth.

Strategies and measures

In the past two fiscal years, we have increased company-wide investments in development measures by 1.9% to 5.4 million euros. This figure will be increased again by 27.8% to 6.9 million euros in the budget planning for the 2024/2025 fiscal year to maintain and expand the high level of employee training and development.

In performance appraisals, individual development goals are agreed with all employees to promote and support meaningful professional development. These include:

- Professional qualification measures and training courses implemented by (local) HR development or in collaboration with partners and in close cooperation with SAP.
- Promotion of individual digitalization through the increased use of digital tools in day-to-day business and the expansion of digital competencies through various learning materials.
- Personal development and training on occupational health and safety, including mental health maintenance, self-care and work-life balance.

The company pays attention to recognizing leadership potential and imparting leadership knowledge at an early stage. To this end, NTT DATA Business Solutions offers a variety of global programs tailored to each stage of development. These include, for example, the Global Career Starter Program for individuals at the start of their career, the Advanced Leadership Program for middle and senior management, and programs aimed specifically at executives.

The company is also working to expand and harmonize qualification processes and systems globally. For this purpose, NTT DATA Business Solutions uses SAP SuccessFactors. Currently, the learning and competency management platform of the system is directly accessible to approximately 80% of our employees worldwide. We aim to further increase this figure by

2025. In parallel, we are taking measures to improve usage, for example by introducing mobile apps and reporting dashboards.

Achievement of goals

In the reporting year 2023/2024, we successfully expanded the range of training courses on offer. For example, by introducing what are called university offers or access to external learning platforms for SAP specialist content, hyperscalers or Microsoft with the possibility of obtaining certifications.

Moreover, we were able to increase the number of users of on-demand learning content related to SAP by 31%. With targeted recommendations for self-learning and the introduction of short learning nuggets, for example on AI and interculturality, we have improved the user-friendliness and accessibility of learning content. These offers were complemented by new learning formats, for example in the area of soft skill training for consultants in Germany.

We have also made considerable progress in optimizing our processes and systems with the global roll-out of another SAP SuccessFactors module. The expansion makes it possible to efficiently track the individual development goals of our employees and to provide targeted and timely feedback. To support users and local HR departments, we have provided guidance in various formats, including videos and training manuals.

Risks

We have identified the following risks for NTT DATA Business Solutions that could have a negative impact on employees' qualifications:

- Technological progress favors the risk that current skills will quickly become obsolete and that increased efforts will be required for appropriate qualifications.
- Limited financial resources may restrict the company's ability to invest sufficiently in the training and further education of its employees.
- Inadequate or outdated training programs can result in employees not having the necessary skills and knowledge to perform their duties effectively.
- High workload and time pressure in operational business pose the risk that employees may not (be able to) participate in necessary learning and development activities. ∎

GRI SRS 404-1:
Hours of training and further education

	Hours/ person
Average number of hours of education and training per person during the reporting period[1]	**7.7**
By gender[2]	
Men	7.3
Women	7.5
Diverse	0.8
By employee category[3]	
Top Management and Management	4.2
Employees	7.7

[1] The database includes training and development information for 80.1% of our employees worldwide. It does not include training that we make available to employees via external learning platforms, such as the SAP Learning Hub, or internal compliance training, which is also supported by specific systems.

[2] 3,644 hours of education and training could not be broken down by gender; these hours were excluded from the calculation. It should also be noted that the "diverse" category is limited to voluntary information provided by employees themselves.

[3] 3,348 hours of training and further education could not be broken down by employee category; these hours were excluded from the calculation. The category "Top Management and Management" includes all employees in the management career (levels 4-6) as well as employees in levels 7-12. The "Employees" category includes all levels below Level 7, except for employees taking a management career path.

Diversity, Equity & Inclusion

NTT DATA Business Solutions sees diversity, equity and inclusion (DEI) as a key success factor for innovation and competitiveness in the IT industry. We are convinced that a fair, diverse and motivating working environment also contributes significantly to the well-being of all employees. For this reason, our managers are explicitly responsible for diversity, equity, inclusion and well-being.

Gender equality and the advancement of women

Information technology and related services continue to be male-dominated sectors. We have been working towards greater gender equality since 2013.

The proportion of women in the company has increased continuously since 2013 from 22.40% to 32.14% as of March 31, 2024. By 2028, the aim is to increase this figure throughout the company to 33.33%. For the second management level below the Executive Board, which includes the Global Finance Team and the Managing Directors of the country subsidiaries in particular, the proportion of women is set to rise to

25% (as of March 31, 2024: 17.1%). Mentoring programs and the promotion of women's networks contribute to this. In addition, flexible working hours and options for parental leave models are applied to make it easier to combine work and family life. Within the first management level below the Executive Board, in the Global Leadership Team, the proportion of women is to increase to 20% by 2028 (as of March 31, 2024: 0%). Implementation is expected to take place in two stages: on July 1, 2024 and April 1, 2025.

Strengthening diversity and equal opportunities

We take measures to ensure equal opportunities and prevent discrimination. These include global unconscious bias training and many events on the topics of LGBTQ+, microaggressions and anti-racism. The respective HR departments of the national subsidiaries share best practices on how to strengthen diversity and equal opportunities. The measures presented in fiscal year 2022/2023 were continued and new projects were also launched:

- Networking event on the topic of "AI and ethics – Navigating the Ethical Landscape of Artificial Intelligence #bettertogether"
- Offers on the topic of female empowerment with a focus on career and work-life balance for women in IT and SAP consulting
- Addressing the issue of equal pay
- Preparation of a global virtual event for World Health Day together with the talent resource group

"Dis-/Ability", including the creation of an online quiz to self-assess knowledge about disabilities
• Local activities, for example charity events such as the German "Love is Love" as an expression of solidarity and acceptance, or the establishment of a parent-child office

NTT DATA Business Solutions attaches great importance to ensuring that its managers are aware of their responsibilities in the areas of equal opportunities and diversity. Corresponding measures are anchored in the company's People Strategy. The importance of these issues is also reflected in the fact that we have included our diversity targets in the Balanced Score Card, our central management tool to assess target achievement.

Inclusion of employees with disabilities

Another key topic in the reporting year was the inclusion of employees with disabilities. The company reviewed its status quo and processes with regard to barriers to inclusion. We also worked with internal and external stakeholders to find appropriate solutions. The ability to report on KPIs relating to disabilities is limited due to local legal requirements that still need to be assessed. It was decided to appoint an Inclusion Officer as of June 1, 2024.

GRI SRS 4051 a. Diversity of the company's governance bodies

Given its legal form of a stock corporation, NTT DATA Business Solutions AG has a two-tier management and supervisory structure with an Executive Board and a Supervisory Board. The proportion of women on the Executive Board and Supervisory Board is 0%.

GRI SRS 4051 b. Diversity among employees

NTT DATA Business Solutions reached the 15,283-employee mark in fiscal year 2023/2024 (previous year: 13,530). The proportion of women rose to 32.1% (previous year: 31.0%). The proportion of male employees was 67.9%.

The number and percentage of employees per employee category are broken down by gender and age group below. ◼

GRI SRS 405-1 b. Diversity of employees by age group for each employee category [1]

	Quantity	Share at management level
Top management [2]	**180**	**100%**
Men	151	84%
Under 30 years	1	1%
30 to 50 years	69	46%
Over 50 years	81	54%
Women	**29**	**16%**
Under 30 years	0	0%
30 to 50 years	17	59%
Over 50 years	12	41%
Management [3]	**1199**	**100%**
Men	**896**	**75%**
Under 30 years	26	3%
30 to 50 years	577	64%
Over 50 years	293	33%
Women	**303**	**25%**
Under 30 years	11	4%
30 to 50 years	231	76%
Over 50 years	61	20%

[1] The database comprises 80.1% of our employees worldwide, which corresponds to the coverage of the global HR system in the subsidiaries.

[2] "Top management" at NTT DATA Business Solution includes all employees from level 8 ("Senior Director").

[3] At NTT DATA Business Solution, "Management" corresponds to level 7 "Director" and also includes all employees taking the management career path ("People Path").

Respect for Human Rights

in the company and in the supply chain

The basis for the business success of NTT DATA Business Solutions is the people of the company, but also the trust of stakeholders and society. Respect for human rights is therefore of particular importance to the company and includes the internal protection of human rights, the protection of human rights in the context of products and services and vis-à-vis society.

Compliance with due diligence obligations

Policy statement

NTT DATA Business Solutions pursues a "zero tolerance" policy that does not accept any behavior that could lead to the violation of human rights. This applies both to the employees of NTT DATA Business Solutions and to its business partners.

We have published our principles and the overarching goal of upholding human rights at all times on our website. Within the scope of our business activities, we are committed to responsible corporate governance in

compliance with the provisions of the German Supply Chain Act.

Strategies and measures

To implement the requirements of the Supply Chain Act in Germany, we have undertaken the following measures in fiscal year 2023/2024:

- Publication of a policy statement on the protection of human rights
- Adoption and communication of a human rights compliance policy with accompanying training
- Updating and expanding our Code of Conduct for suppliers
- Definition of processes for risk analysis and reporting
- Initiation of an initial internal risk analysis involving all companies of the NTT DATA Business Solutions Group
- Piloting a risk analysis of suppliers in Germany, which includes sending a questionnaire to suppliers with high and medium risk in accordance with the law on the due diligence obligations of companies in the supply chain. Introduction of an IT tool for risk management in the supply chain with pilot use in Germany

The establishment of the processes and tools required to implement our due diligence obligations has not yet been finalised. Our goal for fiscal year 2024/2025 is to evaluate the risk analysis initiated for our own operations and to derive measures to mitigate specific risks. With this in mind, we are also expanding our risk process for suppliers and intend to successively

With regard to the Supply Chain Due Diligence Act, we have implemented measures to ensure high standards in the area of human rights.

include as many suppliers of our subsidiaries worldwide as possible.

In training courses, we raise our employees' awareness of human rights issues and show them how to deal responsibly with potential risks and conflicts of interest. Human rights aspects are addressed in various corporate policies and guidelines. The number of training sessions and the number of employees who have completed the training are documented.

Performance measurement

An important metric of the success of the implemented measures is the number of identified violations of obligations. Potential violations can be identified through the company's complaints or whistleblowing channels. In addition, our internal audit department conducts regular audits, during which violations can also be detected.

In the reporting period 2023/2024, we did not receive any significant complaints about NTT DATA Business Solutions or our business partners. There were also no proceedings or fines imposed on the company by government authorities.

Risk management in the company and in the supply chain

Identification of risks

NTT DATA Business Solutions' operations involve potential human rights risks and impacts that are of general relevance to the industry. These include the legally compliant regulation of working hours, the avoidance of health risks for knowledge workers (e.g., lack of exercise, back pain, mental illness), the avoidance of bogus self-employment and the treatment of external employees. We also looked at the risk of violating personal rights when collecting or processing data. This also includes risks arising from the use of artificial intelligence.

The operation of our data centers entails specific risks that we pay particular attention to as part of our internal risk analysis. For example, during technical maintenance work, employees may be exposed to increased risks to health and safety in the workplace due to intense heat, noise or contact with hazardous substances.

We also analyze any human rights-related risks in the supply chain. In doing so, we focus on risks covered by the German Supply Chain Act. This includes risks in connection with child labor, forced labor, disregard for health and safety in the workplace, denial of freedom of association and the right to collective bargaining, disregard for a living wage, discrimination, unlawful acquisition of land, abuse of security forces and pollution of air, water and soil.

GRI SRS 412-3: Investment agreements screened for human rights impacts

In fiscal year 2023/2024, three significant investment agreements and contracts were reviewed for human rights aspects. This corresponds to a percentage of 100%.

The definition used for significant investment agreements includes M&A transactions involving the acquisition of majority interests, excluding intragroup acquisitions. This is consistent with our reporting in the previous year.

Target companies in M&A transactions are also checked for human rights aspects as part of a prior due diligence process. As part of the due diligence, compliance with applicable law by the companies to be acquired is examined in particular. A corresponding compliance assessment is recorded in writing.

GRI SRS 412-1: Operations assessed for human rights impacts

NTT DATA Business Solutions participates in the human rights due diligence process of the parent company NTT DATA. The audit is carried out on the basis of a self-assessment. In the reporting year, the scope of the audit included our companies in India and Indonesia, as well as NTT DATA Business Solutions AG in Germany. This corresponds to a percentage of 4.4% and 7.6% respectively, excluding dormant companies and holding companies with no operating business.

An initial self-assessment including all operating companies of the NTT DATA Business Solutions Group was performed in fiscal year 2023/2024. The results were not yet available at the end of the reporting period on March 31, 2024.

GRI SRS 414-1: New suppliers screened for social aspects

In fiscal year 2023/2024, 1,663 new suppliers worldwide were assessed for compliance risks. This corresponds to a percentage of 100%. A special consideration of social aspects as part of our Global Business Partner Management (GBPM) process was initiated and will be implemented for all new suppliers from June 2024.

GRI SRS 414-2: Social impacts in the supply chain

A human rights risk analysis of suppliers was carried out in fiscal year 2023/2024. The scope of the risk analysis was limited to existing suppliers of NTT DATA Business Solutions AG and the following other subsidiaries based in Germany: GMS GmbH, Xego-it and Recruit Company.

A total of 1,208 suppliers were included in the risk analysis. Of these, 62 suppliers with a medium or high actual or potential risk were identified and received a questionnaire for further evaluation.

The risk categories considered correspond to the requirements of the German Supply Chain Act and include child labor, forced labor, disregard for occupational health and safety, denial of freedom of association and the right to collective bargaining, disregard for fair remuneration, discrimination, unlawful acquisition of land, pollution of air, soil and water.

In the reporting period 2023/2024, no improvement or preventive measures were agreed with suppliers on the basis of the risk assessment described above (0%). Accordingly, the business relationship was terminated in 0% of cases. ∎

Social Commitment

As a global company, we have a global responsibility. We are therefore committed to social, ecological, economic and cultural issues in a variety of ways – by making donations and sponsoring activities, as well as projects for the common good and volunteer work.

Community initiatives for DEI

When selecting campaigns and donation projects, we ensure that they are closely linked to the company's values and positions, such as DEI and well-being. We also try to combine social responsibility with strengthening the sense of community among employees. Examples of this include company-wide charity runs or

cycling events in aid of a good cause, such as International Anti-Racism Day. We have also invited our employees to take part in WorkPrideWeek, a global community initiative for inclusion in companies encompassing more than 50 online events. Employees also work together to organize the annual Wishing Tree campaign, which sees to it that wishes are fulfilled for women and children in women's shelters at Christmas.

Local initiatives and donation projects

It is also important that the commitment and donations have an impact where NTT DATA Business Solutions is present with its business activities. This also means

that there are a large number of very different commitments that are initiated and organized by the business units and subsidiaries and their employees. Examples of this include measures such as participating in the construction of a container school in the city of Kahramanmaras (Turkey), which was affected by the devastating earthquakes in February 2023, or employees holding robotics workshops at St. Joseph's Primary School in London (UK & Ireland). Our commitment to the v. Bodelschwingh Foundation Bethel (Germany), which will soon be 25 years old, also makes a positive contribution, particularly for children and young people in the Bielefeld region.

Total donations in the 2023/2024 fiscal year amounted to 500,000 euros. This includes donations to local educational institutions, nursing and care facilities for the seriously ill or dying as well as reforestation and environmental protection projects.

Specifically, **NTT DATA Business Solutions India**, for example, has supported two priority areas in addition to many other projects: health and social care for underserved communities and the targeted promotion of marginalized communities, particularly through educational opportunities for women and children. In this way, around 145,000 euros went to the Bahu Uddeshiya Aarogya va Samaj Kalyan Society and the Prakarsh Foundation respectively.

At **NTT DATA Business Solutions UK & Ireland**, the focus was on cooperation with the "One Tree Planted" non-profit organization. In the period under review, 63,201 trees were planted in Romania, Rwanda, Nepal

and Madagascar as part of local and international forest protection initiatives thanks to a donation of almost 50,000 euros.

Our sponsoring activities are strongly focused on supporting local sports clubs and amounted to more than EUR 650,000 in the year under review. ∎

GRI SRS 201-1: Direct economic value generated and distributed [1]

	EUR
Direct economic value generated	
Total revenues	1,613,118,000
Economic value distributed	
for the operation of the business (operating costs)	623,610,431
to employees (wages and benefits for employees)	907,465,000
to providers of capital (interest)	3,240,000
to the state (taxes)	38,979,000
to the community (donations)	500,693
to the community (sponsoring)	652,876
Economic value retained	
Total revenues less economic value distributed (consolidated net profit)	38,670,000

[1] A detailed presentation and explanation of this information can be found in the consolidated financial statements and the NTT DATA Business Solutions management report for the 2023/2024 fiscal year.
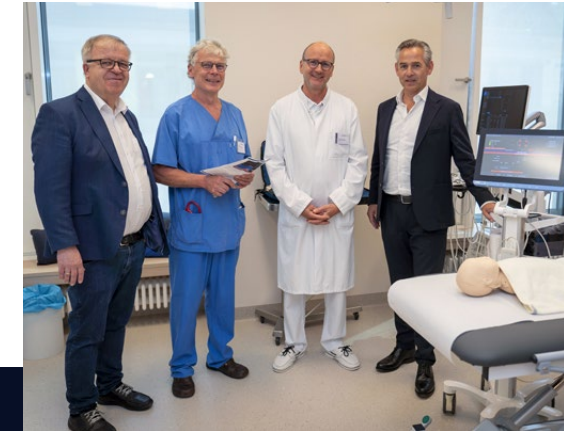
Together for Bethel: a matter close to our hearts with a long tradition

NTT DATA Business Solutions has been supporting the v. Bodelschwingh Foundation Bethel, also based in Bielefeld, for almost 25 years. Founded in 1867, Bethel is now one of the largest diaconal institutions in Europe and is committed to helping people with disabilities as well as the elderly, sick and disadvantaged. With a broad network of assistance services, clinics, care and educational facilities, Bethel offers comprehensive support in many areas of life. In the 2023/2024 financial year, NTT DATA Business Solutions donated 50,000 euros to Bethel to support projects in the children's and youth hospice, the children's center and the clinic for child and adolescent psychiatry. In August 2024, CEO Norbert Rotter visited the three facilities together with Pastor

Ulrich Pohl, Chairman of the Board of the v. Bodelschwingh Foundation Bethel, to see how the donation was being used. Thanks to the donation, therapy services can be expanded, a meeting place and retreat for young people can be created and important medical equipment for the treatment of young patients can be purchased. A similar donation to Bethel is also planned for the current financial year in order to continue to make a positive contribution to children and young people in the region.

You can help, too!
Donate for people with disabilities, Bethel:
bethel.de/spenden

Ethical Intelligence – Providing Better Help for More Children

Some children experience terrible things. An NGO from Denmark helps these children. NTT DATA Business Solutions supports the organization. Among other things, with ethical artificial intelligence. Thanks to AI, not only can more children be counseled, but also with more competence.

A teenager gets pregnant and is desperate. A girl is bullied at school and wants to take her own life. A boy is beaten at home and doesn't know what to do. Anyone who works at Børns Vilkår's hotline for children and young people hears heartbreaking stories.

But it is even worse for the people helping at the Danish aid organisation to know that they sometimes do not even hear the stories of desperate young people. This is because although the children find the courage to call the hotline, all the lines are busy.

More than 700 volunteers work for Børns Vilkår, the hotline is open around the clock, 365 days a year and yet, due to the popularity of the service, there are often more people seeking help than those who can offer it. Closing this gap and improving the quality of consulting at the same time is the mission of Thomas Nørmark, Director Global Head of Innovation at NTT DATA Business Solutions.

How technology and social engagement come together

It all started with an e-mail in his inbox. Børns Vilkår was desperate about the overloaded hotlines and approached NTT DATA Business Solutions to ask if he and the company could come up with ways in which to help more children with technical support.

> " We are now at the point where we have collected so much valuable knowledge that we are able to transfer the project to other areas.

Thomas Nørmark
Director Global Head of Innovation
NTT DATA Business Solutions

That first e-mail has not only resulted in an extensive corporate social responsibility program, but also in extensive links between the individuals at the two organizations. Many of the employees at **NTT DATA Business Solutions in Denmark** donate their Christmas gift bonus to Børns Vilkår, or they collect donations by going door to door; and sometimes, when stakeholders come to NTT DATA Business Solutions' office in Copenhagen, they get a tour of the aid organization's premises – after all, the two companies are only a ten-minute walk from each other.

The most important thing for Børns Vilkår, however, is the technical support provided by NTT DATA Business Solutions. "When we launched the project more than five years ago, it was clear to us pretty quickly that we

Thomas Nørmark is Director Global Head of Innovation of NTT DATA Business Solutions in Denmark. Nørmark has been working for the company since 2004. He specialises in disruptive technologies such as AI, the Internet of Things and Big Data.

wanted to maintain the human contact at the core of the hotline," says principal data scientist Daniel , who joined NTT DATA Business Solutions especially for this project. An artificial voice at the beginning of the conversation would scare off many children, Daniel said. "We have therefore focused on creating a database of expert knowledge and using machine learning to make this knowledge available to the counsellors during the dialog with the children and young people."

Prayson Wilfred Daniel is Principal Data Scientist at NTT DATA Business Solutions. He joined the company at the start of the cooperation with Børns Vilkår and works in Copenhagen. Daniel graduated from Aalborg University in Denmark with a MSc. in Information Technology and Persuasive Design. Before that, he had studied philosophy and theology.

However, so that the counsellors do not have to search for the relevant documents themselves during the discussions, language models were used to listen to the dialog, identify keywords and then display tailor-made information, concrete assistance and further counselling services on the counsellors' screen.

The quality of the advice has increased significantly as a result. Also because those who work at the hotline

are volunteers. Their expertise varies. Many have areas of expertise, know a lot about one topic and rather little about another. With the database, everyone has access to the same level of knowledge.

As with any new technology, there was some resistance at the start, Nørmark reports. The support tool built by NTT DATA Business Solutions was optional, it did not have to be used. But then, according to Nørmark, during coffee breaks, people started reporting positive experiences, while others looked over the shoulders of those who were already using the tool while they were on calls. The breakthrough came when people saw how useful the application is. "Today, I am told, the software is used by practically all employees," says Nørmark.

Ethics as a fundamental requirement

The fact that the application quickly gained acceptance was not only due to its practical advantages, but also to its ethical foundations. Because Daniel is not only a data specialist, but also has a Bachelor's degree in theology and philosophy. "It was clear to us from the beginning that we always had to be on an ethically correct path in such a sensitive project as a children's hotline," says Daniel. What data may be used? Who gets to see it? How does consent to the use of data take place? How can it be ensured that the data is used only to benefit people, and not to create harm? "We addressed these questions and their answers at the very beginning," says Daniel. This is not a matter of course in projects related to machine learning and artificial intelligence.

"In addition to regular machine learning performance tests, we performed counterfactual testing to ensure that our models were delivering ethically correct results", says Daniel.

For example: In a scenario where we have a pregnant girl, the model should return the same results to the counsellor irrespective of the girl's religious beliefs, ethnicity, and geolocation. Daniel: "Our model should be free of protected attribute biases". These tests are part of our ongoing integration and development. Any model that fails any of these tests is automatically rejected before it is deployed.

> " When we started the project more than five years ago, it was clear to us pretty quickly that we wanted to maintain the human contact at the core of the hotline.

Prayson Wilfred Daniel
Principal Data Scientist
NTT DATA Business Solutions

These regular tests have become more important since Chat GPT and Co have become available. Only a few years ago, language models had to be laboriously programmed in-house. With today's Large Language Models (LLM), it has become much easier to develop more advanced systems with less effort. What has become easier on the one hand has increased the need for testing on the other. "We always have to make sure that all our requirements are met," says Daniel.

But generative artificial intelligence is changing other things as well. "The new technologies create more opportunities for dynamic behavior," says Daniel. In the past, counsellors would often have been shown the same information on the respective topics. Most of them already knew some of them by heart and did not read them anymore. "Today, the information offered is much more specific," says Daniel, "For example, if a pregnant woman is particularly young, different information is provided than for an older adolescent."

AI helps to improve human interaction

The quality of the information provided to the counsellors and subsequently conveyed to the children and young people has therefore increased steadily. And artificial intelligence has brought another advantage: At the end of each conversation, a form about the course of the conversation used to have to be filled out. This is now also done by AI. In this way, the counsellor can move to the next caller more quickly.

These improvements will not be the end of the story. "We are currently discussing the implementation of a feedback mechanism that will allow advisors to feed the AI on a daily basis so that it can get better every time," says Nørmark, who is also tasked with keeping an eye on business. "The cooperation was never designed in a way for us to make greater profits, and yet we are now at the point where we have compiled so much valuable knowledge that we are able to transfer the project to other areas."

These include the financial sector, wholesalers, practically everywhere there are customer service hotlines where employees need support with tailor-made content, says Nørmark. And: "We are currently in the process of packaging this experience into a concept so that we can introduce it to our core industries, especially wherever our customers themselves are in contact with customers."

It helped a lot, Nørmark continues, that the cooperation with Børns Vilkår focused on ethical issues from the very beginning. "The European Union's Artificial Intelligence Act and many other moral and legal requirements that have arisen in the recent past did not even exist when the project was launched," says Nørmark, "but because we thought about them so early, we are now at the forefront of these issues." Together with the recent revolutions in generative artificial intelligence, a window of opportunity for business has now opened up that would not have existed a year or two ago, says Nørmark.

And whatabout the children's hotline at Børns Vilkår? Perhaps artificial voices will employed soon after all. At least partially. Young people in particular have become accustomed to acquiring assistance from artificial intelligence, says ethicist and data specialist Daniel. "We are currently thinking about how we can extend this change in acceptance to the hotline." In any event, he will continue to work to ensure that even more children receive even better support. Daniel is highly motivated. "This is the most fulfilling professional journey I have ever taken." ∎

Børns Vilkår is a Danish NGO that has set itself the task of improving the conditions, educational and development opportunities of children and young people in Denmark. Central to Børns Vilkår is counselling, which also includes a telephone hotline. It has been in existence since 1987 and is the largest counselling centre for children and young people in Denmark. Around 60,000 conversations are held with children and young people every year.

Governance

Transparency, ethical business practices, and compliance with laws and regulations are of the utmost importance to us. Good governance plays a key role in determining the trust we enjoy among our stakeholders – backed up by values and the way in which we take their interests into account in key decision-making processes. For us as an IT service company, in addition to ethical and legally impeccable action, two other sustainability aspects are essential: Comprehensive data protection and cybersecurity, as well as the responsible use of technology at all times for the benefit of society.

Ethics & Compliance

Values and corporate principles

Ethical and legally impeccable conduct, as well as integrity are the foundation for our successful business activities and the trust of our shareholders and stakeholders. With this mindset and the corporate values that we live by, we also create a trustworthy and sustainable working environment for our employees, which is characterized by a high level of respect for their rights and the existing rules.

In January 2024, NTT DATA Business Solutions signed up to the UN Global Compact. This membership underlines our commitment to fulfilling fundamental responsibilities in the areas of human rights, environmental rights, labor, and anti-corruption, and to integrate them into our daily activities.

GRI SRS 102-16: Values

The values, principles, standards and norms of behavior of NTT DATA Business Solutions are in line with its corporate mission statement "We Transform. SAP® Solutions into Value" and the three overarching, global guiding principles of the NTT DATA Group: Clients First, Foresight and Teamwork.

The values of NTT DATA Business Solutions are documented in its "People Values". These are eight values that set out the corporate culture and cooperation within the organization in more detail.

Once a year, "Values Week" takes place across NTT DATA Business Solutions and the entire NTT DATA Group. Under a different motto each year, this dialog format involves an open exchange about the Group's guiding principles and a discussion of how they influence and support day-to-day work. In addition, further activities to strengthen the shared corporate values take place on a quarterly basis.

Supplementary to the People Values, principles and standards of conduct are set out in our company's Code of Conduct. The Code of Conduct sets out globally binding standards and rules of conduct to ensure legally and ethically correct behavior and to prevent situations that could call into question the lawfulness and integrity of the company.

Political influence

NTT DATA Business Solutions is subject to a large number of legal regulations in the countries and communities in which the company operates. Of particular importance to our business activities are laws that have a significant IT connection. At EU level, for example, these include the General Data Protection Regulation and the Whistleblower Protection Directive. In Germany, the company has dealt intensively with the Supply Chain Due Diligence Act in particular.

Dialog in local industry and professional associations promotes the exchange and transfer of knowledge.

To ensure that all laws relevant to NTT DATA Business Solutions are known and complied with, we have set up a global register. This is kept up to date by our global Legal, Risk and Compliance department in cooperation with the compliance units in the national subsidiaries.

Our Code of Conduct contains very strict requirements with regard to the financial support of political parties and actors. The approval of the Executive Board is always required before payments of this kind may be made. Donations aimed at influencing political actors in business projects are generally not permitted.

NTT DATA Business Solutions is a member of a number of industry and professional associations in the countries in which it operates. These include the industry association bitkom e.V. in Germany, the UCISA (Universities and Colleges Information Systems Association) in the UK and the German-Brazilian Chamber of Commerce and Industry in Brazil.

GRI SRS 415-1: Donations to political parties

NTT DATA Business Solution has a group-wide directive that no payments are to be made to political parties or actors.

Conduct in compliance with the law and policy

Responsibility for and monitoring of compliance

Responsibility for lawful and compliant conduct lies with the global Legal, Risk and Compliance department, which is supported by the compliance units in the national subsidiaries. The Chief Compliance Officer regularly reports to the Executive Board and the Global Leadership Team on legal, risk and compliance topics and provides information on risks and potential threats. The Internal Audit function provides important support to the Chief Compliance Officer by regularly reviewing the appropriateness and effectiveness of the established compliance rules and the internal control system through risk-oriented audit plans and suggesting improvements when necessary.

Further development of the risk and compliance management system

The company's risk and compliance management system are continuously being developed. It forms the basis for preventing, detecting and sanctioning violations of laws or company policies and guidelines. It includes, for example, the analysis and assessment of compliance risks for the company, the definition of measures to avoid and reduce risks, for example by adopting and publishing new or updated policies and guidelines, control measures, the implementation of the complaints management/whistleblowing system, as well as other

systems and tools to support compliance processes and raise awareness of compliance issues.

For fiscal year 2023/2024, a specific objective for the further development of the risk and compliance management system was to support the risk management process in the supply chain by introducing an IT tool. The planned tool was introduced and is expected to be fully operational by the end of fiscal year 2024/2025.

The basis for compliant conduct is the awareness and empowerment of employees with regard to compliance issues. Therefore, they are trained for the first time upon hiring and then regularly on a recurring basis. Participation in training courses is recorded and monitored centrally. The target distribution rate of 100% and the participation rate of 80% were achieved in the reporting year. Violations of rules can be reported through the company's whistleblower system, from where they are then followed up according to a defined procedure.

Relevant compliance-related risks for the company include data protection violations, data loss, corruption and bribery, violations of antitrust and competition laws, violations of labor laws and violations of intellectual property rights.

GRI SRS-205-1: Operations assessed for risks related to corruption

The frequency and scope of the audit for the existence of corruption risks follows a risk-oriented approach and is carried out by the Internal Audit department in collaboration with the global Legal, Risk and Compliance team at NTT DATA Business Solutions.

In fiscal year 2023/2024, seven companies were audited. This corresponds to a percentage of 10.14%

GRI SRS-205-3: Incidents of corruption

There are no confirmed incidents of corruption for the reporting period 2023/2024.

GRI SRS-419-1: Non-compliance with laws and regulations

In the reporting year, no cases of non-compliance with laws and regulations were identified that resulted in significant fines or non-monetary sanctions as defined by the GRI indicator. ■

Data Protection & Cybersecurity

Data protection and cybersecurity

Data protection and IT security are of particular importance in the digital world. IT companies like NTT DATA Business Solutions store and process large amounts of sensitive data and are therefore particularly vulnerable to cyber-attacks and data breaches. Comprehensive data protection and robust IT security management are therefore not only a legal obligation for us, but a key factor for stakeholder trust and the company's long-term business success.

Comprehensive data protection

Data protection is an important part of our risk and compliance management system. (→ for more information on this topic, see page 56). Relevant data protection-related risks for the company include, for example, the misuse of personal data by AI, the storage of data beyond statutory retention periods or the processing of personal data without carrying out a data protection impact assessment.

The protection of personal data is subject to various international legal regulations. We use a Corporate Data Protection Policy to ensure the most uniform and coordinated approach possible throughout the company. The aim of this policy is to establish a data protection management system (DPMS) that integrates existing measures and processes, develops them further and supplements them with risk-oriented measures. It complies with the European General Data Protection Regulation (GDPR). The provisions of the GDPR apply as a minimum standard; local laws and regulations may go beyond these requirements.

Our Group Data Protection Officer is responsible for implementing the Corporate Data Protection Policy. As the statutory officer of our Group, he implements the DPMS and is supported by local data protection officers in our subsidiaries. Together they form our data protection network.

The data protection network develops the DPMS further, implements specific data protection measures and coordinates them. It supports the Executive Board, the central functions and our subsidiaries with its expertise and acts as a central point of contact for all data protection issues. It works closely with the Legal, Risk and Compliance department, Information Security and the Internal Audit department.

At least once a year, the Group Data Protection Officer reports on the status of data protection to the Executive Board of NTT DATA Business Solutions. In turn, the Executive Board, regularly reports to the Supervisory Board on this matter. In addition, each local management

within our group of companies is accountable for their respective subsidiary in the event of violations.

IT security and cybersecurity

IT systems and infrastructures are inherently vulnerable to attack. This can pose a threat to the confidentiality, integrity and availability of data at NTT DATA Business Solutions. In addition to the risk of manipulation or loss of company information and the possible destruction of customer data stored in data centers, the company is exposed to the risk of sabotage or blackmail. Every potential threat is a risk for NTT DATA Business Solutions. The risk in the supply chain has also increased. An interruption can lead to serious business losses,

especially in the IT sector. From this perspective, the overall risk of emergencies and crises has also increased.

The company uses an IT security system and specific risk management to manage potential risks according to the three lines of defense model and to minimize the probability of damage and resulting consequences.

As part of the strategic realignment in the area of information security at NTT DATA Business Solutions, the role of global Chief Information Security Officer (CISO) was newly filled in fiscal year 2023/2024. The team structure was also adjusted to achieve better cooperation within the entire company. The establishment of a

comprehensive CISO organization is to be completed by the end of the 2025/2026 financial year. Another important goal concerns the upgrading of standards, such as ISO 27001, as part of a holistic and global Information Security Management System (ISMS).

To support the achievement of goals and to cover all IT and information security requirements for NTT DATA Business Solutions, a global information security program was launched in the year under review. The program's four projects address the following key topics:

- Improving and strengthening collaboration in the global team with clear roles and responsibilities in the area of information security
- Standardization and optimization of crisis management, in particular with a view to reducing the response and damage limitation time in the event of a cybersecurity crisis
- Establishment of a monitoring process to take account of relevant changes to cybersecurity requirements in internal standards and guidelines
- Further development of the IT security strategy and risk management for a holistic approach to cybersecurity. ■

Responsible Use of Technology

Information technology plays a role in the achievement of sustainability goals in many ways. This applies both to the achievement of goals within our company and the supply chain, but also in particular to supporting our customers' sustainability goals. However, the use of IT is also associated with risks. For us, using technology responsibly means seizing opportunities while also recognizing and mitigating risks in specific technologies, applications and use cases.

Innovation and product management

The main services provided by NTT DATA Business Solutions are IT strategy and innovation consultancy, software provision and implementation as well as application management and managed cloud services. The main products are enterprise applications and platforms from our partners, in particular SAP and Microsoft, which we provide to our customers as a reseller. We also develop our own software products and solutions.

Steering products and services towards greater sustainability

With the services and products that we offer, we support customers in optimizing business processes and making them more efficient. This also benefits sustainability, as it enables costs to be cut and emissions to be reduced. Sustainability management can also be supported in a targeted manner with specific software solutions, for example in the area of carbon footprint accounting or sustainability reporting.

Due to the necessary use of hardware, computing power, storage systems and servers that consume energy and resources, IT products also have a negative impact. It is important to counteract these at an early stage in the innovation and development process. To this end, the company has identified various levers and is implementing measures. As part of the NTT DATA partnership with the Green Software Foundation, we are working on best practices for the environmentally friendly design of software architectures and programming. These techniques are not yet being implemented systematically or across the board, but they are being considered for innovation projects and new developments in particular. One example is the "Sustainable Smart Building Hub" innovation project. The solution is based on our momenttum platform – a best-of-breed platform developed by NTT DATA for flexible use in the context of "Smart X". The platform follows green software principles to enable a holistic contribution to the CO_2 -neutral operation of public, commercial or private buildings.

The sustainability of the company's own data centers is a key focus in the area of managed cloud services. The data centers in Germany have been supplied with 100% renewable electricity since 2021 and have energy efficiency values that are well above the industry average. Globally, the proportion of renewable electricity in the data centers we use was 49% in fiscal year 2023/2024. When managing customers' IT landscapes, the company taps into existing efficiency potential, for example through automation, storage space optimization or the optimization of operating and downtimes. We are also striving to reduce emissions caused by business trips due to the need for on-site customer service.

Ethical guidelines for artificial intelligence

One focus of our innovation activities is on artificial and generative intelligence and the use of digital avatars that can recognize human emotions and react accordingly. The application of these technologies presents a unique opportunity to address ecological and social challenges. However, their use also carries the risk of negative impacts. Especially when AI systems interact with people and interpret their emotions, it is particularly important to ensure the protection of personal data and prevent manipulation or discrimination. We have therefore defined a set of specific company guidelines and rules for dealing with artificial intelligence. In this way, we ensure that we do not violate legal requirements in the development and application of IT solutions and always act in accordance with the company Code of Conduct.

In order to initiate suitable innovation processes for greater sustainability, NTT DATA Business Solutions finds and engages the right partners. In addition to our closest partner SAP, these primarily include Microsoft and Amazon Web Services. Thanks to our long-standing business relationships with these companies, we are well informed about the technologies they use and the innovation approaches they pursue, and we have full confidence in their integrity. We also share a community of values with our partners. To ensure the safety of their products and services, our partners publicly commit to strict guidelines and work to specific standards for their own responsible use of technology.

G4-FS11: Percentage of financial investments subject to positive or negative environmental or social screening

NTT DATA Business Solutions invests primarily in the successful expansion of its business, for example through co-innovation projects, product development, company acquisitions or equity investments. Financial investments in the strict sense play a subordinate role in the company, so no further information is provided here.

To review our statement on the screening of investments within the context of company acquisitions, see also → GRI SRS 412-3: Investment agreements screened for human rights aspects, page 48. ◼

A Culture of Thinking Outside the Box

Data centers need a lot of electricity. Conversely, this means that clever ideas can significantly reduce energy consumption where computers run day and night. The only questions are: How do you come up with such ideas? And how do you make sure that a good idea doesn't remain a flash in the pan? The answers can be found in the data centers of GISA GmbH.

James Chapman is Unit Director Cloud Infrastructure Services at GISA GmbH. He is responsible for the company's entire data center, from the emergency power generator to the power connection and air conditioning to the company's own servers, but also the connection of cloud providers such as Amazon. For the customers of GISA GmbH, all applications are managed via the data center, regardless of whether the applications run via the GISA data center or via third-party data centers.

When it comes to changing things for the better in the long term, a simple method can be applied: Question the status quo and actively initiate change. The data centers of GISA GmbH, a subsidiary of NTT DATA Business Solutions, have had a good experience with this. The consumption of electricity by the data centers near Halle and Leipzig has been increasing for years. In the interim, a transition to more efficient electricity use has been achieved.

"I am very happy that we have succeeded in creating awareness among our staff to install, use and program technology and software in such a way that power consumption is as low as possible," says James Chapman, Unit Director Cloud Infrastructure Services at GISA.

This is important because data centers need a lot of electricity. To be more precise, they even need twice as much electricity. On the one hand, in computing, which happens mainly in the central processing unit or CPU. And this CPU, the core of every computer, gets hot during data processing and must therefore be cooled. This is the second power guzzler.

Conversely, this means that if the CPU has less to do, the power consumption is reduced twice – through less computing work and through less provision of cooled air.

There was a problem at the beginning of the turnaround towards a corporate culture of energy saving, you could also call it a culture of thinking outside the box. To enable servers to communicate securely with

each other, the data is encrypted before it is sent and decrypted again at its destination. The German Federal Office for Information Security or BSI, sets the minimum standard for encryption technology. To make data transmission more secure, the BSI has raised the standard. The previous 2048-bit keys have been replaced by 4096-bit keys.

This has consequences because encryption and decryption very frequently push up the CPU load. This is because data is sent back and forth between practically all the time. And since the safety standard has been doubled, the computing effort has also doubled – which has significantly increased power consumption.

> " I am very happy that we have succeeded in creating awareness among our staff to install, use and program technology and software in such a way that power consumption is as low as possible.

James Chapman
Unit Director Cloud Infrastructure Services
GISA GmbH

"We tried different methods to reduce the CPU load again," says Chapman. In the end, it was system manager Joachim Dietrich's idea to use a more efficient algorithm which significantly reduced the computational effort. Chapman: "It was a big surprise for me when I saw the lower CPU load curves, even though the actual change was quite small."

> " We tried different methods to reduce the CPU load again.

James Chapman
Unit Director Cloud Infrastructure Services
GISA GmbH

A small change with a big effect. It now takes 1,400 kilowatt hours less electricity per year for two corresponding computers to transfer data back and forth. That's about half the electricity consumption of an average household in Germany.

"I then took my young colleague out of his comfort zone and got him to accompany me to management meetings," says Chapman, "he's not really someone who likes the limelight, but I think he was happy that he was being recognized for his performance." Perhaps this was one of the reasons why new ideas have been emerging ever since. And many ideas are being implemented.

For example, self-contained cooling and heating aisles were installed in the data center. The hot parts of the computers now all protrude into the cooling aisles, and where the heat flows out of the computer, heat ducts have been created to conduct the warm air outside. As a result, it is no longer necessary to cool the entire data center, but only those elements that need to be brought down to lower temperatures. The outcome: less power consumption for cooling.

And the warm air will also be used in the future. The ventilation of the adjacent offices was previously equipped with an electrical heating grille. This was used to heat the cold air drawn in from outside during

GISA GmbH

GISA GmbH is an IT specialist and certified cloud service provider. The company maintains special portfolios and boasts in-depth expertise in the standard processes and challenges involved in the energy industry, public sector clients as well as universities and research institutions. NTT DATA Business Solutions has been the majority shareholder in GISA since 2014.

The project team from left to right:
James Chapman, Joachim Dietrich and
Marcus Griesing.

the winter. This coming winter, the warm exhaust air from the data center will be used for heating. The data center system expert came up with this idea.

> " Our customers themselves now advertise that they are working with a green data center.

James Chapman
Unit Director Cloud Infrastructure Services
GISA GmbH

The list of positive ideas for implementation is long. Three other examples: The lighting in the data center was equipped with motion detectors; the data center's uninterruptible power supply, which continues to supply the data center with power in the event of a power outage and protects the sensitive IT technology from faults in the power grid, has been replaced by higher-quality part-load optimized systems, which are more expensive to purchase but convert electricity more efficiently; and when it comes to programming, more attention has been paid to ensuring that the software requires as little computing power
as possible.

"Apollo 11 flew to the moon with a 265k processor," says Chapman, which is unimaginable today. Chapman believes that high computing and storage capacities have led to a certain carelessness in programming in recent years. But the increased awareness of how high energy consumption is has led to changes happening in this area.

Changing awareness not only benefits the environment in the form of low energy consumption and lower electricity costs for the company. "More and more of our customers are asking us to deliver environmentally friendly measures," says Chapman. Both in public tenders and in the private sector, there is a growing desire to work with data centers that have taken up the cause of "reducing electricity consumption". Chapmann adds: "Our customers themselves now publicise the fact that they are working with a green data center."

And what ideas will Chapman and his team come up with next?That is something he doesn't yet know, and how could he? "I have a very good team in which we are constantly thinking and exploring." There is no guarantee that these ideas will become successful projects in the long term. But it is possible to create the framework from which ideas and projects can emerge. This is exactly what happens every day at GISA GmbH's data center. ■

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The
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We Transform. SAP® Solutions into Value

We understand our clients' business and know what it takes to transform it into the future. At NTT DATA Business Solutions, we drive innovation – from advisory and implementation, to managed services and beyond, we continuously improve SAP solutions and technology to make them work for companies – and their people.

Is your business aiming to transform, grow and become more successful? We provide you with more than in-depth expertise for SAP solutions: As your passionate partner, we connect your business opportunities with the latest technologies – and offer you a unique approach to get the job done as smoothly as possible.

Our close ties to SAP and other partners give you access to innovative solutions and developments. Being part of the global NTT DATA group enables us to master any project, regardless of its scope.

With operations in more than 30 countries, we have enabled thousands of companies become more efficient and effective over the past three decades. Our 13,500+ experts around the world will also accompany you on your journey toward a truly intelligent enterprise – wherever you want to start!

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