

# Report on the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)

**Reporting period from 01.04.2023 to 31.03.2024**

**Name of the organization:** NTT DATA Business Solutions AG

**Address:** Königsbreede 1, 33605 Bielefeld

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## A. Strategy & implementation

### A1. Monitoring of risk management & responsibility of the management

#### **Who is responsible for monitoring risk management during the reporting period?**

Ms. Magdalena Keitel has been appointed Human Rights Officer in the NTT Data Business Solutions Group. She is responsible for monitoring risk management.

## A. Strategy & implementation

### A1. Monitoring of risk management & responsibility of the management

**Has the management established a reporting process that ensures that it regularly is informed by the person responsible for risk management - at least once a year - about the work of the monitoring the risk management?**

**It is confirmed that the management has established a reporting process that, in accordance with § 4 (3) of the LkSG, ensures that it is regularly – at least once a year – informed about the work of the person responsible for monitoring risk management.**

- Confirmed

**Describe the process that ensures reporting to management with regard to risk management, at least once a year or regularly.**

A monthly meeting is held with the CFO at which the Human Rights Officer can report on the risk management activities regulated in the LkSG.

## A. Strategy & implementation

### A2. Policy statement on the human rights strategy

**Is there a policy statement that has been created or updated based on the risk analysis conducted during the reporting period?**

The policy statement has been uploaded.

<https://nttdata-solutions.com/de/about-us/compliance/grundsatzerklaerung/>

## A. Strategy & implementation

### A2. Policy statement on the human rights strategy

**Has the policy statement for the reporting period been communicated?**

**It is confirmed that the policy statement has been communicated to employees, if applicable to the works council, the public, and the direct suppliers where a risk was identified as part of the risk analysis.**

- Confirmed

**Please describe how the policy statement was relevant to the communicated target groups.**

The policy statement has been published on our public website and is accessible to all interested parties, including customers and suppliers.

Furthermore, once the risk analysis has been completed, the declaration was passed on to high-risk suppliers who deem it necessary.

## A. Strategy & implementation

### A2. Policy statement on the human rights strategy

#### What elements does the policy statement contain?

- Establishment of a risk management system
- Annual risk analysis
- Establishment of preventive measures in the company's own business area, for direct suppliers and, if applicable, indirect suppliers and reviewing the effectiveness of their preventative measures
- Corrective measures in own business area, at direct suppliers and, if applicable, indirect suppliers and their effectiveness review
- Complaints procedures in the company's own business area, with suppliers and review of effectiveness
- Documentation and reporting obligations
- Description of the priority risks identified
- Description of human rights-related and environmental expectations of own employees and suppliers
- Other elements: Regular effectiveness review of risk management

## A. Strategy & implementation

### A2. Policy statement on the human rights strategy

#### **Description of possible updates during the reporting period and the reasons for them.**

This policy statement is the Group's first policy statement. Since its preparation, there have been no significant changes or additions to our risk situation, which is why the policy statement has not been updated.

## A. Strategy & implementation

### A3. Implementing the human rights strategy within your own organization

**In which relevant departments/business processes was the management of the human rights strategy ensured during the reporting period?**

- CSR/Sustainability
- Legal/Compliance

**Describe how responsibility for implementing the strategy is distributed across the various departments/business operations.**

The policy statement was agreed with the management team. The Risk, Legal & Compliance department and the Sustainability team take the lead in implementing the requirements of the LkSG. They work closely together and are responsible for the design and implementation of human rights strategies.

**Describe how the strategy is integrated into operational processes and workflows.**

The first human rights policy was drawn up by our Group during the reporting period. This guideline will in future be the basis of our human rights activities. It has been therefore distributed internally.

We have an existing process for third-party compliance check process, which includes, risk assessments of potential suppliers and this process has been updated. The team carrying out the checks has been informed about the new human rights requirements of the LkSG and is examining human rights risks more closely with every compliance check.

**Describe what resources & expertise will be provided for implementation.**

During the reporting period, a specialist for supplier risks and a specialist for human rights were hired to strengthen the due diligence obligations in accordance with the LkSG. These two individuals are responsible for all day-to-day due diligence activities in the supply chain and in the company's own operations.

A new online platform for supplier management was procured and implemented to improve the efficiency of supplier risk analysis.



## B. Risk Analysis and Preventive Measures

### B1. Implementation, procedure and results of the risk analysis

**Was a regular (annual) risk analysis carried out during the reporting period to identify, weigh, and prioritize human rights and environmental risks?**

- Yes, for your own business area
- Yes, for direct suppliers

**Describe the period in which the annual risk analysis carried out.**

Between August 2023 and March 2024.

**Describe the risk analysis procedure.**

The risk analysis in our Group companies was prepared on the basis of the information and materials on the BAFA website. These are the FAQ and the handouts. Our risk analysis consists of three steps, both for our own business area and for the supply chain.

1. Abstract risk analysis
2. Concrete risk analysis - Part 1
3. Concrete risk analysis - Part 2

1. Abstract risk analysis

We mapped our company locations worldwide and our active suppliers. We then ranked them according to the criteria of country and industry risks - to analyze the specific risks.

2. Concrete risk analysis - Part 1

In addition to the first step, we included further criteria in our analysis: type and scope of business activity, probability of occurrence, severity of the injury according to degree, number of people affected and irreversibility, possibilities of influence, contribution of the company to the causation. We then classified the risk of our locations and suppliers according to low, medium and high risk. For the supply chain, the risks of indirect suppliers were also taken into account.

3. Concrete risk analysis - Part 2

A questionnaire was drawn up for our own business operation, which includes a wide range of human rights and environmental issues as well as operational issues of strategic relevance. This was sent to all our sites to learn about the situation on the ground and the measures in place to minimize or to prevent potential risks.

In the supply chain, we started a pilot project with the suppliers of our companies located in Germany. All high-risk suppliers and some medium-risk suppliers from the first part of the risk analysis received our questionnaire.

At the end of the reporting period, we were still in process of completing the risk analysis for our own operations and most of our suppliers, as not all of the questionnaires have been completed.

## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk

**Were event-driven risk analyses also carried out during the reporting period?**

- No

**Give reasons for your answer.**

The acquisition of another company enabled us to expand our locations.

We carried out an initial risk assessment of the company we acquired. The assessment covered various risk topics, including human rights risks. The results of the risk assessment were satisfactory, meaning that an in-depth risk analysis in accordance with the LkSG was not required.

## B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

**What risks were identified in the risk analysis(es) in your own business operations?**

- None

## **B. Risk analysis and preventive measures**

B1. Implementation, procedure and results of the risk analysis

**What risks were identified in the risk analysis(es) for direct suppliers?**

- None

## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk

**Were the risks identified in the reporting period, weighed and, if applicable, prioritized and, if so, on the basis of which appropriateness criteria?**

- No

**Give reasons for your answer.**

No risks were identified in the reporting period, as the risk analysis in our own business operations had not yet been completed and only a few suppliers in the supply chain had fully completed the questionnaire.

## B. Risk analysis and preventive measures

### B2. Prevention measures in own business area

**Which risks were prioritized in your own business operations during the reporting period?**

- None

**If no risks have been selected, five reasons for your answer.**

No risks were identified in the reporting period as the risk analysis had not yet been completed.

## B. Risk analysis and preventive measures

### B2. Prevention measures in own business area

**Which preventive measures were implemented for the reporting period to prevent and minimize the priority risks in your own business area?**

- Implementation of risk-based control measures
- None

#### Implementation of risk-based control measures

**Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/area of application).**

As the risk analysis had not been completed during the reporting period, we were unable to design or implement any preventive measures. However, several measures to prevent excessive physical and mental fatigue have already been implemented worldwide or at several locations. These include health days, the promotion of sporting activities, instructions for active breaks, yoga sessions, mindfulness training, training on occupational safety and ergonomics in the workplace, first aid training and fire drills.

**Describe to what extent the measures to prevent and minimize the priority risks are appropriate and effective.**

The majority of our employees work at a desk and therefore lack of exercise, back pain and mental illness pose health risks for them. Activities that encourage them to move more and at the same time take care of their mental health are therefore suitable measures.

Around 1,500 employees from 25 countries took part in global and local events such as World Bicycle Day, International Yoga Day, World Health Day, World Mental Health Day and the NTT DATA Business Solutions Soccer Club.

**If no prevention measures were selected, explain your answer.**

As the risk analysis was not completed in the reporting period, we were unable to design or implement any preventive measures based on it.



## B. Risk analysis and preventive measures

### B3. Preventive measures for direct suppliers

**Which risks were prioritized for direct suppliers during the reporting period?**

- None

**If no risks have been selected, give reasons for your answer.**

No risks were identified during the reporting period, as only a few suppliers had fully completed the questionnaire by the end of the reporting period.

## B. Risk analysis and preventive measures

### B3. Preventive measures for direct suppliers

**What preventive measures were implemented for the reporting period to prevent and minimize the priority risks at direct suppliers?**

- None

**If no preventive measures were selected, explain your answer.**

No actual risks were identified among the suppliers who returned the questionnaire.

We are still waiting for other suppliers to fill out the questionnaire so that we can identify risks and start implementing preventive measures together with the suppliers.

## B. Risk analysis and preventive measures

### B5. Communication of the results

**Were the results of the risk analysis(s) for the reporting period communicated internally to key decision-makers?**

It is confirmed that the results of the risk analysis(s) for the reporting period were communicated internally to key decision-makers, such as the board of directors, the management or the purchasing department, in accordance with Section 5 (3) LkSG.

- Confirmed

## B. Risk analysis and preventive measures

### B6. Changes to the risk disposition

#### **What changes have occurred in priority risks compared to the previous reporting period?**

In the previous reporting period, the risk analysis was still in the preparatory phase and therefore had not yet been carried out. No comparative data is therefore available.

## C. Identification of violations and corrective

### C1. Identification of violations and corrective measures in own business area

**Were any violations identified in your own business operations during the reporting period?**

- Yes, in Germany and in other countries.
- **Please indicate: In which areas were violations identified in your own business operations?**

Other prohibitions: There were two cases identified: 1. sexual harassment and 2. bullying.

**The number (optional)**

2

**Describe the appropriate corrective measures you have taken.**

1. Awareness-raising measures were initiated, which included training and discussions with senior management. In addition, employees were questioned using surveys and detailed individual discussions were held in order to gain a comprehensive picture of the situation.
2. The employment relationship of the offenders was terminated.

**In cases where violations could not be stopped, describe where they occurred.**

All violations could be stopped.

**Describe what long-term remedial measures (e.g. follow-up concepts) have been taken and what considerations have been made for ending or further minimization of violations with regard to the selection and design of the measures.**

A specific training course on anti-harassment was developed and distributed to all employees. Furthermore, a mandatory "Code of Conduct" training course was designed for all employees, which addresses the risks mentioned above. The Diversity, Equity and Inclusion (DEI) team has been strengthened and recurring campaigns are taking place to raise awareness among employees.

**Describe how the effectiveness of the remedial measures will be verified.**

In both cases, the injuries were stopped. No further complaints were reported in these cases.

**Have the remedial measures led to the cessation of the injury?**

- Yes

**Explain.**

1. The situation was defused through intensive discussions with all those involved, so that the bullying was finally stopped.
2. The violation could be ended by terminating employment relationship of the offender.

**Have you analyzed to what extent the identified violation indicates a possible need to adapt/supplement existing preventive measures? Please describe the process, results and implications of your analysis.**

The following points were identified as part of the analysis:

- Further development of the guidelines
  - Promoting transparency
  - Creation of new and extended training courses
- Conducting anonymous surveys on the well-being of employees

## C. Identification of violations and corrective

### C2. Identification of violations and corrective actions at direct suppliers

**Were any violations identified at direct suppliers during the reporting period?**

- No

**Describe the procedures for identifying violations by immediate suppliers.**

Several procedures exist to identify potential violations by our direct suppliers:

Complaints procedure:

Our complaints procedure is accessible to external stakeholders, including our direct suppliers, and allows for reporting of potential violations.

Supplier management platform:

The implemented platform monitors the media and reports on potential human rights and environmental violations by our direct suppliers.

Third-party compliance tool:

The human rights and environmental violations of new suppliers are checked as part of the selection process using a third-party compliance tool.

Self-assessment questionnaire: Suppliers with medium and high risk are required to complete a self-assessment questionnaire as part of the supplier risk analysis (part 1 of the concrete risk analysis), which can reveal potential violations.

Regular exchange with strategic suppliers: The procurement team holds regular meetings with strategic suppliers at which potential breaches can be identified and addressed.

## C. Identification of violations and corrective

### C3. Identification of violations and corrective actions for indirect suppliers

**Were any violations identified at indirect suppliers during the reporting period?**

- No



## D. Complaints procedure

### D1. Establishment of or participation in a complaints procedure

**In what form was a complaints procedure offered for the reporting period?**

- In-house complaints procedure

**Describe the company's own process and/or the process in which your company participates.**

We have various channels for reporting a potential or actual violation.

Contact form:

Reports and complaints can be submitted around the clock via the contact form on our website. Anonymous submission is also possible. The contact form is available in various languages and is managed by the Global Legal & Compliance department.

Global Ethics Help Line:

The Global Ethics Help Line is an e-mail address to which anyone can send complaints. It is managed by the Global Legal & Compliance department.

Corporate Ethics Help Line:

The Group-wide Corporate Ethics Help Line, which is operated by an external law firm in Tokyo, Japan, is also available to those affected. The external law firm of the NTT Group will not forward the name of the whistleblower to NTT DATA Business Solutions AG or its affiliated companies under any circumstances (not even in the case of non-anonymous reports). The name will only be forwarded at the written request of the whistleblower.

Local reporting channels:

Employees have the opportunity to report reports or complaints via local reporting channels. They can contact the local or regional legal or compliance managers, the Global Legal & Compliance Team, the Human Resources department, the direct supervisor/responsible manager or the Chief Compliance Officer.

All reports and complaints can be submitted in person, by telephone or by e-mail, stating an identity or anonymously.

## D. Complaints procedure

### D1. Establishment of or participation in a complaints procedure

**Which potentially involved parties have access to the complaints procedure?**

- Own employees
- Communities in the vicinity of our own locations
- Employees at suppliers
- External stakeholders such as NGOs, trade unions
- Other: Customers

Commented [PD1]: What does this mean? Outside parties? Something else?

**How is access to the complaints procedure ensured for the different groups of potentially involved parties?**

- Publicly accessible rules of procedure in text form
- Information on accessibility
- Information on responsibility
- Information on the process
- All information is clear and understandable
- All information is publicly accessible

#### Publicly accessible rules of procedure in text form

**Optional: Describe.**

Our Whistleblower Policy is published on our [website](#).

#### Information on accessibility

**Optional: Describe.**

Our internal website explains how to contact and how complaints can be submitted. Our whistleblower system offers all types of methods, from personal complaints to an online form.

#### Information on responsibility

**Optional: Describe.**

Our internal website explains exactly who is responsible for which channel. Central responsibility lies with the Global Legal & Compliance Team.

Our internal website clearly explains responsibilities and shows who manages which channel.

#### Information on the process

##### **Optional: Describe.**

Our whistleblower policy explains the process of how each complaint is handled transparently and fairly.

##### **All information is clear and understandable Optional:**

##### **Describe.**

-

##### **All information is publicly accessible Optional: Describe.**

The complaints procedures are published on the internal website. All relevant information is available there. In addition, our Whistleblower Policy and the contact form are published on our external website.

## D. Complaints procedure

### D1. Establishment of or participation in a complaints procedure

**Were the rules of procedure for the complaints procedure for the reporting period publicly available?**

Our Whistleblower Policy was publicly available during the reporting period. In addition, rules of procedure were drawn up during this period. However, these were not yet publicly accessible during the reporting period.

## D. Complaints procedure

### D2. Requirements for the complaints

**Indicate the person(s) responsible for the procedure and their function(s).**

Magdalena Keitel - Chief Compliance Officer, who is also the Human Rights Officer. Ms. Keitel is responsible for the operational implementation of the central complaint procedure for the group of companies as the internal reporting office. She has a direct reporting line to the Board of Directors of NTT DATA Business Solutions.

**It is confirmed that the criteria for those responsible set out in Section 8 Paragraph 3 of the LkSG are met, i.e. that they offer a guarantee of impartial action, are independent and not bound by instructions and are obliged to maintain confidentiality.**

- Confirmed

## D. Complaints procedure

### D2. Requirements for the complaints

**It is confirmed that precautions were taken during the reporting period to protect those involved potentially from being disadvantaged or penalized as a result of a complaint.**

- Confirmed

**Describe what precautions have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.**

We ensure that all reports made to the Chief Compliance Officer or the respective compliance contacts are treated with the utmost confidentiality. As long as the confidentiality of the report does not constitute a violation of applicable laws – and we are therefore not obliged to involve the country's law enforcement authorities - all reports can remain anonymous. At the same time, the persons named are expressly kept and maintained confidential.

According to the appointment certificate of the Chief Compliance Officer, this position is released from the obligation to comply with instructions in appropriate cases and is not subject to any obligation to disclose personal identity.

In addition, the "Agreements on the appointment of a Regional/Local Compliance Manager" stipulate that each compliance manager entrusted with the complaints procedure must act impartially, independently and without instructions and is obliged to maintain confidentiality.

**Describe what precautions have been taken, in particular what other measures are in place to protect whistleblowers.**

Protection of the whistleblower is clearly set out and guaranteed in the Whistleblower Policy. A whistleblower and anyone who assists them in making a report are protected from disciplinary action, even if the allegations prove to be unfounded. All reports made under the Whistleblower Policy therefore protect the whistleblowers from any form of retaliation. Retaliation includes, for example, discrimination, harassment or revenge in any form.

## D. Complaints

### D3. Implementation of the complaints procedure

**Did you receive any information about the complaints procedure during the reporting period?**

- Yes

**Provide details on the number, content, duration and outcome of the procedures.**

A total of two complaints were received during the reporting period through the complaints procedure that are relevant to the LkSG.

One of the two complaints concerned workplace bullying. After several discussions between the person concerned and the accused, the bullying was stopped.

The other case concerned sexual harassment in the workplace by an external employee. The person accused was ultimately terminated as a consequence of the complaint.

**On which topics have complaints been received?**

- Other human rights risks: Bullying and sexual harassment

**Describe what conclusions were drawn from the complaints/indications received and to what extent these findings led to adjustments in risk management.**

Awareness-raising measures have been initiated, including refreshing training measures. Management also distributed a statement to employees.

## E. Review of risk management

**Is there a process to review risk management across the board for its appropriateness and effectiveness?**

**In which of the following areas of risk management is the appropriateness and effectiveness reviewed?**

- Resources & Expertise
- None

**Describe how this audit is carried out for the respective area and what results it has led to - especially with regard to the prioritized risks**

In the area of resources, the new online platform for supplier management was used by employees and its effectiveness was tested. It turned out that the online platform for carrying out the risk analysis still requires improvements. A specific gap assessment was carried out and improvements were requested.

**Give reasons for your answer.**

In this reporting period, we prepared to respond to the LkSG. The risk analysis was started but not completed and because of that risk preventive measures were not fully implemented.



## E. Review of risk management

**Are there processes or measures in place to ensure that the interests of your employees, employees within your supply chains and those who may otherwise be directly affected by the economic activities of your company or by the economic activities of a company in your supply chains in a protected legal position are adequately taken into account when setting up and implementing risk management?**

**In which areas of risk management are there processes or measures in place to take into account the interests of those potentially affected?**

- Remedial measures
- Complaints procedure

**Describe the processes and measures for the respective area of risk management.**

For the remedial measures, we communicated with the whistleblowers and other relevant parties and found the best solution together.

For the complaints procedure, we tested each channel of the system before it was introduced and sought the opinion of several employees. The complaints procedure offers various channels that a whistleblower can choose from.