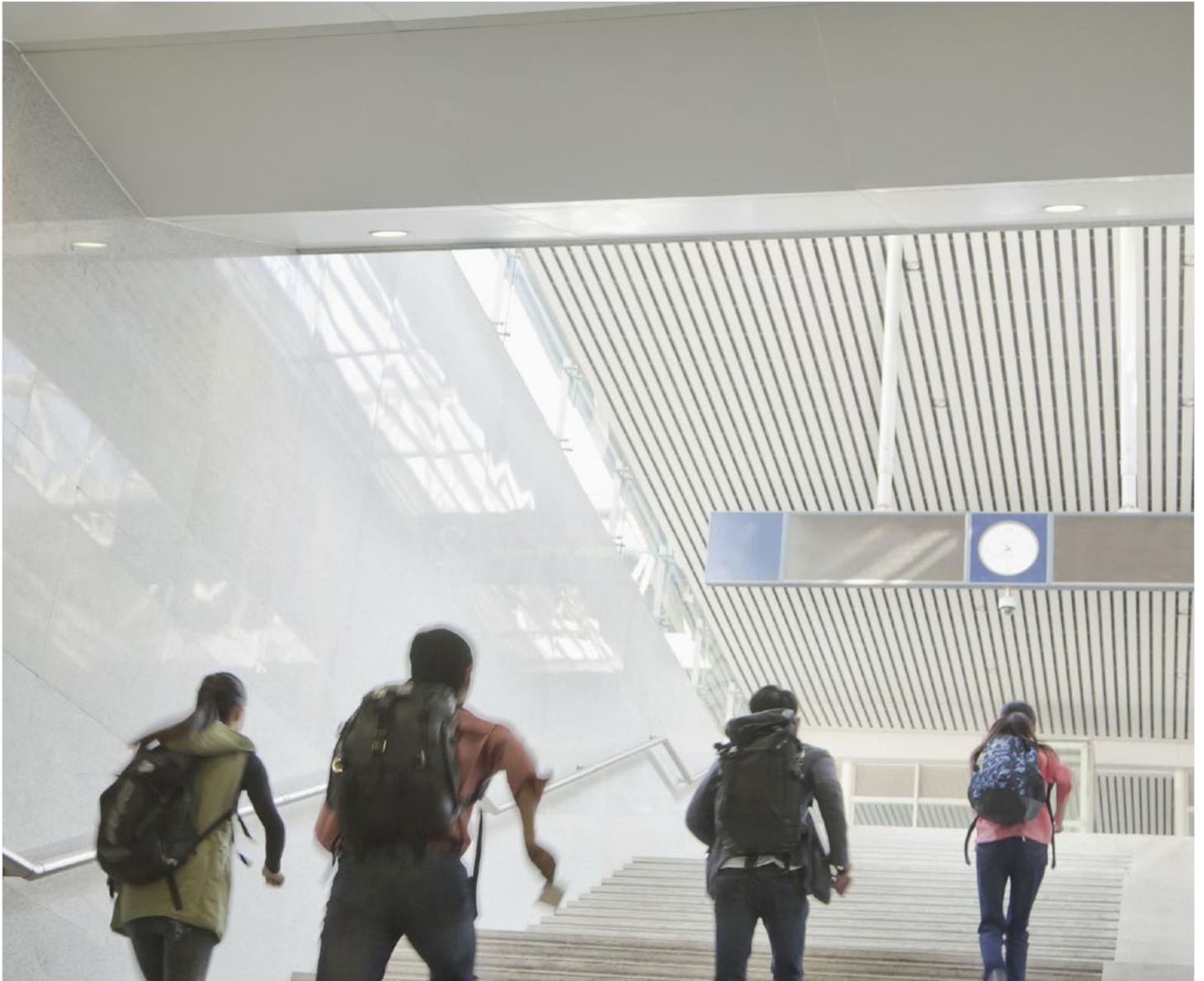


Stories of Change

Accelerating action towards a sustainable future



2021 was a significant year for climate change. The message from this summer's Intergovernmental Panel on Climate Change's Sixth Assessment Report (AR6) was clear: 1.5°C of warming will be reached by 2040 in all scenarios. Without transformational, urgent and collaborative change across the world, we will be subject to the most extreme climate impacts.

While COP26 kept the prospect of limiting warming to 1.5°C alive, it by no means guarantees it. There is still a considerable way to go if we are to have any chance of halving emissions by 2030 and reaching net-zero by 2050.

Now is the time that companies must proceed to action and implementation. By highlighting examples of leading practice, we hope to help other companies understand the tools that exist to support their climate journey, and to start taking action to reduce their environmental impacts.

Ambition: Businesses are responding to the challenge and have been making their own 1.5 aligned commitments. More than 1,000 companies joined the Business Ambition for 1.5 Campaign before COP26, up from just 28 companies in 2019. This year's Stories of Change features nine of these companies: **Avery Dennison, Emitwise, Firmenich, L'Oréal, Moody's, Nomura Research Institute, NTT DATA, Sopra Steria** and **TK Elevator**.

Using data and technology to drive action: One of the key themes coming from COP26 was that there remains a need for greater transparency, tracking and accountability mechanisms that ensure countries deliver on their promises, which includes companies. Quite simply, what is measured can be managed. However, the process of measuring can bring about opportunities to take action. More and more, we're seeing technology playing an even greater role in supporting this process. For instance, **Emitwise** has paired technological innovation with carbon accounting experts to better enable companies to understand their footprint and take action, and **TK Elevator** are using cloud technology to optimize maintenance logistics and extend the service life of their elevators by approximately 30%.

Sopra Steria embraces technology for Sustainability by using digital solutions as an accelerator to address climate change and as a source of opportunity to develop innovative solutions for clients. Technology brings both threats and opportunities. **NTT DATA** is working to develop methods and global standards for software development, systems integration and operation, which enables software to operate with low energy consumption and maximum efficiency.

Tracking the transition: However, we need to go further, and **Climate Transition Plans** will be a

vital mechanism for corporates to demonstrate that not only have they developed a strategy to keep their business on the 1.5°C pathway, but that their business model will remain relevant and profitable in a net-zero carbon economy. **Moody's**, for instance, released their Decarbonization Plan, which was subject to a vote at their 2021 Annual Meeting of Stockholders and signalled that climate considerations and action are now an integral part of their business strategy, governance, and corporate performance.

Companies need to go beyond Scope 1 and 2. **Firmenich** has recognised the importance of tracking Scope 3 emissions from their value chain and have set ambitious science-based targets (SBTs) covering Scope 3 emissions from purchased goods and services. By working closely with key suppliers and creating a virtuous circle, **Firmenich** found that more than 80% had implemented emissions reductions projects and 67% were engaging with their own supply chain.

Nomura Research Insititute recognize they have an important role to play along with government and civil society to get the world to net zero, and they are doing this through their strength in consulting and IT solutions, supporting the transformation of society.

Nature: For the first time, this year at COP26, nature had a clear seat at the table. The interconnectedness of nature and climate change is becoming clearer to business. Companies can no longer claim to be on a robust path to net-zero whilst neglecting to tackle their deforestation impact.

Avery Dennison has linked its climate and deforestation ambitions to drive action down the supply chain. **L'Oréal** has likewise set deforestation related goals and is allocating €100 million to impact investing dedicated to ecosystem regeneration and the circular economy development.

We hope these profiles, and other examples from the organizations that disclose through CDP, will inspire and encourage other companies to embrace the urgent action needed to address the sustainability challenges we all face. The momentum today shows it is possible to fully decarbonize our economy by 2050 – or sooner – if the opportunity is fully harnessed and supported by all global economic actors.

4	Avery Dennison Manufacturing, US
6	Emitwise Technology Solutions Provider, UK
8	Firmenich Fragrance and Taste, Switzerland
10	L'Oréal Manufacturing, France
12	Moody's Integrated Risk Assessment, US
14	Nomura Research Institute Consulting and Digital Technology, Japan
16	NTT DATA Information Technology, Japan
18	Sopra Steria Information Technology, France
20	TK Elevator Global Elevator and Escalator Company, Germany

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Avery Dennison

Manufacturing, US



Paper is crucial to our business, so supporting responsible forest management was an easy decision. As for climate, every company has a stake in mitigating global warming and its effects.



Our journey to shift the industry

Leading in an environmentally and socially responsible manner is a fundamental part of Avery Dennison's business strategy. It's inherent to how we innovate, operate and engage with our employees and communities in which we operate.

Avery Dennison's path to sustainability started well before 2015, but took on greater focus that year when we first publicly announced sustainability goals. Among them was a goal to reduce absolute greenhouse gas (GHG) emissions by 3% year-on-year and at least 26% overall. Another goal was to source only certified paper, of which at least 70% would be Forest Stewardship Council®-certified (FSC). We aimed to achieve these and other goals by 2025.

Paper and climate were obvious starting places for us. Paper is crucial to our business, so supporting responsible forest management was an easy decision. As for climate, every company has a stake in mitigating global warming and its effects. And of course, deforestation contributes to climate change, so these areas are interrelated.

We've made good progress on them so far. We've already exceeded our 2025 GHG goal, cutting Scope 1 and 2 by 45%, largely through improving energy efficiency. Of the label paper we buy, 92% is certified as responsibly sourced, with 55% of that FSC-certified.

Last year, we reframed our eight original sustainability goals into three broader ones that we're working to meet by 2030. They include new science-based targets for reducing Scope 1 and 2 GHG emissions by 70% and working with our supply chain to reduce Scope 3 GHG emissions by 30%. We also announced our ambition to be net zero by 2050. Our Scope 1 and 2 targets have been approved by the Science Based Target initiative (SBTi) and our Scope 3 targets meets the SBTi's criteria for ambitious value chain goals, meaning it too is aligned with current best practice. On the paper front, we're still aiming to source a supply that is 100% certified, with a new focus to help end deforestation.

Seeking to extend the value that our solutions can create through enabling the circular economy, we also set the goal to deliver innovations that advance circularity by promoting recycling, reuse, composting, and the use of recycled materials. Keeping materials in circulation can help reduce deforestation, fossil fuel consumption, and the GHG emissions associated with extracting resources and turning them into new materials. Our innovations manifest themselves through Sustainable ADvantage, our portfolio of products and services designed to reduce carbon emissions and resource consumption. Sales of those products exceeded \$2.8 billion in 2020.

For a global company with diverse business units spanning dozens of countries, it takes an incredible amount of collaboration to align around sustainability targets that meet the needs of our customers and other stakeholders. But it absolutely can be done. For us, integrating sustainability into our culture has been a big driver. We have eight core values that guide everything we do. And sustainability is one of them. So are teamwork and external focus. Our progress on sustainability has taken a concerted effort from virtually all of our teams worldwide.

As both a solutions-provider and a buyer of materials, we sit at the nexus of many supply chains. That amplifies the difference we can make. We evaluate our suppliers based on certain environmental criteria and work with them to reduce their footprints. For our end-users, we continually develop solutions that enable them to cost effectively reduce emissions, resource consumption, and waste. We're the leader in our industry, so our taking a position on these issues has an impact. For example, by virtue of our purchasing volume, our decision to source FSC-certified paper has helped make it a more viable alternative for the entire pressure-sensitive label industry, and we continue to drive adoption, with the aim of making FSC standard.

Looking ahead, our vision is about regeneration—about contributing more to natural ecosystems than we're extracting. It's not enough to be sustainable; humanity has to repair the damage being done to our planet's natural systems. Like all of society, our company has a long way to go to get there. But as we think about how we can further shrink our carbon footprint and consider our impact on forests and water, regeneration is our new north star.

Michael Colarossi, VP, product line management, innovation and sustainability, RBIS, Avery Dennison and lead for ESG initiatives



Forests

Tips for success

- Set clear, measurable goals and report against them. This helps ensure accountability and momentum (and, increasingly, it's what your investors want to see, too.);
- Keep sustainability front-and-center by making it a business strategy. It can be a product development opportunity, a risk management strategy, a brand and reputational differentiator, and much more;
- Cultivate buy-in and engagement from everyone in your company, starting with the c-suite. Make sustainability part of your culture and values; and
- Collaborate beyond your company. Cutting emissions and conserving and restoring resources require systemic change. We engage with customers, suppliers, university researchers, and other partners to achieve our goals.

Eliminating creativity from carbon accounting

Emitwise is empowering companies and the individuals within them to take ambitious climate action that accelerates the net-zero transition. As a leading carbon accounting platform, we work with large companies, predominantly within manufacturing, to measure, report and reduce their carbon emissions. Carbon accounting is the cornerstone of any sustainability strategy. It produces emissions data that tells you what's working, what isn't, when to pivot and where to exert your company's efforts.

Carbon data also communicates a company's commitment to climate action, providing quantifiable evidence of reduction efforts and alignment with globally verified bodies such as CDP and Science Based Target initiative (SBTi).

At least, that's what complete carbon accounting does. Unfortunately, today carbon accounting can often be more creative, with some companies taking an 'à la carte' approach to emissions management, predominantly focusing on Scopes 1 and 2. Emitwise provides a set menu for complete carbon accounting tackling the measurement and accelerated reduction of emissions across operations and the entire supply chain (Scope 3). The three main byproducts of a complete approach are:

Accuracy

Companies cannot settle for inaccurate financial data; everything has to be correct and auditable. Yet, the same can't be said of their carbon data, which is a financial cost and risk to the company. Scope 3 carbon data is notoriously full of gaps, guesstimates and outdated calculations. Yet, we can't let perfection be the enemy of progress - which is why Emitwise has adopted a hybrid approach to complete carbon accounting that increases the granularity of data.

Our carbon accountants make accurate assumptions about Scope 3 emissions, based on significant experience. Our software's machine learning algorithms then refine these assumptions. Absorbing the vast complexities of labyrinth-like supply chains, these algorithms learn from every single data point. And this improves our software's ability to interpret information and accurately account for anomalies in data sets.

Pairing technological innovation with carbon accounting experts enables our customers to take ambitious climate action right now without hesitation. It's why 85% of the emissions we measure, track and target for our customers are Scope 3. Companies looking to be Paris and net-zero aligned can't do so without understanding and tackling this part of their carbon footprint.

Clarity

From accurate data comes actionable insights and a clear roadmap of activities. 1 in 4 companies we work with have set precise long term and interim reduction targets across their value chain to achieve net-zero by 2040, exceeding Paris aligned expectations.

The continual flow of an automated carbon management solution like ours means companies can remain agile in their reduction strategies, making decisions based on accurate and timely information. While working with our most climate ambitious customers, we've found that carbon is part of the daily vernacular. It's embedded into the consciousness of teams across the company, becoming a part of everyday decision-making.

Transparency

Systemic carbon reduction strategies and cross-company collaboration are vital for companies to achieve net-zero emissions within the time constraints of the climate emergency. As highlighted earlier, a lot of carbon reduction needs to occur outside the entities directly owned by a company; carbon data fuels engagement with suppliers, investors and customers alike. The radical transparency of complete carbon data minimises friction with suppliers, making the relationship less transactional and more of a partnership, by highlighting the risks and opportunities that all can benefit from acting upon.

The Emitwise approach to carbon accounting enables companies to act on emissions reduction collectively at speed and with certainty. That's how we make every day count in the fight against climate change.

Mauro Cozzi is the co-founder and CEO of Emitwise



Climate Change

Tips for success

- ▼ Lean into technology to expedite carbon management, and give your teams the insights to continually power climate action;
- ▼ Data gives you transparency, it creates a universal language that lowers roadblocks to climate progress across your company, industry, suppliers and stakeholders; and
- ▼ Complete carbon accounting enables you to ACT on climate change- giving you Accuracy, Clarity and Transparency.

From accurate data comes actionable insights and a clear roadmap of activities.

Firmenich

Fragrance and Taste, Switzerland



Pathways to Positive



Firmenich has achieved the ambitious 2020 environmental goals it set after the COP21 climate conference. The pandemic, recent climate events and COP26 decisions show we need to keep on turbocharging our leadership across the ESG spectrum. By taking our environmental commitments to the next level, we are encouraging others to be bolder for a sustainable future.”



Climate Change

Tips for success

- Act on climate now. Businesses will be held accountable and only “unprecedented changes” will allow us to limit global temperature increase to 1.5°C;
- Report transparently: not only direct, but also supply chain emissions;
- Set ambitious, measurable and validated science-based targets, and drive emissions reduction in their supply chain through a well-developed supplier engagement plan; and
- Partner with non profit organizations like CDP, RE100, UN Global Compact. Through these collaborations, organizations learn from each other’s successes and build a virtuous circle of successful, broad sustainable change.

Firmenich is one of only two companies in the world to have received a triple “A” rating from CDP, in Climate, Water and Forests 4 years in a row. We are proud that our team’s hard work on protecting the environment is driven by measurable and science-based targets. We also gained independent recognition with our ranking in the top 300 companies in the Financial Times’ first Climate Leaders Europe list.

We started our sustainability journey in 1991, signing the International Chamber of Commerce’s first sustainability charter. Since then, we have remained as committed as ever. Our new ESG ambitions cycle for 2030 proposes concrete actions to respond to the urgent need to address climate change while growing our business. We are firmly committed to achieving our vision of a zero-impact future, leading our industry towards carbon neutrality in our direct operations by 2025 and carbon positivity beyond that date. By 2030, we will have achieved absolute carbon emission reduction in line with the 1.5°C scenario. We are an early signatory of Business Ambition for 1.5°C, and have set emissions reductions in line with the Paris Agreement. Our validated science-based targets are a 55% reduction in our absolute Scope 1 and Scope 2 emissions and a 20% reduction in our Scope 3 emissions from raw materials purchased by 2030 vs. 2017.

In 2020, Firmenich reached 100% renewable electricity. An industry first, this achievement was expanded to our subsequent new acquisitions and, in 2021, all Firmenich operations, including newly acquired companies, used 100% renewable electricity. This significant milestone is supported by RE100, a global initiative of the most influential companies committed to 100% renewable power that we joined in 2019. Led by The Climate Group in partnership with CDP, RE100 stipulates strict technical criteria on what qualifies as renewable energy.

Beyond our operations, Scope 3 emissions from our value chain account for 96% of our total GHG emissions. A majority of Firmenich’s Scope 3 emissions come from purchased goods and services (category 1), business travel, employee commuting (categories 6 and 7), and outbound EG/IG transportation (category 4). We have therefore set science-based targets covering our Scope 3 emissions from purchased goods and services as well as set 2025 ambitions to reduce emissions from business travel, employee commuting, and outbound EG/IG transportation.

To reach this goal, we ask key suppliers to report their environmental data annually through the CDP platform and aim to have suppliers representing 80% of raw materials spend answer CDP and set climate change improvement plans by 2025. Primary data obtained through the CDP supply chain questionnaire brings us increased transparency and engagement in our supply chain regarding greenhouse gas (GHG) emissions and reduction targets.

In FY21, for all Firmenich suppliers reporting through CDP:

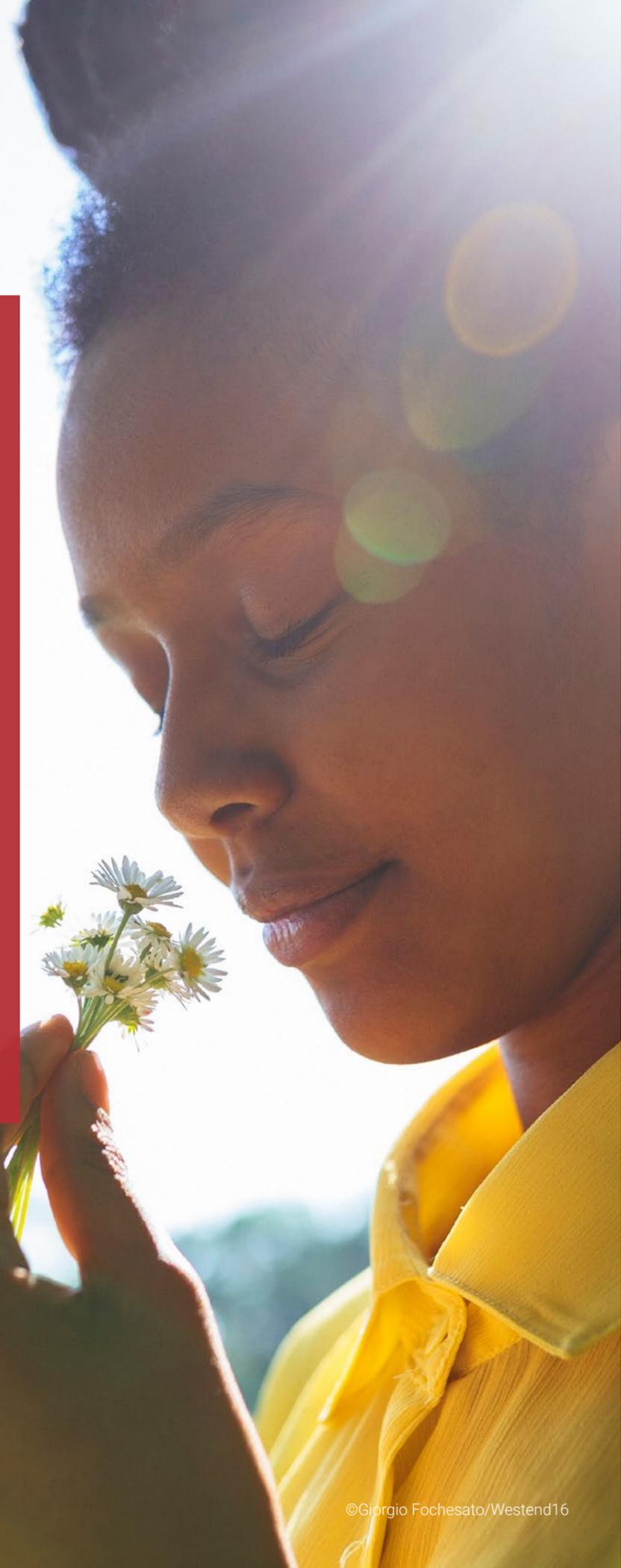
- More than 80% had implemented emission reduction projects;
- 75% reported GHG reduction targets; and
- 67% engaged their own supply chain on climate change.

In 2021, we reached the top ranking on the CDP Supplier Engagement Leaderboard. This recognition highlights our excellence in working with our suppliers to reduce environmental impact and risks across our value chain. With new, ambitious 2025 environmental goals, we will continue to engage our suppliers and work toward carbon neutrality in our operations and beyond.

Gilbert Ghostine, CEO Firmenich



The scale of our business at L'Oréal gives us the opportunity – and more so, the responsibility – to address some of the world's social and environmental challenges. At L'Oréal, we see sustainability as a 'license to operate' and we know that it will not be possible for companies to thrive in a society that is not inclusive or sustainable. This understanding is at the core of our transformation."



L'Oréal for the Future: helping build a more sustainable and inclusive future



Climate Change

L'Oréal began addressing the global environmental crisis very early on. As an industrial company, we started our transformation by tackling the environmental impact of our factories and distribution centers. By the end of 2020, we had reduced CO₂ emissions in these sites by 81% in absolute terms, compared to 2005 - exceeding our initial target of 60% - while our production volume increased by 29% in the same period.

Through our first sustainability program, launched in 2013, we formalized a list of quantifiable goals for 2020. While continuing to reduce our production footprint, we addressed our core activity: beauty product development. We completely reinvented our way of doing business: now, every time we create a new product, sustainability is considered alongside performance and profitability.

In 2020, we improved the environmental or social profile of 96% of our new or renovated products, by promoting the use of renewable raw materials that are sustainably sourced, optimizing the volume or weight of packaging and by improving the biodegradability of products, among other actions.

Sharing our growth with all our stakeholders has also been central to our vision. Through our social inclusion programs, including our Solidarity Sourcing program, we have helped 100,905 people from disadvantaged communities gain access to employment. Today, we are building on these accomplishments and working towards even more ambitious goals, to reflect the scale of the challenges that our world is facing: in June 2020, we launched our second sustainability program.

With L'Oréal for the Future, we are stepping up our internal transformation process and ensuring our activities are respectful of the 'planetary boundaries', meaning what the planet can withstand, as defined by environmental science. We have used a science-based approach to define a new list of impact reduction targets that will not only focus on our direct impact, but also tackle our indirect, extended impact, related to the activity of our suppliers and the use of our products by consumers.

On climate, our overarching 2030 objective is to reduce our greenhouse gas (GHG) emissions of all scopes by 25% in absolute terms and by 50% per finished product, compared to 2016. As members of the 'Business Ambition for 1.5°C' initiative, our target is to achieve net zero emissions by 2050. We will pursue extensive work carried out on our sites, which will help us achieve carbon neutrality by 2025.

On water, biodiversity and natural resources, our objectives notably include:

- ▶ In 2030, 100% of water used in our industrial processes will be recycled and reused in a loop;
- ▶ By 2030, 100% of biobased ingredients for formulas and materials for packaging will be traceable and come from sustainable sources, none will be linked to deforestation; and
- ▶ In 2030, 100% of plastic used in our packaging will come either from recycled or biobased sources (we will reach 50% by 2025).

With L'Oréal for the Future, we also want to take on greater responsibility and demonstrate that companies can be part of the solution to some of today's most pressing environmental and social challenges. We are allocating €100 million to impact investing dedicated to ecosystem regeneration and the circular economy development. A further €50 million has been allocated to a charitable endowment fund supporting vulnerable women.

The scale of our business gives us the opportunity – and more so, the responsibility – to address some of the world's social and environmental challenges. At L'Oréal, we see sustainability as a 'license to operate' and we know that it will not be possible for companies to thrive in a society that is not inclusive or sustainable. This understanding is at the core of our transformation. We have made significant progress, but we don't stop here.

Nicolas Hieronimus, Chief Executive Officer of L'Oréal



We have taken significant steps since 2019 to understand and mitigate our climate risks, seize the opportunities, and evolve our strategy to advance climate action through our corporate commitments, rigorous reporting and disclosures, and innovative products and solutions.



Connecting climate action to business purpose



Climate Change

Sustainability is integral to our work at Moody's. As an integrated risk assessment firm, our mission is to provide trusted insights and standards that help decision makers act with confidence. Climate considerations have become increasingly important to our business and stakeholders. We have taken significant steps since 2019 to understand and mitigate our climate risks, seize the opportunities, and evolve our strategy to advance climate action through our corporate commitments, rigorous reporting and disclosures, and innovative products and solutions.

With direct involvement from our senior leadership team, we prioritized the resources needed to accelerate our climate strategy and corporate leadership. This was further demonstrated by our commitment to the 'Business Ambition for 1.5°C' and the introduction of sustainability related metrics into compensation programs. For example, in 2020 we made the decision to tie a portion of the Chief Financial Officer's compensation to our initial climate goals, which included: a commitment to establishing science-based targets; an evaluation of all relevant Scope 3 emissions; and an attainment of third-party verification of emissions. We proudly accomplished these goals and further conducted a scenario analysis to identify the Company's climate risks and opportunities over short, medium, and long-term horizons.

Tips for success

- ▼ Progress over perfection. Begin with steps that will establish a strong foundation and consider a continuous improvement mindset;
- ▼ Engage your stakeholders and develop a strategy that connects your climate activities to your business purpose, considers both risks and opportunities, and drives impact beyond your organization;
- ▼ Establish a corporate decarbonization plan that lays out a credible pathway to achieve your interim targets; and
- ▼ Develop internal capabilities that will provide a robust data infrastructure and publicly disclose your climate progress.

These efforts resulted in the release of our [Decarbonization Plan](#) in 2020, which outlines tangible strategies for realizing our climate ambitions. The plan was subject to a vote at our 2021 Annual Meeting of Stockholders and signaled that climate considerations and action are now an integral part of our business strategy, governance, and corporate performance. We continue to build on these targets and recently [accelerated](#) our net-zero emissions target by ten years to 2040. In addition, we are taking several steps to advance our climate targets by procuring 100% renewable electricity for our global operations, implementing internal carbon pricing on business travel and new office space, and elevating our supplier engagement program. Beyond these efforts, we offset emissions back to the year 2000, when Moody's became a public company, through certified carbon offsets. These offsets are part of our financial contribution toward the transition to a low carbon economy.

Stakeholders also expect accurate measurements and reporting on our climate progress. We are committed to transparency and accountability which is demonstrated through our portfolio of ESG - and climate-related [reports and policies](#). We are one of the first financial firms to endorse and [report](#) based on recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), and we published our first annual [Sustainability Report](#) to provide our stakeholders with an overview of the material progress we have made on our climate goals and other sustainability areas.

Furthermore, climate is an integral part of our business strategy to address transition risk and opportunities in our products and services. To that end, we are upgrading our technology infrastructure to provide our analysts and researchers with streamlined access to consistent and high-quality ESG and climate insights, thereby enabling them to seamlessly integrate climate considerations into Moody's products and solutions for the benefit of our customers and the capital markets at large.

Moody's will continue to work to embed responsible, sustainable decision-making into everything we do. We are committed to creating long-term impact and endeavoring to ensure that our business, markets, and global communities become more inclusive, sustainable, and resilient.

Mark Kaye, Chief Financial Officer, Moody's

Nomura Research Institute

Consulting and Digital Technology, Japan



To solve the challenges faced by business and societies, NRI is working to transform corporate and social paradigms through our consulting and IT solution functions.



Climate Change

Tips for success

- ▶ Launch a dedicated cross-organizational committee and conduct activities to instill corporate sustainability philosophy in all employees, encouraging the fostering of empathy for people and planet;
- ▶ Actively engage in initiatives that create a positive impact such as RE100, SBTi, TCFD, and other climate-related themes. Collect information internally, and understand how your own activities affect climate and the environment;
- ▶ Reduce GHG emissions throughout your supply chain by building strong cooperative relationships through continuous dialog with related stakeholders, such as partner companies and suppliers; and
- ▶ As the fabric of society changes, harness digital transformation to help solve social issues and change paradigms.

Realizing a Sustainable Future Through the Power of Consulting and Digital Technology

Nomura Research Institute (NRI) was established in 1965 as Japan's first comprehensive private-sector think tank. Today, with companies and governments as clients, we provide wide, comprehensive services, from consulting to IT solutions, to solve issues.

Our main businesses are: Consulting - formulating business and information system strategies and providing implementation support. Financial IT Solutions - providing system consulting, system development, and system management solutions, shared online services, and BPO services to clients in finance. Industrial IT Solutions - providing system consulting, system development, and system management solutions to clients mainly for distribution and manufacturing, service and public sectors. IT Platform Services - building IT infrastructures and networks, providing cloud and other services, and operating and managing data centers. The shared online service for IT is one of our major businesses used by about 70% of securities firms in Japan. Now a standard business platform for the industry, it supports Japan's social infrastructure in various aspects.

NRI's corporate philosophy, "Dream up the future," contains our mission: "Discern new social paradigms and implement them," and "Build client trust and establish relationships for mutual growth." Within the corporate philosophy is the belief that solving business and social issues through innovation leads to the sustainable enhancement of our corporate values. Since the Company's founding, NRI employees have continued to contribute to the sustainable development of society.

Promotion of Sustainability Management, which enables NRI's sustainable growth and the creation of a sustainable future society, was expressed in the Medium-Term Management Plan of 2019. We aim to become indispensable to society by having internal experts in technology, the economy/economics, and other fields engage in solving social and environmental issues while collaborating with outside personnel and organizations.

Toward decarbonization, we saw a need to adopt renewable energy due to the large amounts of electricity consumed by our data centers, and in 2019, we joined the RE100 Initiative. Of the electricity consumed by our data centers, our plan is to replace 70% with Renewable Energy by 2030, and 100% by 2050. We are currently looking to achieve this ahead of time.

In 2020, we signed the Business Ambition for 1.5°C pledge, establishing the target of a 72% reduction in greenhouse gas (GHG) emissions by 2030 from a 2013 base-year. This was certified by the Science Based Target initiative (SBTi) as a 1.5°C target. We believe it is important that the whole supply chain takes measures to address climate change. To build a cooperative framework for promoting sustainability with our whole supply chain, we hold an annual event for business partners on NRI's environmental initiatives, where we exchange opinions.

Additionally, to incorporate medium- to long-term climate-related risks and opportunities into our business strategy, in 2018 NRI endorsed TCFD recommendations. With internal experts, we are conducting scenario analysis to reflect them in our business strategy.

With progress in IoT and AI technologies, there is concern that there will be a future increase in CO2 emissions through the increased use of IT devices. Meanwhile, digital technologies may also play a significant role in solving the challenges faced by businesses and societies. We will leverage our strengths and expertise in both consulting and IT solutions to address these challenges. NRI will use technologies and actualize transformation by comprehensively supporting clients, from the development of strategies to the implementation of solutions. NRI defines the digital transformation (DX) for transforming social paradigms and solving various social issues through digital technologies as DX 3.0. In particular, important topics for DX3.0 to address are "Carbon neutrality," "Circular economy," and "Food value chain," all of which have gained attention in recent years.

To date, various social issues, including climate change, deforestation, and human rights abuses, have been brought about through corporate business activities and changes in society. Conventionally, the consensus was that such issues should be dealt with by government and civil society. This is starting to change to "companies should also take responsibility for solving problems." Companies need to maintain a balance between improving their performance and public interest. Companies need to earn their place in society. To do this, not only does a company need to transform itself, it also needs to participate in and support the transformation of social paradigms. NRI will realize the transformation of social paradigms (DX 3.0) through its strengths in consulting and IT solutions.

Takeshi Hihara, Senior Managing Director and Chief Sustainability Officer

NTT DATA Corporation

Information Technology, Japan



Climate Change

Climate Change is a globally shared challenge. We must transform a variety of systems and practices together in order to achieve carbon neutrality. This will require people and organizations all over the world to be connected and co-create by leveraging digital technology.

By providing social infrastructure IT services across the world, NTT DATA aspires to shape a new sustainable society with you.

Creating a Sustainable Society by Leveraging Digital Technology

NTT DATA is a leading global IT services provider, operating in 208 cities across 55 countries with approximately 140,000 professionals, providing IT services to various organizations and businesses. Our mission is to build long-term relationships with clients, to do this we strive towards carbon neutrality in collaboration with them and a wide range of partners and colleagues across the globe.

NTT DATA aims to achieve carbon neutrality by or before 2040. We set science based targets aiming to decarbonize 60% by 2030 compared to 2016. We are also part of initiatives including 'Business Ambition for 1.5°C', CDP Supply Chain Program, and Green Software Foundation. We aspire to play a leading role in reaching global carbon neutrality.

NTT DATA provides IT services to support mission-critical social infrastructure for governments, financial institutions, and telecommunications, as well as diverse IT services to support clients. Extreme weather caused by climate change has the potential to disrupt social systems and business activities. Tackling climate change is an essential action for us to help clients and society, and we believe that our efforts in helping society to be smarter through IT will help out clients. NTT DATA recognizes that climate change is a global issue, and to tackle it transformation of social structures will be required. We offer consulting services to clients to cope with climate change, and decarbonize strategies to achieve carbon neutrality, so we contribute to global society by leveraging our IT services.

To successfully provide IT services, collaboration with suppliers is vital. To help drive forward decarbonization, we joined the CDP Supply Chain Program in April 2020, and we are continuously working to improve our approach and communications to increase supplier engagement in carbon neutrality. To accelerate our activities to tackle climate change, we established the Green Innovation Office in October 2021. The initial goals are to develop technology for green innovation, create global standards, and strengthen global one-stop green business and solutions.

As part of NTT Group, a leading global information and communication technology group, NTT DATA is promoting IOWN, "Innovative Optical and Wireless Network" concept. IOWN is the next generation integrated infrastructure for telecommunication and computing, enabled by photoelectric fusion technologies. Its advantages compared to existing infrastructure, include low energy consumption, as well as high capacity and low latency, and thus it will contribute to reduced energy consumption.

We are also working on saving energy in our data centers including equipment. Green data center has earned a LEED gold certification and uses cooling systems using outside air, solar power, AI and IoT to achieve maximum energy efficiency.

To drive forward the carbon neutrality of IT services, we joined the non-profit foundation, Green Software Foundation, as a steering committee member in September 2021. We are engaged in developing methods and global standards for software development, system integration and operation, which enables software to operate with low energy consumption and maximum efficiency.

Toshi Fujiwara, Representative Director and Senior Executive Vice President

Tips for success

- ▼ Set ambitious long-term commitments and align them with your business strategy;
- ▼ Consider risks and opportunities based on the latest climate change information. It is especially important to consider risks and opportunities for clients;
- ▼ Collaborate with stakeholders including clients, suppliers, employees, and others related to shared goals, and develop joint activities; and
- ▼ Develop cutting-edge green technology to decarbonize your own business activities.

Sopra Steria Group

Information Technology, France

Sopra Steria has transformed itself to lead in the battle against climate change, by engaging its people, suppliers and clients.



Climate Change



Tips for success

- Embed sustainability at board level and integrate it into your business strategy;
- Set ambitious, science-based targets to limit the rise in global temperatures to 1.5°C;
- Engage your employees as environmental ambassadors supporting the objectives and implementing the programmes that deliver the strategy across the organisation;
- Be transparent in your reporting of risks, opportunities and performance against targets – have figures independently audited and report them; and
- Engage your value chain, especially suppliers and clients; collaborate with them to develop innovative solutions to climate change; design and co-construct sustainability into your business ecosystem.

We have recently joined the European Climate Pact, a European Commission initiative bringing citizens and organisations together to achieve a climate-neutral Europe. We joined to share our transition journey and collaborate with other stakeholders towards our environmental targets. Joining the Pact means making a pledge to concrete climate and environmental action. Our CDP disclosure allows us to fully track progress against our sustainability strategy and streamline our European Climate Pact reporting.

The world is how we shape it!

Sopra Steria, a European leader in consulting, digital services and software development, helps its clients drive their digital transformations. The urgency of the action required to mitigate climate change demands transformation in all businesses and organisations. It has driven transformation in Sopra Steria.

In 2020, Sopra Steria made an ambitious commitment to reaching Net Zero emissions by 2028 as part of the United Nation's Climate Neutral Now programme. It based this commitment on the tangible results of the decarbonization programme that it started over ten years ago; it mobilised its stakeholders and built resilience into its value chain while continuing to deliver to its clients.

Sopra Steria Group's CEO, Vincent Paris, has made sure that action to protect the climate and the environment has been at the heart of Sopra Steria's strategy for many years. It has given us the ability to anticipate requirements and take initiatives to address them that has made us a corporate leader in the fight against climate change.

For example, in 2017, Sopra Steria became the first technology services company to have the Science Based Targets initiative (SBTi) validate its long-term, group-wide emissions reduction targets, which were consistent with the reductions in emissions required to keep global warming well below 2°C - the goal of the Paris Agreement. In 2019, the SBTi validated the new and tougher targets that we had set ourselves, which were consistent with keeping global warming below 1.5°C.

Our commitment to Net Zero emissions by 2028 is another sign of our leadership in climate action, not only by being far ahead of the UN's target but also in the support that we have given to the SBTi by "road-testing" the inaugural Net Zero standard in autumn 2021.

Sopra Steria's environmental programme has three priorities:

- Become Net Zero by extending the UN Climate Neutral Now programme from its offices, data centres and business travel to all other sources of emissions in its value chain;
- Invest in digital infrastructure and technologies aligned to its sustainability objectives, applying eco-design principles and assessing the value of new services against environmental costs (Sustainability for Digital); and
- Use digital solutions and new technologies to develop innovative solutions addressing climate change (Digital for Sustainability).

Sopra Steria has already reduced emissions from its offices and on-site data centres per employee by 76% since 2015. We have also reduced business travel emissions per employee by 72.5% in those 6 years. We have also raised the proportion of renewables in the electricity that we consume on-site world-wide from 20% to 95% in that time.

Its continued solid performance has earned Sopra Steria a place in CDP's "Climate A list" - the highest level - for the past five years. Sopra Steria has also maintained the Platinum level in Ecovadis's Sustainability benchmark for the second year running, putting it amongst the top 1% most outstanding companies in sustainability management.

To reach Net Zero by 2028, we will accelerate our environmental programme, especially by reducing the environmental footprint of our workspaces by rethinking them and by reducing business travel further by using collaborative tools routinely, throughout our value chain. We will continue to invest in carbon removal offsets such as afforestation and, where possible, carbon capture technology.

Sopra Steria's commitment to climate action and the environment is part of the Group's desire to make digital technology an accelerator and a source of opportunity and progress for all.

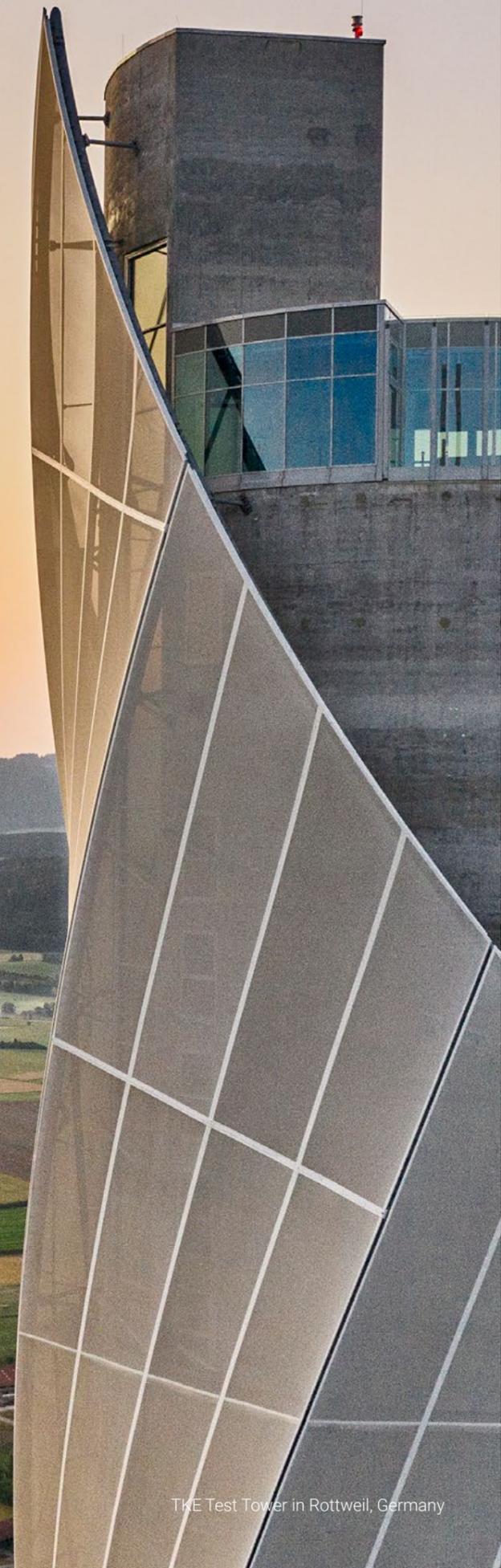
Vincent Paris, Group CEO

TK Elevator

Global Elevator and Escalator Company, Germany



At TK Elevator, ESG and business targets go hand-in-hand to drive value creation. We are striving to become a better company by contributing to sustainable mobility.



TKE Test Tower in Rottweil, Germany



Climate Change



Embracing the Opportunity to drive Sustainability as an Elevator Pure Play

TK Elevator focuses on engineering solutions and services that move the world. With customers in over 100 countries, served by 50,000 employees in over 1,000 locations across the globe, we are one of the world's leading elevator companies. Our portfolio covers a wide range of products, from commodity elevators to cutting-edge, highly customized solutions for state-of-the-art skyscrapers, as well as increasingly important digital offerings, such as our smart maintenance solution MAX and our innovative customer interface and dispatch system AGILE.

Prior to our carve-out from thyssenkrupp Group, sustainability was already deeply rooted within TK Elevator's corporate DNA and we had achieved notable results. For example, from 2015 to 2019 we reduced our Scope 1 and 2 emissions by 10% and had already established robust reporting processes for environmental, social and corporate governance (ESG) metrics.

When starting our journey as a stand-alone company in August 2020, we recognized this as a unique opportunity to gain additional momentum in further developing and executing our ESG strategy by tailoring it to an independent elevator company and making it even more meaningful. Sustainability is receiving an increasingly strong push from all levels within the organization and is driven by high commitment across all our top-level leadership: Peter Walker, CEO of TK Elevator, emphasizes: "I am deeply convinced that ESG and business targets go hand-in-hand to drive value creation at TK Elevator. ESG is in the hearts and minds of our people – striving to become a better company by contributing to sustainable mobility."

This conviction also drives our continuing commitment towards climate action: In May 2021, TK Elevator joined the *'Business Ambition for 1.5°C'* campaign and committed to reach net-zero global emissions no later than 2050. We are continuously working towards reducing greenhouse gas emissions, both in our own operations (Scope 1 and 2) as well as in our supply and value chain (Scope 3). As part of this, TK Elevator has set a target to source 100% renewable electricity across global operations by 2030 – our manufacturing facilities in China, India, Spain, Germany and Brazil already achieved this goal in 2021.

To further reduce our Scope 1 and 2 emissions, one major focus is on our most important business line, the service business, which is represented by over 24,000 service technicians worldwide. We are working intensively to reduce the fuel consumption from our fleet of vehicles and to change it to electric operation. VIEW, our operational ERP system, and MAX, our innovative cloud-based maintenance platform, help us to optimize maintenance logistics and extend the service life of our elevators by approximately 30%. Both reduce our service technicians' mileage, which again helps lower emissions.

Additionally, maximizing energy and resource efficiency is a top priority in our product development: Our break-through TWIN elevator system, with two cars moving independently on top of each other in a single shaft, requires less space than traditional elevators and thereby reduces overall embodied carbon. So will MULTI, the world's first rope-free elevator that moves cars both vertically and horizontally, while our innovative AGILE family of digital elevator enhancers enables more efficient and increased use of available elevator capacity driving down energy and resource consumption.

We were delighted and motivated by CDP assigning us to their A-List only five months after we became a stand-alone company and announced our long-term climate targets. As a next step, we are currently revising our targets to align them with the Science Based Targets initiative (SBTi). In line with our Net Zero Ambition, we plan to set near-term science-based targets consistent with reductions required to keep global warming to 1.5°C and in line with the Paris Agreement goals.

It is our clear ambition to continually contribute to sustainable mobility, driving engineering solutions and services that move the world.

Peter Walker, CEO, TK Elevator

Tips for success

- ▼ **Embrace unique momentum**
Utilize the push and energy from major changes in your organization to review your ESG strategy and accelerate execution;
- ▼ **Ensure board-level commitment**
Your CEO and all board members should take direct ownership of sustainability, with a dedicated ESG function directly reporting to the CEO;
- ▼ **Support local initiatives to help your organization grow**
Promote collaboration and share best practices to draw benefit from initiatives developed by employees at every organizational level; and
- ▼ **Continuously challenge and develop climate change action plans**
Build a close dialogue and relationship with organizations like CDP and UN Global Compact to receive their guidance to improve your sustainability efforts. Review your targets and initiatives on a regular basis.

We have recently joined the European Climate Pact, a European Commission initiative bringing citizens and organisations together to achieve a climate-neutral Europe. We joined to share our transition journey and collaborate with other stakeholders towards our environmental targets. Joining the Pact means making a pledge to concrete climate and environmental action. Our CDP disclosure allows us to fully track progress against our sustainability strategy and streamline our European Climate Pact reporting.

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If you're interested in sponsoring this report next year, please contact Georgia.ingham@cdp.net. And if you'd like to learn more about how CDP's supply chain program could help you engage your suppliers on environmental issues as it has done for some of the companies featured in this report, please contact supply.chain@cdp.net