



LRQA Independent Assurance Statement

Relating to NTT Ltd Group Services United Kingdom Limited's GHG Emissions Assertion, for April 1, 2023 - March 31, 2024.

This Assurance Statement has been prepared for NTT Ltd Group Services United Kingdom Limited in accordance with our contract.

Terms of Engagement

LRQA was commissioned by NTT Ltd Group Services United Kingdom Limited (NTT) to provide independent assurance of its greenhouse gas (GHG) emissions inventory (GHG Assertion) for the financial year April 1, 2023 to March 31, 2024, against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using ISO 14064 - Part 3 for greenhouse gas emissions.

Our assurance engagement covered NTT's global operations and activities and specifically the following requirements:

- Verifying conformance with:
 - NTT's global emission reporting methodologies for the selected datasets.
 - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data¹.
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - Stationary combustion, mobile combustion and air conditioning refrigerant losses - Direct (Scope 1)
 - Purchased electricity and District heating, cooling and steam - Energy Indirect (Scope 2)
 - Other Indirect (Scope 3) GHG emissions verified by LRQA only include:
 - Category 1 - Purchased goods and services emissions
 - Category 2 - Capital goods
 - Category 3 - Fuel and energy related activities (not included in scope 1 and 2)
 - Category 4 - Upstream transportation and distribution
 - Category 6 - Business travel
 - Category 7 - Employee commuting
 - Category 11 - Use of sold products
 - Category 12 - End-of-Life treatment of sold products
 - Category 13 - Downstream leased assets
 - Category 15 - Investments
 - Category 5- Waste generated in operations and Category 9- Downstream transportation and distribution were reported under Cat 1 and Cat 4 respectively.

Our assurance engagement excluded the following data and information:

- Offices and facilities that have been closed or non-operational after April 1, 2023
- Scope 3 Categories such as Category 8- Upstream leased assets, Category 10 – Processing of sold products and Category 14- Franchises, were excluded as they are not applicable to NTT.

¹ <http://www.ghgprotocol.org/>



LRQA's responsibility is only to NTT. LRQA disclaims any liability or responsibility to others as explained in the end footnote. NTT's responsibility is for collecting, aggregating, analysing, and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of NTT.

LRQA's Opinion

Based on LRQA's approach, except for the effect of the matters described in the Basis for Qualified Opinion, nothing has come to our attention that would cause us to believe that NTT has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance² and at the materiality of the professional judgement of the verifier.

Basis for Qualified Opinion

NTT have updated their methodology for the 2023 financial year and have changed to a financial control based reporting model for all scopes, from the previously used operational control model, which was in place for financial year 2022-2023 and the base year of 2021-2022. The organisation has not recalculated the data for these years using the financial control approach, as required to ensure consistency, comparability and transparency.

² The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Table 1. . Summary of NTT’s GHG Emissions for April 1, 2023- March 31, 2024

Scope of GHG emissions	Tonnes CO₂e
Scope 1 GHG emissions	27,215
Scope 2 GHG emissions (Location-based)	501,485
Scope 2 GHG emissions (Market-based)	246,247
Scope 3 GHG emissions Category 1- Purchased Goods & Services	1,426,342
Scope 3 GHG emissions Category 2- Capital Goods	413,388
Scope 3 GHG emissions Category 3-Fuel and energy related activities (not included in scope 1 and 2)	423,825
Scope 3 GHG emissions Category 4- Upstream transportation and distribution	6,797
Scope 3 GHG emissions Category 6- Business Travel	28,048
Scope 3 GHG emissions Category 7- Employee Commuting	27,050
Scope 3 GHG emissions Category 11-Use of Sold Products	220,388
Scope 3 GHG emissions Category 12- End-of-Life treatment of Sold products	41,263
Scope 3 GHG emissions Category 13- Downstream leased assets	1,016,095
Scope 3 GHG emissions Category 15 - Investments	3,053
Total Scope 3 emissions	3,606,247
Total GHG emissions (Location-based)	4,134,947
Total GHG emissions (Market-based)	3,879,709
Note 1: Scope 2, Location-based and Scope 2, Market-based are defined in the WRI/WBCSD GHG Protocol Scope 2 Guidance, 2015	



At the request of NTT, the following energy data table, which was verified as part of the activity data for the GHG emissions reported above, has also been included in this assurance statement.

Consumed Energy Sources	MWh
Consumption of fuel from non-renewable sources	71,703
Consumption of fuel from renewable sources	35
Consumption of purchased/acquired cooling from non-renewable sources	611
Consumption of purchased/acquired electricity from non-renewable sources	540,083
Consumption of purchased/acquired electricity from renewable sources	518,512
Consumption of purchased/acquired heat from non-renewable sources	813
Consumption of purchased/acquired steam from non-renewable sources	153
Consumption of self-generated non-renewable energy	27
Total energy consumption from renewable sources	518,574
Total energy consumption from non-renewable sources	613,363
Total of all energy sources	1,131,937

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Reviewing NTT's GHG emissions methodology and basis of reporting.
- Interviewing relevant employees of the organization responsible for managing GHG emissions data and inventory preparation.
- Verifying historical GHG emissions data and records at an aggregated level for the reporting period April 1, 2022 - March 31, 2023.
- Sampling GHG activity data submissions and inventory calculations for the reporting period FY23.
- Verifying emission factors used with the source reference and confirming their appropriateness.
- Verifying underlying calculations and formulae for GHG reporting.
- Assessing NTT's data management systems to confirm they are designed to prevent significant errors, omissions, or misstatements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions, and systems, including those for internal quality control.



Observations

Further observations and findings, made during the assurance engagement, are:

- It would be useful for NTT to prepare a group level total GHG table, this will be beneficial by aiding in carrying out internal checks and will help ensure the correct information/inventory is submitted for verification.
- The transparency of the methodology requires improvement with regard to how data has been sourced for each subcategory and the application of market based or location-based emission factors.
- The commuting survey was undertaken in only one territory and then scaled up to the rest of the world. Commuting habits and vehicle types do vary considerably, it would therefore be prudent to undertake surveys in other territories in order to gain a more complete picture.
- Evidence files have been observed to be unstable and resulted in data loss. The company should explore opportunities to streamline the reporting process or utilise software capable of handling the data quantity.
- The completeness of the evidence pack records retained could be improved to facilitate verification.
- Where intermediate calculation sheets are used, ensure these are maintained alongside invoices.
- To improve accuracy, make changes to the unit conversion and reporting methodologies and ensure a standardised approach is taken across all scopes.
- Where apportioning calculations are undertaken retain evidence of such calculations for verification.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification assessment is the only work undertaken by LRQA for NTT and as such does not compromise our independence or impartiality.

Signed

Dated: 12 June 2024

A handwritten signature in black ink, appearing to read 'AP', is written over a faint horizontal line.

Alexander Peirce
LRQA Lead Verifier
On behalf of LRQA Ltd
1 Trinity Park, Bickenhill Lane, Birmingham, UK.
LRQA reference: LRQ00005180

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