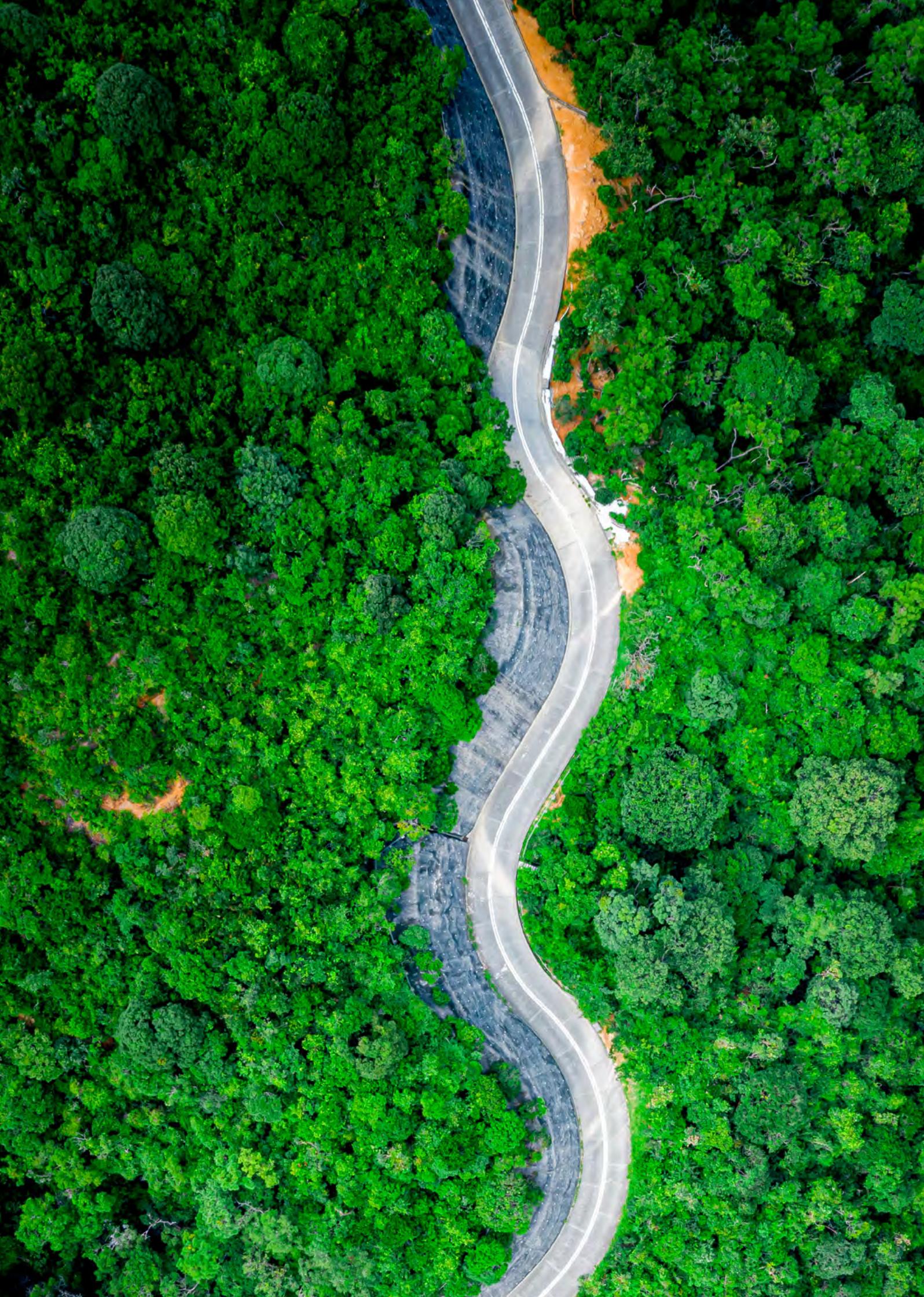


# Stories of Change 2022

Accelerating action towards a sustainable future

December 2022





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# Introduction

**2022 will be remembered as the year in which the IPCC announced that “it’s now or never if we want to limit global warming to 1.5°C”. In a year where extreme weather events across the globe competed for headlines with stark findings such as a 69% loss in wildlife since 1970, the need for decisive climate action has never been more pressing.**

COP27 further stressed the approaching ‘tipping point’, and placed a focus on addressing climate impact, reallocating capital to fund climate adaptation and preserving natural ecosystems in tandem – with companies playing a vital role every step of the way.

In 2022, over 18,700 companies disclosed their climate, water, and forests impact through CDP - representing half of global market capitalization and a remarkable

42% increase from 2021. This growth demonstrates the impact companies can make if they respond to climate change and nature loss with the urgency required. *Stories of Change* is an opportunity for us to highlight some of those companies that are leading the way in environmental best practice, whilst demonstrating the tools available to support companies on their climate journeys and the steps required to reduce their environmental impact.

## Scaling climate ambition

Integrated risk assessment firm **Moody’s** have set an ambitious target to reach net-zero emissions by 2040, a decade earlier than the Paris Agreement goals. In 2022, the company established an objective of 90% reduction of Scope 1, 2 and 3 emissions and made progress towards these targets by revising its Supplier Code of Conduct and training sourcing managers to support suppliers’ climate action.

Information technology firm, **Sopra Steria**, have committed to scaling climate action by integrating it into its financing. In April 2022, the firm committed to indexing its annual margin to a reduction in greenhouse gas emissions across direct operations, aligned with the Paris Agreement.

## Accelerating the transition

**Asahi Group Holdings** have also set ambitious emissions reductions targets across all three scopes, which the Group is accelerating progress towards by increasing renewable energy procurement. One example of this is a system the Group has developed to generate power from biomethane gas-powered fuel cells by removing impurities from biogases obtained from anaerobic wastewater treatment plants at breweries.

Similarly, Japan-based information technology firm, **NTT DATA**, have transitioned to using solar, wind, and biomass energy to achieve 100% carbon-free energy use at its head offices. Furthermore, the firm is constructing a “Green

Distributed Energy Information Distribution Infrastructure” to collect and share data to facilitate the stabilization of distributed energy supply, including renewable energy, as a form of social infrastructure.

In 2022, **Trane Technologies**, global manufacturer of climate solutions and services for buildings, homes and transportation, became one of the first 11 companies globally to achieve SBTi validation of its 2050 net-zero target. The company is turning targets into action through several initiatives, from the electrification of HVAC equipment to implementing innovative heat pump and thermal management technologies at its facilities.

## Recognizing the role of nature

**L'Oréal** has demonstrated progress on its targets across both climate and nature. This year, L'Oréal has continued to tackle carbon emissions and water use at various levels, both by innovating products that require

reduced water consumption, and by investing – having launched a new Circular Innovation Fund in April 2022 and continuing to invest in its biodiversity-focused Fund for Nature Regeneration.

## Exploring the support available to companies

Software solutions provider **Novisto** works closely with CDP to support companies through the disclosure process, and empowers companies to generate high-quality, auditable environmental data for use in reporting and decision-making. Providing companies with centralized data and streamlined workflows, **Novisto** significantly improves the efficiency of climate data management.

Software solutions provider **Emitwise** emphasizes the importance of treating carbon management with the same rigor as financial accounting. The company's profile explores how it has used robust climate data to

help even companies in high-emitting sectors realize notable carbon reductions.

Software solutions provider **Benchmark Digital** offers a robust enterprise-wide digital solution which provides cross-functional engagement, data tracking, and third-party assurance. This solution enabled **Trane Technologies** to connect its 2030 commitments to its operational activities, ensuring auditable and traceable data and confidence in stakeholder reporting and communication on progress toward targets, both internally and externally.

We hope Stories of Change 2022 will motivate companies across all sectors to embrace environmental action with the urgency needed to secure a sustainable future for people and planet – and highlight the transformation that is possible if all parties take decisive action on climate and nature.



# Asahi Group Holdings

Food & Beverage, Japan



**Climate change is an important social issue for the Asahi Group, and is a significant threat to business continuity. To hand down the blessings of nature to future generations, we will continue to drive progress on climate action.**



## Drive progress on climate action and hand down the "blessings of nature" to future generations

### Tips for success

- ▶ Integrate your sustainability strategy into overall business management to achieve sustainable growth and embed climate action into company key performance indicators.
- ▶ Accelerate climate action by scaling up best practices of renewable energy procurement and innovating renewable energy models across your operations.
- ▶ Assess your business impacts on risks and opportunities and use the findings to inform climate actions.
- ▶ Build partnerships with industry partners and suppliers to advance collective action towards expanding renewable energy uptake and reducing CO<sub>2</sub> emissions across your value chain.

The Asahi Group Philosophy is to “contribute to a sustainable society and respond to changing conceptions of well-being through delivering great taste and fun”. Realizing this philosophy means integrating sustainability into organizational management at all levels, holistically balancing business with social responsibility.

As a beverage brand, we rely on the “blessings of nature” such as water resources and agricultural raw materials to create our products and services. This means our business activities have a tacit impact on the environment, from water use to greenhouse gas emissions. Without responding to climate change, ensuring sustainable water resource use and preserving biodiversity, our business operations will not be sustainable.

To minimize climate impact in our business operations, we have set medium- and long-term “Asahi Carbon Zero” targets, aiming to achieve zero CO<sub>2</sub> emissions across Scope 1, 2 and 3 by 2050, and to reduce CO<sub>2</sub> emissions by 70% in Scope 1 and 2 and by 30% in Scope 3 by 2030. Our Scope 1 and 2 targets for 2030 were officially approved by the Science Based Targets initiative in line with the 1.5°C pathway. In 2020 and 2021, we further strengthened our commitments by becoming the first Japanese corporate group in the beverage industry to join RE100, signing the “Business Ambition for 1.5°C” agreement, and participating in the UN-backed global campaign, “Race to Zero”.

To turn targets into action, we are shifting to procure electricity from renewable sources. Across Europe, including Poland, Romania, Italy, and the Netherlands, seven plants manufacture products exclusively using renewable electricity. This initiative was recognized for its achievement and awarded the “Changemaker Award” in the RE100 Leadership Awards 2022. In Oceania, we are increasing renewable electricity through power purchase agreements (PPAs), brewing our mainstay beer brand “Victoria Bitter” with 100% solar electricity. In Japan, almost all plants (29 out of 33) have purchased electricity from renewable sources.

As part of Scope 3 emissions reduction efforts, we are working with various stakeholders, primarily focusing on high-impact categories such as packaging and logistics. The Group as a whole is addressing plastic pollution through the introduction of recycled PET and lightweighting our bottles, which will result in further reductions of CO<sub>2</sub> emissions in our supply chains. In addition, we are innovating new renewable energy models. For example, Asahi Group developed a system to generate power from biomethane gas-powered fuel cells by removing impurities from biogases obtained from anaerobic wastewater treatment plants at breweries.

In 2019, we followed the recommendations of the TCFD and analyzed our climate impacts across all categories of alcohol beverages, non-alcoholic beverages and food. By proactively taking measures to address identified issues, informed by impact assessments of climate-related risks and opportunities, we will continue to make our business operations more sustainable and promote dialogue with investors to enhance sustainability in our business and in the industry at large.

Climate change is an important social issue for the Asahi Group, and is a significant threat to business continuity. To hand down the blessings of nature to future generations, we will continue to drive progress on climate action.

**Atsushi Katsuki, President and CEO, Asahi Group Holdings**

# Emitwise

Software Solutions Provider, UK



The primary purpose of financial management is to ensure a company's longevity, and carbon management is just as vital for future-proofing. It stands to reason that we must approach decarbonization with the same rigor as financial management.



## Drive for decarbonization demands carbon management strategies learn from financial management

### Tips for success

- ▼ Introduce emissions KPIs to make carbon management and reductions a company-wide responsibility.
- ▼ Effectively prioritize reduction initiatives by increasing the accuracy of your carbon data and granular understanding of hotspots.
- ▼ Build emissions into your company's financial management to ensure compliance and accelerate your company's climate agenda.

Carbon comes at a cost to reputation and revenue, leaving companies significantly exposed to risk. Therefore, it's unsurprising that emissions are increasingly treated with the same regulatory rigor as corporate finances.

While the famous 'alphabet soup' of environmental regulations can be confusing - TCFD, ISSB, CSRD, SECR, and SEC - they all fundamentally ask for the same data. Therefore, the foundation of compliance is ensuring you have robust carbon data that lives up to the same audit scrutiny as its financial counterpart. But this goes beyond compliance. Financial management steers the direction of a company's activities, shaping targets and prioritizing initiatives to drive profitability. Carbon management can do the same, *and it must*, for companies to deliver the level of carbon reductions needed to keep global temperature rises under 1.5°C.

### Carbon is everyone's business

Setting ambitious climate targets is a cornerstone of any company's decarbonization agenda. Yet to succeed, targets need to be supported by an infrastructure that democratizes carbon management and establishes KPIs to make emissions reductions everyone's responsibility.

We've been working with Thrace Group, one of the world's top producers of technical fabrics and packaging solutions, to develop a science-based target that demonstrates their commitment to significantly reducing carbon emissions. This process required a notable increase in Thrace's visibility of accurate Scope 1, 2 and 3 data. The company needed a complete view of their emissions and hotspots, requiring them to engage more data owners.

Thrace is now committing to a robust, realistic and ambitious science-based target alongside a scalable data collection process that tracks their progress towards achieving it. Perhaps the greatest success, though, is that now, even those outside the sustainability team monitor emissions, making this metric as commonplace and significant as financial data.

### Prioritizing effort

Financial data is used for strategic decision-making across businesses, defining where effort should be applied and, importantly, where it shouldn't. Similarly, sustainability teams managing granular carbon data are positioned to drive company-wide decisions that reduce carbon.

HH Global, a tech-enabled creative production and procurement business, has leveraged this opportunity to put sustainability at the forefront of its corporate agenda. By managing carbon data effectively through technology they trust, they've turned climate insights into prioritized actions that reduce emissions.

Carbon data informed their decision to focus efforts on switching to renewable energy. Working across 60 locations in more than 30 countries, they monitored energy consumption throughout their business, implementing changes that put the company on track to achieve 100% renewable electricity consumption for 2021 and 2022.

### The triple bottom line

Carbon management can successfully indicate which emissions reduction levers will mutually benefit the triple bottom line – holistically serving people, planet and profit. One company that understands this well is US-based Thomas Foods International, a leading meat producer in an industry notorious for its high carbon footprint and low profit margins.

Thomas Foods has developed lower-carbon operational efficiencies from complete, accurate and up-to-date carbon data. These, in turn, are projected to have a sizable impact on the company's bottom line and competitive positioning in a world where companies are placing the carbon footprints of their suppliers under increasing scrutiny.

The primary purpose of financial management is ensuring a company's longevity, and carbon management is just as vital for future-proofing. It stands to reason that we must approach decarbonization with the same rigor as financial management. We're working in partnership with Capgemini to ensure that businesses set up the operational systems and frameworks to do this.

In our experience supporting corporate climate transitions, the companies tackling decarbonization most effectively have not only built robust and accurate emission data sets that drive responsible climate action; they have embedded carbon into their financial planning too.

**Mauro Cozzi, CEO and Co-founder, Emitwise**

# L'Oréal

Manufacturing, France



**At L'Oréal, we have been working for many years to reduce our impact, and our objective is to operate within the global limits set by science. Due to our place in our industry and in the world, we have the duty to lead by example. As a leading beauty player, we want to accelerate our efforts and also, to mobilize our partners, our consumers and other companies to become change agents, to take actions with us and build a resilient and sustainable future.**



## Be a catalyst of change and mobilize to address climate and environmental challenges

### Tips for success

- ▼ Create a clear vision of corporate sustainability, driven by CEO and top management, fully integrated with your company's strategy and implemented by dedicated teams accountable on sustainability topics.
- ▼ Make a list of ambitious, science-based sustainability targets, focused on both your direct and indirect impacts.
- ▼ Engage teams worldwide and promote strong collaboration and best practice sharing, especially between marketing, research and innovation and operations.
- ▼ Declare a strong transparency objective, enabling an open dialogue to engage suppliers, external stakeholders, NGOs and local communities to build relevant and efficient projects.
- ▼ Engage your consumer in your sustainability journey, providing clear and transparent information about the impact of your products.

As confirmed by the IPCC report in April 2022, "it is now or never" that we must act to avoid the worst impacts of climate change. With this in mind, businesses need to engage in a deliberate transition to a low-carbon economy.

At L'Oréal, we have been committed to curbing climate change for over 20 years. Seven years after the launch of our first sustainability program, Sharing Beauty with All, and encouraged by the tangible results we obtained, we launched in 2020 our second program, L'Oréal for the Future. The Group has set its sights higher and pledged to respect planetary boundaries – what the planet can withstand, as defined by environmental science.

In 2015, L'Oréal joined the Science-Based Targets initiative (SBTi), making us one of the first companies to adopt this framework. Our 2030 objectives related to the fight against climate change have been validated as "science-based targets". Then we decided to adopt a similar approach in defining our water, biodiversity and natural resources targets: all have been set in accordance with what scientific experts demand and what our planet needs.

On climate, our overarching 2030 objective is to reduce our greenhouse gas emissions of all scopes by 25% in absolute terms and by 50% per finished product. As members of the 'Business Ambition for 1.5°C' initiative, we have targets to reach net-zero emissions by 2050.

At the end of 2021, we had reduced the CO2 emissions of our plants and distribution centers by 87% in absolute value, compared with 2005, while our production increased by 37% over the same period. We met this result without relying on carbon-offsetting projects.

We recognize that our responsibility is not limited to our own impact, and therefore we work upstream and downstream to reduce the footprint of our suppliers and consumers.

Upstream, we work with our suppliers to reduce their own emissions. We have set targets to achieve this and are working with them to reduce: by 2030, their direct emissions by 50% in absolute terms compared to 2016.

Downstream, we work to reduce the carbon emissions and water consumption associated with the product-use phase. We continue to innovate to reduce greenhouse gas emissions and water consumption from the use phase of our products with the aim of 25% reduction compared to 2016 (on average and per finished product). This involves:

- ▼ offering products that require little or no water, as Garnier has done with Ultimate Blends no-rinse conditioner or Fructis dry shampoos;
- ▼ rolling out technological innovations on a large scale, such as the Professional Products Division, with L'Oréal Water Saver shower head, innovation of the year, developed with the start-up Gjosa, which can reduce water consumption in hairdressing salons by up to 65%.

To demonstrate accountability and inform consumers on the sustainability of our products, L'Oréal has developed an environmental scoring system offering a transparent assessment calculated by taking into account 14 impact factors at every stage of a product's life cycle. Already available on up to eight brands' websites in up to 27 countries, we are continuing to progressively deploy this scoring.

Beyond the transformation of our business model, we must address the most pressing environmental issues, such as waste management, plastic pollution and biodiversity loss. To do so, L'Oréal has chosen to deploy two specific environmental impact investing funds. In April 2022, we launched a new Circular Innovation Fund (L'Oréal, anchor investor with €50 million, indirect investments in funds: ECBF and Closed Loop Partners and direct investments in innovative companies). We are also continuing to invest in new projects to regenerate biodiversity through our L'Oréal Fund for Nature Regeneration – a €50 million fund launched in 2020.

At L'Oréal, we know what is at stake. We will do our utmost to contribute to climate action, addressing the challenges facing the world and accelerating our efforts on a global scale. Through this in-depth transformation, we hope to be a catalyst of change in our own industry and beyond, and to inspire our consumers to take action with us.

**Nicolas Hieronimus, Chief Executive Officer of L'Oréal**

# Moody's

Integrated Risk Assessment, US



**Our work toward achieving net-zero by 2040, a decade earlier than the Paris Agreement goals, is the result of our ambition and passion. In 2022, we established an objective of 90% reduction of Scope 1, 2 and 3 emissions in addition to being one of the first companies to have our net near- and long-term targets validated by the Science Based Targets initiative (SBTi).**



## Moody's ambition to reach net-zero by 2040

### Tips for success

#### We encourage companies to:

- ▶ Incorporate sustainability into decision-making and consider climate risks and opportunities throughout the business.
- ▶ Accelerate strategies to define science-based targets to help develop credible pathways to low-carbon operations.
- ▶ Engage suppliers on climate and net-zero strategies to build a sustainable value chain that upholds rigorous standards.
- ▶ Partner with key stakeholders to achieve common environmental objectives and scale climate impact along value chains.

Climate change is the greatest risk multiplier facing the world. As a global risk assessment firm, we know that our actions serve as a role model for responsible corporate practices, that we are decisively positioned to support the development of industry standards, and that we can demonstrate best practices to help tackle climate change.

### Our road to net-zero

We are working ambitiously toward achieving net-zero by 2040, a decade earlier than the Paris Agreement goals. In 2022, we established an objective of 90% reduction of Scope 1, 2 and 3 emissions and became one of the first companies to have our net near- and long-term targets validated by the Science Based Targets initiative (SBTi). We strive to continue expanding and enhancing our efforts to integrate leading practices across our business and deliver on our Decarbonization Plan, which lays out the roadmap for achieving our near-term targets.

### Building a sustainable value chain

Our suppliers play a fundamental role in helping us to achieve our net-zero objectives as their emissions represented more than 90% of our total emissions inventory in 2021. As such, we have revised our Supplier Code of Conduct to encourage suppliers to disclose their climate impact and set credible science-based targets. We also engage suppliers further through multiple channels, emphasizing the importance of transparency in climate reporting.

In 2021, we hosted webinars for nearly 500 of our top suppliers, engaging them to discover the benefits of environmental disclosure through CDP. As of 2021, 28% of our suppliers by spend, covering purchased goods and services and capital goods, had science-based targets. Our goal is to extend this to cover 60% of suppliers by spend by 2025. In 2022, we further trained our sourcing managers to support our suppliers' journeys to net-zero. We are confident that these efforts will keep us moving towards achieving our objective to build a sustainable value chain that upholds our rigorous sustainability standards.

### Joining forces to tackle climate change

We work closely with key partners in the industry to enhance our company's efforts. For example, we are a founding member of the Net Zero Financial Services Provider Alliance (NZSPA, a Glasgow Financial Alliance for Net Zero initiative) and are committed to aligning relevant products and services to support the goal of global net-zero greenhouse gas emissions.

Our efforts have also been recognized by CDP in two categories: we have received an "A" score for climate action and have been named a Leader in Supplier Engagement, placing us among the top 8% of companies evaluated for climate engagement. In addition, we joined the Taskforce on Nature-related Financial Disclosures (TNFD), working with leading organizations across key sectors and geographies to develop a nature impact reporting framework and act on evolving nature-related risks. Our climate leadership was also recently recognized by The Finance for the Future Awards which named us as a 'Climate Leader' and we received the Reuters Responsible Business' Net Zero Transition Award.

### Empowering the market to assess net-zero claims and evaluate transition readiness

Climate considerations are essential to Moody's and we are tirelessly working to meet evolving market demand for innovative solutions that help address transition risks and opportunities.

Our climate capabilities continue to expand as we integrate climate and net-zero considerations across a wide range of rigorous tools, solutions and services, along with leveraging the capabilities of RMS, a Moody's company and leader in climate and disaster risk modelling and analytics. These offerings help our customers both incorporate climate considerations into their decision-making and better understand, quantify and manage risks.

At Moody's we have embedded responsible, sustainable decision-making into everything we do to build better business, support better lives and offer better solutions to create long-term value for society, the environment and the economy.

**Mark Kaye, Chief Financial Officer, Moody's**

# Novisto

Software Solutions Provider, US



The digitization of climate-related data can facilitate the adoption of a 'data culture' of leveraging data, transforming climate performance.



## The value of tech-enabled data and reporting

### Tips for success

- ▼ Choose key performance indicators as benchmarks in assessing your climate performance.
- ▼ Identify the data you need to improve performance and where to find it.
- ▼ Leverage technology to collect quality, audit-ready environmental data.

Everywhere, companies of all shapes and sizes are experiencing real challenges when it comes to sustainability reporting. This includes manually collecting complex data sets from numerous sources, juggling multiple standards and frameworks and responding to an ever-growing number of information requests. At the same time, they need to improve their disclosures in order to succeed in both business and climate impact – with regulations, standards, audit requirements, and digitization all on the horizon.

At Novisto, our mission is to contribute to the sustainability of the economy, environment and society by empowering companies to make better decisions and disclosures through our environmental, social and governance (ESG) data management software.

Recognizing that reporting is an effective means to gain transparency and visibility on climate impacts and therefore to better manage climate action, CDP has been instrumental in driving effective reporting on climate change through its questionnaire and platform, with the very clear purpose of helping organizations measure and address their impact on the environment.

As a CDP accredited software solutions provider, Novisto facilitates the process of companies submitting their questionnaire responses by streamlining data collection in a robust, automated process, and by enabling users to view their CDP questionnaire in a loadable template that maps each question to their data, their prior year's responses and other third-party questions that may be related. It also centralizes all relevant corporate documents for quick access and searchability. Progress markers then make it easy to track the work being done by identifying incomplete sections or questions. In addition, by tapping into CDP's extensive dataset of public responses, the platform's benchmarking functions enable users to compare themselves to selected peers.

Companies benefit from using the Novisto platform in two important ways. The first is generating high-quality, auditable data that need only be collected once and can then be used to produce high quality reports, analyze performance and make more informed management decisions. The second is producing significant efficiency gains by centralizing data and documents and streamlining workflows. This frees up sustainability teams' resources for implementing strategy and managing material issues, which is where the value-creating potential of embracing a sustainability mindset truly lies.

While climate change is certainly a defining issue of our time, and one we must address collectively and swiftly, it's not the only challenge we face. Novisto applauds CDP's ambitious plan to expand its scope of coverage to the full range of planetary boundaries and Earth systems, to include land, resilience, food, waste, forests, oceans, freshwater, and of course biodiversity. As the scope of actions that companies will be expected to take and report on continues to expand, so will their need to produce quality, reliable performance data, both for their own use and that of their investors and other stakeholders. Our platform will be ready to support them.

**Charles Assaf, CEO**

# NTT DATA

Information Technology, Japan



**To achieve a sustainable society, the full spectrum of organizations need to work together to realize a carbon-neutral society and manifest green innovations. To make these aspirations a reality, NTT DATA recognizes that it is crucial for us to ensure transparency across external disclosures regarding our activities and the activities associated with our supply chain. Under our Group vision to act as a “Trusted Global Innovator,” NTT DATA will work to realize net-zero carbon emissions not just for our own business benefit, but for the benefit of society as a whole.**



## **Towards a net-zero society: driving with green innovation**

### **Tips for success**

- ▶ Set ambitious, measurable goals toward achieving net-zero emissions across all three scopes. Develop top-down scenarios to achieve net-zero emissions and monitor reductions.
- ▶ Develop climate strategy in line with regulations such as the TCFD and ISSB, and set targets in alignment with guidance such as the SBTi Net-Zero Standard.
- ▶ Take a medium-to-long-term perspective on climate impacts, examining environmental changes that will affect not only your own business but also stakeholders.
- ▶ Analyze risks and opportunities associated with climate strategy, develop scenarios and take action by leveraging your organizational strengths and working with stakeholders to create a climate transition plan.

NTT DATA's vision is to act as a "Trusted Global Innovator". As an information technology company operating in 56 countries and regions and employing approximately 190,000 employees, we recognize our responsibility – and opportunity – to create positive impact at scale through sustainable management that engages with the environmental, economic, and social.

In our medium-term management plan, starting from FY2022, we have identified climate change, nature conservation, and circular economy as material matters, and are actively working throughout the company to realize a sustainable society through co-creative efforts with our customers and suppliers.

In March of 2022, we became a CDP Gold Accredited Solutions Provider in the category of climate change consultancy and software, and are now proactively engaged in various initiatives with CDP and other climate-focused organizations.

In accordance with the Science Based Targets initiative (SBTi) Net-Zero Standard, NTT DATA has articulated our NTT DATA Carbon Neutral Vision 2050. We have set the following zero emissions targets: net-zero emissions across Scopes 1 through 3 by 2050, zero emissions in Scopes 1 and 2 by 2040, and a 60% reduction in Scope 1 and 2 emissions and a 55% reduction in Scope 3 emissions compared to FY2016 by 2030.

To understand the risks, opportunities, and financial impacts associated with climate change, NTT DATA is incorporating transparent disclosure as a business norm, in accordance with the new Task Force on Climate-Related Financial Disclosures (TCFD) standards. To increase the transparency of disclosure through the supply chain, we are developing rules for calculating Scope 3 emissions via the CDP Supply Chain Program and working with our suppliers to create model cases for visualizing and reducing supply chain emissions.

We are also mobilizing to tackle operational emissions. At our business process outsourcing service center in Okinawa, we now use solar, wind, and biomass energy to achieve 100% carbon-free energy use. Furthermore, in 2022 we began operating our main offices and the key services we provide using 100% renewable electricity.

To incentivize climate action across global teams, we have established green initiative targets linked to executive and employee compensation as internal systems and are promoting activities in these areas. Furthermore, we are also working on visualizing greenhouse gas emissions created by internal operations and encouraging each organization in our networks, from subsidiaries to suppliers, to reduce their emissions.

We have also developed specific initiatives to influence greenhouse gas emissions reductions in facilities associated with our operations. For example, we are engaged in efforts to reduce energy consumption at data centers, which operate many servers and account for a large proportion of our energy consumption as an IT company, as well as efforts to introduce renewable energy in these centers. Using immersion cooling technology, we have confirmed fossil fuel use reductions of up to 97%.

To contribute to society at large, we are engaging in activities as a steering member of the Green Software Foundation (GSF), which develops and disseminates methodologies for developing applications that exhibit superior energy-saving performance. We also offer a platform called C-Turtle™, which provides consulting services to help companies develop climate change strategies in line with the TCFD and visualize emissions throughout the supply chain. In Japan, we are constructing a "Green Distributed Energy Information Distribution Infrastructure" that will collect and share data to facilitate the stabilization of distributed energy supply (including renewable energy), as a form of social infrastructure.

To realize a sustainable society, NTT DATA is committed not just to internal reforms, but also to green innovations achieved in collaboration with customers worldwide. Going forwards, we aim to actively promote initiatives for nature conservation, which has a high mutual impact on climate change issues, and the creation of circular economy social structure.

**Toshi Fujiwara, Senior Executive Vice President and Representative Director**

# Sopra Steria Group

Information Technology, France



**In an innovative €1.1 billion credit facility, Sopra Steria committed itself to indexing the annual margin it pays on the facility to a reduction in greenhouse gas emissions across the company's direct operations.**



## The world is how we shape it!

### Tips for success

- ▶ Integrate sustainability into your business strategy and govern it with the same disciplines.
- ▶ Set yourself ambitious, science-based targets to help limit the rise in global temperatures to 1.5°C.
- ▶ Be transparent in your reporting of risks, opportunities and performance against targets – have your figures independently audited and report them through a trusted environmental disclosure platform.
- ▶ Engage all your employees in your objectives and the programmes that deliver them.
- ▶ Engage your value chain on climate objectives and encourage them to set targets for emissions reductions, collaborating with them in finding ways to reduce emissions.

The urgency of the action required to mitigate climate change demands transformation in all businesses and organizations. It has driven – and continues to drive - transformation in Sopra Steria, a European Tech leader recognized for its consulting, digital services and software development.

This year, Sopra Steria committed itself to the new Science Based Targets initiative's Net Zero Standard, building on its ambitious commitment to the United Nation's Climate Neutral Now programme in 2020. Both depend on achieving tangible results from decarbonization programmes; Sopra Steria measured its performance, set targets and mobilized stakeholders in the battle against climate change, while continuing to deliver to clients.

Sopra Steria has continued to put action to protect the climate and place environmental protection at the heart of its strategy. This persistent commitment has given us the ability to anticipate requirements and take initiative to address them at pace with regulation.

For example, in 2017, Sopra Steria became the first technology services company to have the SBTi validate its long-term, group-wide targets for emissions reductions, which were consistent with those 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 the reductions required to keep global warming below 1.5°C.

Our commitment to the new SBTi Net Zero Standard is another sign of commitment to climate action after the support that we have given to the SBTi by "road-testing" its inaugural Net Zero Standard in autumn 2021 with other leading companies.

Since 2015, we have reduced direct emissions (those from offices, data centres and business travel) by 50% per employee, excluding the impact of the pandemic and 83.5% with the pandemic. We have also raised the proportion of renewables in the electricity that we consume on-site globally from 20% to 99.2% over the same period. Our performance in managing emissions has earned Sopra Steria a place in CDP's "Climate A List" - the highest level - for the past six years. Recognizing that our supply chain is the biggest source of our emissions, we have intensified our engagement with suppliers on climate action to address all three scopes.

And now we have gone further by integrating climate action into our financing. In an innovative €1.1 billion revolving credit line facility, signed in February 2022, Sopra Steria committed itself to indexing the annual margin it pays on the facility to a reduction in greenhouse gas emissions across the company's direct operations, aligned to the Paris Agreement.

We integrate sustainability into our solutions by measuring their environmental impacts and applying eco-design principles to reduce them in what we term 'Sustainability for Digital'. We also deliver 'Digital for Sustainability' in solutions that help mitigate climate change, particularly through energy management. We also work with leading organizations such as the European Green Digital Coalition (EGDC) on methods and digital solutions that will enable the transition to the net-zero economy by 2050.

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.

**Cyril Malargé, Group CEO**

# Trane Technologies and Benchmark Digital

Manufacturing & Software Solutions Provider, US



**Sustainability is core to Trane Technologies' business strategy. Not only will its 2030 commitments and commitment to climate technology innovation contribute to the sustainable performance and efficiency of its operations, but it will play a vital role in the sustainable performance of its value chain, customers, and the communities where they live and work.**



## Greening business through decarbonization, social impact, and sustainability performance

### Tips for success

- ▼ Engage each and every employee.
- ▼ Promote the business value of sustainable performance.
- ▼ Operationalize commitments by embedding sustainability into product design, production and service.

As a global manufacturer of innovative climate solutions and services for buildings, homes and transportation, Trane Technologies is leading by example in its commitment to a more sustainable future. Both operationally and through partnerships with its supply chain partners and customers, Trane Technologies is greening its business model through decarbonization, social impact initiatives and strong sustainability performance.

Trane Technologies' 2030 Sustainability Commitments are supported by three core pillars – its Gigaton Challenge, Leading By Example, and Opportunity for All. Through these initiatives, the company demonstrates its commitment to workforce opportunity, world-class safety performance and the vitality of the communities where they operate.

#### Leading By Example

In 2019, Trane Technologies set bold 2030 targets for internal sustainability performance, including a commitment to achieve carbon neutral operations, reduce energy use by 10% versus 2019, reach zero waste disposed in landfills, and operate with net positive water in water-stressed locations.

In setting these commitments, Trane Technologies' leadership challenged its operational teams to bring sustainability impact awareness to the site level. The company engaged site, divisional and corporate leadership in goal setting, review and best practice-sharing to magnify innovation across Trane Technologies. Electrification of HVAC equipment and innovative heat pump and thermal management technologies are accelerating decarbonization and transition strategies.

In 2021, our Clarksville, Tennessee plant transitioned customer product testing from the use of R410A refrigerant to Nitrogen-Hydrogen and Helium mixes, which are gases with a zero Global Warming Potential (GWP). The switch allowed the plant to avoid nearly 50,000 mtCO<sub>2</sub>e annually.

Lighting fixture upgrades reduced energy consumption by 285,000 kWh per year. Cooling tower replacement and indoor air quality projects led to water use reductions of nearly 3 million gallons in 2021. These and more operational improvements offer tremendous innovation opportunities for the industry globally.

#### Gigaton Challenge

The Gigaton Challenge is Trane Technologies' commitment to reduce Scope 3 emissions from the supply chain and use-phase by one billion metric tons, or one gigaton. We are working to achieve this goal by accelerating and scaling energy-efficient heating and cooling technologies, reducing food loss in the global cold chain, transitioning from high GWP refrigerants, and designing for circularity.

Trane Technologies also provides climate-controlled solutions for the transportation of refrigerated products, introducing industry-wide solutions that utilize low GWP refrigerants, including new equipment and leak detection systems that offer a layered emissions management process to help reduce our carbon footprint as well as our consumers'.

With a focus on the value chain and through collaboration with industry groups and specific suppliers, Trane Technologies is designing sustainability into the manufacture of its products, including upstream materials and components.

#### Commitment to continuous improvement & innovation

In alignment with many of the leading global reporting frameworks (CDP, GRI, SASB, TCFD), Trane Technologies has set aggressive targets to transform the environmental impact of its commercial and residential brands.

In 2015, Trane Technologies was the first in its industry to have climate commitments validated by Science Based Targets initiative (SBTi). Then, in 2022, Trane Technologies was one of the first 11 companies globally to achieve SBTi validation of its 2050 net-zero target.

Cross-functional engagement, data tracking and third-party assurance is facilitated by a robust enterprise-wide digital solution, Benchmark ESG®. Through digital automation, Trane Technologies connects its 2030 Commitments to its operational activities, ensuring auditable and traceable data and confidence in stakeholder reporting and communication on progress toward targets, both internally and externally.

Sustainability is core to Trane Technologies' business strategy. Not only will its 2030 commitments and commitment to climate technology innovation contribute to the sustainable performance and efficiency of its operations, but it will play a vital role in the sustainable performance of its value chain, customers and the communities where they live and work.

**Eric Rankin, VP Environmental, Health & Safety, Trane Technologies**

# What support is available from CDP to help you take action?

**Over the past two decades, CDP has pioneered environmental disclosure, driving corporate action on climate change, water security and deforestation.**

A key element of this journey involves having the expertise and resources to optimize disclosure and turn insight into action. Many of the companies featured in *Stories of Change* receive this expertise through one of three corporate support services we offer: CDP Reporter Services, the Supply Chain program and our Accredited Solutions Providers (ASPs). A selection of

our ASPs – Emitwise, Novisto and Benchmark Digital – are also featured in *Stories of Change*, explaining how they have worked with organizations on their environmental strategies. Below is more information on each of the programs and how they could help you take action to accelerate your journey toward environmental leadership.

## CDP's Accredited Solutions Provider Program

CDP accredits leading environmental service providers around the world to help disclosing organizations find high-quality support along their climate transitions. ASPs support organizations working with CDP to improve their disclosure and take vital action towards a sustainable economy.

From science-based targets and renewable energy solutions to software platforms and verification bodies,

our accredited providers offer a huge range of expertise and services to help implement your environmental strategy from start to finish.

For more information about our ASPs and how they could help you, please visit the [Accredited Solutions Providers webpage](#) or reach out to our team at [partnerships@cdp.net](mailto:partnerships@cdp.net).

## CDP's Reporter Services Program

CDP Reporter Services helps members build expertise in climate, water, and forests management by developing a stronger understanding of reporting requirements in order to increase the accuracy and detail of environmental disclosure and accelerate their journeys towards environmental leadership.

Through one-on-one disclosure account management, benchmarking analyses, strategic data insights, and

thought-leadership webinars, Reporter Services supports companies in improving the quality of their CDP disclosure and in strengthening their sustainability strategies.

If you are not a Reporter Services member but would like to learn more about this service then please reach out to our team at [reporterservices@cdp.net](mailto:reporterservices@cdp.net), or visit the [Reporter Services webpage](#).

## CDP's Supply Chain Program

The CDP Supply Chain Program empowers large purchasing organizations to drive environmental action at scale. The program provides members with bespoke account management, actionable data insights – insights (including an inventory of Scope 3 emissions), promotional opportunities, and tailored webinars designed to support their suppliers with disclosure.

Supply Chain membership helps companies identify risks and opportunities across their value chains relating to climate change, water insecurity and deforestation. This valuable Scope 3 data can then be leveraged to track progress, inform procurement decisions, and build resilience.

The climate impact of the program is also tacit – in 2021, 200 major companies representing US\$5.5 trillion requested 23,487 suppliers to disclose and drove emissions reduction initiatives totalling 231 million tons.

For more information and to enquire about membership please visit the [CDP Supply Chain webpage](#) or reach out to our team at [supply.chain@cdp.net](mailto:supply.chain@cdp.net).



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If you're interested in sponsoring this report next year, please contact [jenny.frings@cdp.net](mailto:jenny.frings@cdp.net)

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## ABOUT CDP

CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 680 financial institutions with over \$130 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth 50% of global market capitalization, and over 1,100 cities, states and regions. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative.

Visit [cdp.net](http://cdp.net) or follow us @CDP to find out more.