

March 4, 2024

Adastia Co., Ltd.

NTT DATA Japan Corporation

Adastia Chooses C-Turtle® to Calculate and Reduce GHG Emissions Throughout the Supply Chain

To be Used by Japanese, Overseas Group Companies Across More Than 105 Brands and Business Categories

Adastia Co., Ltd. (Shibuya, Tokyo; Osamu Kimura, representative director and president) and NTT DATA Japan Corporation (Head Office: Toyosu, Tokyo; Representative Director, President: Yutaka Sasaki; "NTT DATA Japan") are cooperating to install the latter company's C-Turtle® greenhouse gas (GHG) emissions visualization platform at Adastia Group companies in Japan and overseas, as well for more than 105 brands and business categories. The two companies plan to begin installations in April 2024.

Adastia established a vision for climate change activities to ensure balance between environmental considerations and business activities, aiming to achieve carbon neutrality by the year 2050. The C-Turtle platform supports visualization and reduction of emissions across the supply chain, including Scope 3 emissions, through the Company-Wide Emission Allocation Method reflecting GHG reduction efforts at each group company.

With the adoption of C-Turtle, Adastia aims to become a model case for GHG emissions reduction in the fashion industry, positioning itself as an industry leader. This installation will be the first-ever adoption of the Company-Wide Emission Allocation Method in the fashion industry in Japan (Note 1).

In offering the C-Turtle platform, NTT DATA Japan will provide visualization for GHG emissions by company, reducing the burden of emissions calculations across the Adastia Group. The calculation method provides high-level information for both emissions by company and carbon footprint of products (CFP).



Figure 1. Adastia Sustainability Concept Art

■ Background

The fashion industry has long struggled with social issues, including mass production, inventory disposal, and the environmental impact of the production process.

Amid rapidly changing social conditions, Adastria established a vision for climate change activities to ensure balance between environmental considerations and business activities, aiming to achieve carbon neutrality by the year 2050. Adastria also pursues manufacturing that leads to the future through the proactive use of low-impact materials, the development of sustainable materials, the visualization of the environmental impact of individual products, and other means. In this context, Adastria has been working to identify CO₂ emissions (including Scope 3 emissions) across its supply chain for the group in Japan.


| Materialities | Vision | Group Policy | Target | Progress Level | Major Progress/Achievements |
|---|--|--|--|----------------|---|
|  <p>Reduce the environmental impact of our business and make the world of fashion sustainable</p> | Engage in manufacturing that leads to the future | Switch to sustainable raw materials and processing | Switch to sustainable raw materials and processing for at least half of all products by 2030 | ★★ | <ul style="list-style-type: none"> Promoted our original sustainability mark, reaching 111% use versus the previous year Encouraged the development of proprietary sustainable materials in in-house production departments (seven types as of February 28, 2023) |
| | Balance environmental considerations with sales activities | Reduce and absorb CO ₂ emissions | Achieve carbon neutrality by 2050 | ★★★ | <ul style="list-style-type: none"> Identified Scope 1, 2, and 3 emissions on a consolidated Group basis Disclosed framework in line with TCFD recommendations, financial impact assessment |
| | Create a world without fashion loss | Zero clothing incineration | Eliminate incineration of clothing inventory | ★★★ | <ul style="list-style-type: none"> Maintaining zero incineration of leftover clothing inventory Permanent collection activities at stores expanded to approximately 170 stores, with 32 tons collected |

Figure 2. Adastria Environmental Targets

■ Initiatives

Adastria plans to install the C-Turtle GHG emissions visualization platform across more than 105 brands and business categories at Japanese and overseas group companies beginning in April 2024. C-Turtle uses the Company-Wide Emission Allocation Method to include supplier reduction efforts into the emissions reduction equation, using actual emissions measured (primary data) from suppliers to calculate Scope 3 emissions.

The platform improves the efficiency of emissions calculations and identifies GHG reduction efforts at individual companies to reduce emissions across the supply chain. Calculations include Scope 3 emissions, which are difficult to account for using conventional methods.

When accelerating efforts to decarbonize, companies must address not only their own emissions, but also product-specific CFP. By calculating CFP, Adastria will visualize the results of using sustainable materials at the product level. Calculating CFP allows companies to pursue more effective reduction efforts at the product level and encourages consumers to change their behavior. For example, CFP calculations inform purchasers of final products with lower emissions values.

The collaboration between Adastria and NTT DATA Japan will establish a foundation for an environmentally advanced corporate structure capable of emissions reductions under the Company-Wide

Emission Allocation Method and product-specific carbon footprint calculations.

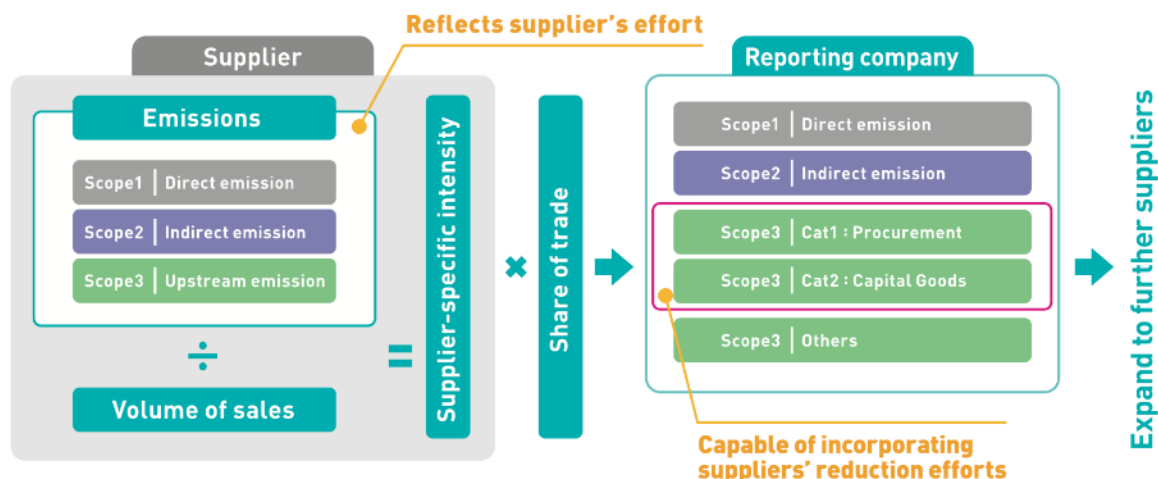


Figure 3. Company-Wide Emission Allocation Method

■ Looking Ahead

Together with NTT DATA Japan, Adastria will continue strengthening engagement with group companies, stakeholders, and suppliers to become a fashion industry leader in GHG emissions reductions, serving as a model case of the corporate adoption of the Company-Wide Emission Allocation Method. Adastria hopes to share a sense of purpose with respect to GHG emissions reductions throughout the fashion industry, working with internal and external stakeholders to build supply chains that reduce GHG emissions and contribute to carbon-neutral societies.

NTT DATA Japan plans to continue developing high-level calculation methods for emissions by company balanced with calculations of CFP. Further, the company intends to contribute to carbon-neutral societies through expanded consulting and solutions that reduce GHG emissions throughout the supply chain.

Notes

Note 1: For companies adopting the C-Turtle GHG emissions visualization platform

*C-Turtle is a registered trademark of NTT DATA Japan Corporation in Japan.

*Other product names, company names, and organization names are trademarks or registered trademarks of their respective owners.

■ About NTT DATA



NTT DATA – a part of NTT Group – a trusted global innovator of IT and business services headquartered in Tokyo. We help clients transform through consulting, industry solutions, business process services, IT modernization, and managed services. NTT DATA enables clients, as well as society, to move confidently into the digital future. We are committed to our client's long-term success and combine global reach with local client attention to serve them in over 50 countries. Visit us at nttdata.com.

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■ **Adastria Co., Ltd.**



Adastria (Osamu Kimura, representative director and president) is a casual fashion specialty store operator with 1,400 locations in Japan and overseas covering more than 30 brands, including GLOBAL WORK, niko and..., and Lowrys Farm. The company celebrated its 70th anniversary in 2023, and under the mission of Play fashion! aims to become a Good Community Co-Creation Company that delivers new value through an open community in which people and information interact.

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