Fundamental CSR Policy

As a partner that links the present to the future, the NTT Communications Group contributes to the realization of a safe, comfortable and abundant society by working to solve social issues and create new value for society on a global scale through ICT.

Society
Contributions to Society
We shall contribute to the resolution of social issues in Japan and overseas through the development and provision of innovative ICT, while providing highly reliable services for the sustained development of society. As a group of companies that provides key infrastructure that supports society and protects our lifestyles, we shall provide secure environments for communications that are fortified against cybersecurity threats and resilient to natural disasters.

Respect for Human Resources
We shall create work environments that invigorate each and every employee, while respecting the diversity of our employees and other stakeholders. Moreover, we shall contribute to the creation of an abundant society by changing ourselves for the better and seeking to break free from our own limitations.

Contributions to the Global Environment
We shall endeavor to solve environmental problems on a global scale through initiatives to use ICT to reduce the impact of society on the environment, while lightening the environmental burden of our business activities as a Group.

Business Vision
Transform. Transcend.
We provide innovative services and cutting-edge technologies that dramatically evolve and dynamically transform businesses, markets, and society. They create new value that exceeds expectations. By transcending the boundaries that limit people, they will help to realize a seamlessly connected world.
We promote CSR activities that meet the expectations of society and contribute to achieving the SDGs as a global ICT service provider.

NTT Communications was born through the reorganization of NTT in 1999 and has since taken on countless challenges in the global market as a provider of worldwide telecommunications, including long-distance communication and the Internet. We have subsequently continued to serve at the frontlines of business, dealing with rapidly increasing sophistication and diversification in the development of networks and dramatic advances in cloud computing, to emerge as a global telecommunications carrier. We are now focused on providing a broad variety of ICT solutions based on our network, cloud and security services for customers around the globe.

Technological innovation continues at a blazing speed in the world of ICT, generating an endless stream of businesses and industries leveraging new technologies such as AI and IoT. As a major player in the ICT industry supporting the digital transformation of our customers, we believe that our corporate mission is to enhance the quality of infrastructures that facilitate technological innovation, construct a robust, safe and secure ICT environment, and consistently deliver cutting-edge services that address future needs, ultimately leading to the resolution of pressing social issues.

We are guided by our corporate slogan, "Transform. Transcend," which illuminates everything we do, and we are confident that our commitment to achieving dramatic evolution has sustained our growth to date. At the same time, we also believe that maintaining employee health is a prerequisite for sound corporate management. The quality of work can only improve when employees enjoy peace and security at home based on healthy minds and bodies. We refer to this commitment as "Smart Work (health and productivity management)" and promote it through multiple measures. We will continue to transform ourselves to create new working environments and work cultures that enable all of our employees to lead healthy lives while demonstrating exemplary performance based on mutual recognition of our diversity.

NTT has declared its Group-wide support for the Sustainable Development Goals (SDGs) adopted at the United Nations Summit in September 2015. As a global ICT service provider, NTT Communications will strive to live up to the trust of all our stakeholders around the world by pursuing CSR activities that provide solutions to social issues and lead to sustainable development.
Senior Management’s Commitment

03 We promote CSR activities that meet the expectations of society and contribute to achieving the SDGs as a global ICT service provider.

Business Vision and Fundamental CSR Policy

02 Business Vision and Fundamental CSR Policy

Contributions to Society

10 Contributions to Society

11 Our Actions
We solve social issues by applying cloud-based IoT to protect workers and businesses.

Contributions to the Global Environment

12 Contributions to the Global Environment

13 Our Actions
We strive to create a low-carbon society and pass on a thriving global environment to the next generation.

Continuous Strengthening of Corporate Governance

16 Continuous Strengthening of Corporate Governance

17 Our Actions
We strengthen CSIRT operations to reduce the security risks of Companywide IT systems.

CSR Activity Achievements

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Respect for Human Resources

14 Respect for Human Resources

15 Our Actions
We aim to realize diverse workstyles geared to ensuring quality of life.

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Corporate Information
Our Business Extends Across Society

The global cloud is supported by our world-class telecommunications network, including submarine cables, data centers and IP backbone. We provide cutting-edge services based on “Japan quality” ICT solutions for global corporations in our bid to become the partner of choice for customers everywhere.

Global Tier 1* Provider

As a World Leading Provider, We Intend to Provide the World’s Highest Level of Infrastructure

*Tier 1: An Internet service provider (ISP) that controls its own worldwide broadband IP backbone and is capable of ensuring the quality of its network without depending on an upper tier provider.

Global Workforce

22,050 people

Global High-Speed Communications Network

Between Japan and the United States:
2 Tbps
Between Asia and Oceania:
5 Tbps

We provide direct connections to major service providers in Asia, Oceania, North America and Europe via the world’s largest high-speed, large-capacity broadband network of 1,690 Gbps between Asia and North America and 2,627 Gbps between Asia and Oceania. We maintain reliable communication environments and stable operations based on single autonomous system (AS) networks and Service Level Agreements (SLA). (As of September 30, 2017)

Global Network Services

190+ Countries and Regions

We provide global network services that extend across 190 countries and regions worldwide. (As of March 31, 2018)

Global Data Center Service Offering the Highest Levels of Quality

20+ Countries and Regions

400,000 m²+

We provide high-quality service under our globally consistent Nexcenter brand, which delivers on over 300 facility and operational standards. In addition to constructing our own data centers, we acquire shares of data center operators and form partnership agreements with local companies in order to rapidly expand our presence and develop our service in more than 20 countries and regions, primarily in the Americas, Europe and Asia, with server room space of over 40 m².

Global Network Services

Among others, we have established bases in over 110 locations in more than 40 countries and regions, staffed by experts on the ICT environment of each place. (As of March 31, 2018)

ICT Total Solutions for Businesses

40+ Countries and Regions

110+ Locations

We provide ICT total solutions, including submarine cables, network services, cloud services, data centers and mobile networks, among others. (As of March 31, 2018)

Personal Services

7,521,000 OCN Members

With a history dating back 20 years, we provide the largest Internet connection service in Japan and promote society’s conversion to ICT. (As of March 31, 2018)

Cloud Services

Asia Pacific “Leader”

We realize one-stop global cloud services by utilizing our advanced technological capabilities and wealth of know-how unique to a telecommunications carrier. We have been recognized as an industry leader for three consecutive years in U.S.-based Gartner Inc.’s cloud provider evaluation report for the Asia-Pacific region.
Our Goals for Society

The NTT Communications Group is committed to addressing social issues through ICT. We believe that identifying the diverse potential risks inherent within the global society and striving to avoid or mitigate such risks are an essential part of our business activities. While we prepare for global risks as the responsibility of an ICT company that is sustained by stakeholders around the world, we also view this responsibility as an opportunity to focus on the four priority issues for realizing our goals for society.

Supporting the UN’s SDGs as the NTT Group

In fiscal 2016, the NTT Group announced its support for the UN’s Sustainable Development Goals (SDGs). Consequently, we will also be promoting efforts to contribute to the SDGs as a member of the NTT Group from fiscal 2016 onward. We are currently raising employee awareness of the SDGs through training and CSR-related activities. Moreover, we have linked our CSR Priority Activities to the SDGs to confirm and evaluate the validity of our KPIs.
Identification and Improvement of Materiality

As economic and social conditions continue to evolve, we will engage in CSR activities that meet society's expectations by inviting outside experts to regularly verify and update priority areas and activities under the Fundamental CSR Policy. In fiscal 2017, based on the relevant SDGs for each priority area, we identified actions that could contribute to the realization of each goal while promoting PDCA cycles in each priority activity.
Building a Management Foundation for an ICT Company Responsible for Critical Infrastructure

As a leading global ICT company, one responsible for key social infrastructure, the NTT Communications Group believes that it must build a management foundation that people can trust in the areas of compliance, respect for human rights, risk management, and information management.

We aim to become a model enterprise in practicing corporate ethics, such as by complying with laws, social norms, and Company rules. Furthermore, as awareness of respect for human rights grows around the world, we are pursuing initiatives to promote human rights and eliminate complicity in violations across the Group.

Also essential is maintaining a robust governance system that can offer a speedy response to business risks and pandemics as well as natural disasters caused by climate change. Moreover, another reality is that society suffers from a lot of crimes related to information security, while we continue to strengthen security management and develop security experts.

Building our management foundation is synonymous with building a foundation for society, and we are fully aware of the heavy responsibility involved. We are committed to consistently fulfilling our responsibilities as a company that is indispensable to society and will continue accomplishing the SDGs.

Continuous Strengthening of Corporate Governance

The NTT Communications Group supports the SDGs upheld by the United Nations as global priority issues, and we are aware of the expectations placed on ICT companies in promoting global environmental activities. We consider lowering the carbon footprint of our corporate Group and the carbon footprint of our products and services to be the twin wheels of our drive to protect the global environment, and we have established the Environmental Statement and Eco Strategy 2030 as our vision of an ideal future, as we continuously engage in multifaceted activities based on our unique environmental management system.

For example, at our data centers and telecommunications buildings, we are seeking to improve the efficiency of air-conditioning by applying ICT to visualize temperatures and electricity usage, in addition to upgrading older equipment. We are also thoroughly committed to the 3Rs (reduce, reuse, and recycle) with regard to all resources involved in our business activities. The know-how we have accumulated through our initiatives will be shared with those outside the Group in an effort to help lower the carbon footprint of society as a whole.

We will hand over the earth’s limited resources to the next generation as an eco-friendly company that contributes to ensuring a rich global environment.

Using ICT to Hand Over a Future that is in Harmony with the Global Environment

Masaaki Moribayashi
Senior Executive Vice President

Contributions to the Global Environment

A workplace, where employees with various backgrounds and personalities can show mutual respect, allows them to engage in a contest of values and gives rise to synergies, vital for meeting the ever-diversifying needs of customers. Committed action from companies is something that the NTT Communications Group recognizes as a requirement to realize a society that thrives on diversity. We have thus been implementing a Diversity & Inclusion strategy designed to develop human resources for businesses undergoing rapid globalization.

Against the background of falling birthrates and an aging population, we have been developing multifaceted systems that promote women’s careers and creating environments that allow for greater diversity in workstyles. Also, we have sought to offer opportunities to personnel regardless of race, nationality, background and age, with the aim of keeping our employees highly motivated. We think these activities contribute to achieving the SDGs. Additionally, we will accelerate the pace of workstyle reforms because we believe that ensuring a good work-life balance is essential to continuing work that is humane and rewarding.

We hope to contribute to the development of a prosperous society as an organization in which everyone can fully demonstrate their abilities by acknowledging and lifting each other higher.

Realizing Workplaces that Enable Diverse Human Resources to Thrive

Denji Sakurai
Executive Vice President

Respect for Human Resources

Our Business and Sustainability

Our Business and Sustainability
The UN SDGs are common goals that need to be addressed by the entire world to bring about a better future, and public interest in them has grown steadily across countries and organizations.

The Fundamental CSR Policy of the NTT Communications Group consists of four priority areas: society, the environment, human resources, and corporate governance, the last of which lies at the foundation of the first three. We are exploring initiatives linked with SDGs in each area, and some have already yielded results. Specifically, we are seeking to address social issues such as the labor shortage and rising pace of climate change by developing solutions that harness the advanced technologies such as IoT and AI that represent our strengths as an ICT company in order to secure human resources. We are also seeking the global deployment of data centers that thoroughly minimize carbon footprints.

The SDGs have a major significance for corporate CSR activities. While it is important to practice CSR based on unique corporate characteristics, doing so would lose meaning if the means become the purpose. As we act with universal issues and global interests in mind, it is the steadfast effort that goes into resolving global social issues and creating values that ultimately results in CSR activities based on a global perspective.

By sharing these activities and values across all Group companies and by having each individual member of the Group take the initiative of action, we believe that we can realize a safe, comfortable, and prosperous society. As a partner that connects the present with the future, the NTT Communications Group will take on the challenges of making a better, sustainable society in a united Groupwide effort.

Contributions to Society

Harnessing the Power of Innovation for a Sustainable Society

Innovations based on ICT always carry possibilities that could cause a sea change in our daily lives and business. At the same time, as ICT grows in significance and presence as a social infrastructure, ensuring high stability and reliability for ICT has become even more important than generating innovations.

The NTT Communications Group will strive to meet global expectations by building robust ICT infrastructure and expanding global services based on cloud technology while also developing services that help resolve a broad range of social issues. Our goal is to apply ICT to bring about a society with always secure and fast networks that enable everyone to connect with each other, unrestricted by time, distance, or language. ICT networks are a crucial infrastructure for today’s society, and any interruptions can pose immeasurable risks for economic activity. Eliminating the digital divide, which creates a gap in access to information between people who can use ICT and people who cannot, is also an important social issue.

We will not only seek to accomplish the SDGs, which are international goals to be attained by 2030, but will also continue to pursue activities that help create a better future through innovations based on ICT in order to contribute to the development of the sustainable society that lies beyond.

Rising to the Groupwide Challenge to Realize a Sustainable Society

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Hiromasa Takaoka
Senior Vice President, Head of Customer Services
Contributions to Society

Helping More People around the World Connect Seamlessly with ICT in Their Daily Lives

Our Ambition

A society where everyone is connected through ICT
◆ A society unrestricted by time, distance or language
◆ A society with always secure and fast networks

Our Approach

- Innovation that supports a networked society
- Ensure stable and reliable services as mission-critical infrastructure
- Social contribution activities

New ICT is being created every day, and the paradigm of economic activity is constantly shifting. As a leading global ICT company, the NTT Communications Group seeks not only to produce highly dependable, high-quality communications infrastructure in its daily operations, but it is also focused on helping solve social issues by providing society and its customers with cutting-edge technologies. Moreover, we are constantly exploring ways to apply ICT for the benefit of society. By taking a multi-faceted approach in our core initiatives, we aim to help create a better future while prospering in unison with various communities throughout society.

Priority Activities

- Innovation that supports a networked society
- Ensure stable and reliable services as mission-critical infrastructure
- Robust network security for customers
- Continuous improvement in customer satisfaction
- Collaboration with suppliers
- Social contribution and fostering of communities
IoT has made it possible to collect data that could not be gathered in the past. By using the cloud, which enables storing and analyzing vast amounts of data without using our own server, we can generate new services, products, and ideas for using goods.

Mimamori-Gajumaru™ visualizes the health conditions of workers onsite, leading to the establishment of workplace environments that maintain physical and mental health and support the health management of companies. Companies and employees will both benefit from the prevention of health-related accidents.

IoT contributes to ensuring comfort, safety, and security in urban development. Connecting homes and offices to the Internet enables the development of towns that are resilient against disasters, highly secure, and use energy effectively.

IoT and cloud technology are also being applied to education. Once we realize IoT education, it will be possible to receive quality education without being affected by personal environments or circumstances.
Contributions to the Global Environment

A Sustainable Green Future with Abundance

Our Ambition
A society in harmony with nature, preserving the planet’s abundance
◆ A low-carbon society with a light environmental footprint that thoroughly recycles resources
◆ A society that respects biodiversity and protects abundant natural resources

Our Approach

☑ Realizing a low-carbon future
☑ Implementing closed-loop recycling
☑ Planning a future of natural harmony

The reduction of CO₂ emissions has been hailed as a necessary means of addressing abnormal weather patterns around the world and to combat global warming. However, not enough has been done. With a pressing need to do more, the NTT Communications Group is moving proactively to deploy low-carbon technologies as a provider of services that utilize ICT equipment. In order to leave future generations an abundant global environment, such as by promoting a closed-loop economy and by coexisting with nature, NTT Communications is also aggressively implementing a multitude of initiatives while fulfilling its responsibilities as a leading global ICT company.

Priority Activities

◆ Realizing a low-carbon future
◆ Implementing closed-loop recycling
◆ Planning a future of natural harmony
Today ICT business operators are required to develop services that contribute to a low-carbon society as well as to make efforts to reduce the company’s carbon footprint. We are promoting environmentally conscious business activities by proactively implementing fundamental measures and adopting cutting-edge technologies.

We strive to create a low-carbon society and pass on a thriving global environment to the next generation.

What ICT Operators Must Do to Address Social Challenges

Power consumption at telecommunications buildings and data centers continues to rise, affected by the drastic increase of data traffic accompanying the progress of an ICT society. Reducing the company’s carbon footprint is an important management challenge for ICT operators, and NTT Communications is addressing this by introducing advanced facilities and technologies across the Group. Specifically, in order to reduce CO₂ emissions from telecommunications buildings, we have improved the airflow in the server room for more effective cooling, adopted a floor panel that accumulates less heat, and set up a board or screen to change the direction of the airflow. In addition, we are pushing ahead with furthering the effective consumption of electricity through the visualization of air-conditioning effectiveness of the entire building as well as by installing SmartDASH®, an advanced integrated air-conditioning control system. Furthermore, in our offices we have introduced LED lighting and lighting equipment with occupancy sensors to reduce electricity use, along with energy saving initiatives that include room temperature control, adjusting computer power settings, and regularly cleaning air-conditioner filters.

Continuous Initiatives Recognized by Society

These measures have resulted in an average annual decrease of CO₂ emissions of 28.2%, from the operations of telecommunications buildings and the Kyoto Minami Building, for fiscal 2014 to fiscal 2016, compared to the base year (average for fiscal 2011 to fiscal 2013), and we were recognized by Kyoto City as an especially excellent operator. In 2018, the Tokai and Kyushu branches were accredited as Eco Business Establishments for their environmentally sound initiatives. We will proactively continue to reduce the Group’s carbon footprint, conducive to the sustainable global environment.

Change in CO₂ Emissions of the Kyoto Minami Building and Reduction Achieved

Local governments that have given awards to NTT Communications: Sapporo City, Yokohama City, Nagoya City, Kyoto City, Fukuoka Prefecture, Kagoshima Prefecture

Contributions to the Global Environment

Our Actions

The NTT Communications Group contributes to achieving the SDGs by making extensive use of ICT to provide innovative services while continuously taking on challenges with a firm eye on what lies ahead.

NTT Communications’ Actions toward the SDGs

From a global perspective, we will focus on improving the energy efficiency of ICT-related equipment that has a significant impact on the environment and strive to preserve the global environment to pass on a green, healthy planet to the next generation.

We use solar power at telecommunications buildings and data centers in Tokyo. Looking ahead, we will continue to proactively use clean, renewable energies to reduce GHG emissions.

We will achieve a reduction of waste generated from office-related work by thoroughly implementing the 3Rs (reduce, reuse, and recycle) across our business.

We are making an effort to preserve sustainable marine resources by performing environmental assessments prior to laying out a subsea communications cable network and carrying out minesweeping upon construction as well as through our activities to preserve ecosystems such as corals.
While carrying out the responsibilities of companies, employees independently aim for their own happiness and development and are partners that grow with those companies. At the NTT Communications Group, we have measures in place to nurture talented employees with a keen awareness of globalization to grow together with our employees.

Over the past few years, attention worldwide has focused on diversity in management as more emphasis is placed on supporting the wellbeing of employees and turning diversity into a competitive advantage. As more women join the workforce and new working styles are adopted, NTT Communications is trying out various new measures, including personnel exchanges around the world.

Our Approach
- Human resources development
- Creating workplaces where diversity thrives
- Maintaining and improving employee health

While carrying out the responsibilities of companies, employees independently aim for their own happiness and development and are partners that grow with those companies. At the NTT Communications Group, we have measures in place to nurture talented employees with a keen awareness of globalization to grow together with our employees. Over the past few years, attention worldwide has focused on diversity in management as more emphasis is placed on supporting the wellbeing of employees and turning diversity into a competitive advantage. As more women join the workforce and new working styles are adopted, NTT Communications is trying out various new measures, including personnel exchanges around the world.

Our Ambition
A society where everyone acknowledges and lifts each other higher
- A society where diversity is respected in terms of individuality, attributes and ideology
- A society where people can use their abilities to the fullest

Priority Activities
- Human resources development
- Maintaining and improving employee health
- Respect for diversity, equal opportunity, and other objectives
In order for us to tackle the social issues stemming from a declining birthrate and aging population, we need to create working styles that meet the individual needs of employees. Therefore, we are advancing various reforms toward becoming a leader in terms of work style innovation.

We aim to realize diverse workstyles geared to ensuring quality of life.

We are driven to create a work environment that allows our employees to work flexibly and stay with us for a long time over their life events. This contributes to the goal of creating a sustainable society.

The NTT Communications Group contributes to achieving the SDGs by making extensive use of ICT to provide innovative services while continuously taking on challenges with a firm eye on what lies ahead.

<table>
<thead>
<tr>
<th>Contribution to SDGs through Work Style Reforms</th>
<th>The goal of our work style reforms is satisfying each individual “lifestyle” of our employees. The happiness of our employees will lead to the happiness of their families and of people around them. This will, in turn, generate motivation for work.</th>
</tr>
</thead>
</table>
| STEP1 (2012–2014) | Tokyo business model program for work style reforms  
• Promoting paperless offices (distribution of iPads)  
• Meeting reforms |
| STEP2 (2014–2016) | Implementation of various system solutions to improve productivity and reduce working hours  
• Promotion of BYOD (Bring Your Own Device)  
• EGG Portal (work operation DIY tool) |
| STEP3 (from 2017) | Realization of diverse working styles based on “lifestyle” and “work”  
• Three areas of focus: policies and rules, environment and tools, and awareness and culture |

In 2012, we participated in the Tokyo business model program for work style reforms, which was the catalyst that drove us to make our own such reforms. In the beginning (STEP 1), the focus was on reducing paper usage and reforming our meetings. In 2014, we moved to the next phase (STEP 2) and worked on productivity and working hours reduction by implementing technological solutions to create smart device-enabled environments.

We are currently on the third phase (STEP 3). Based on our belief that feeling satisfied in a “lifestyle” will also lead to feeling satisfied at “work,” we push forward with our reforms focusing on three areas: 1) policies and rules, 2) environment and tools, and 3) awareness and culture. In 1, we updated our work-from-home policy, which was previously limited to those with childcare and nursing care needs, and made it available to all employees, and made flextime also available to all, to open up new working style options adequate for our diverse workforce. In 2, we established a new IT environment that enhances collaboration and leveraged digitization to promote automation, optimization, and labor-saving in business operations. Here we also facilitated better working hour management by combining our attendance management systems. In 3, we are working on awareness-raising activities with both top-down and bottom-up approaches, such as periodic communication from management and employee-led events. Our ongoing work style reform activities based on these three focus areas have allowed us to achieve a reduction in working hours and raise employee satisfaction. With the aim of becoming the most innovative company for employee work styles, we are accelerating our actions, including the creation of off-site workspaces in karaoke rooms by partnering with other companies. Moreover, our head office will move into a new building in January 2019, with Wi-Fi in all rooms as well as other features, enabling our employees to work more efficiently.

We strive to be the leading company of work style reforms through the use of the latest ICT. We challenge ourselves to invent new services and solutions that change how work is done in Japan and push forward with our reforms through collaboration within and outside our organization.
Continuous Strengthening of Corporate Governance

Always Trusted for Our Sense of Responsibility

Our Ambition
A society built on coexistence and mutual trust between stakeholders and companies
◆ A society where corporate actions are closely aligned with laws, regulations, and ethics
◆ A society that benefits from corporate activities and daily dialog with stakeholders

As we continue to provide global ICT services that have become embedded in social infrastructure, we must ensure that our management foundation covers all the required elements, which are diverse. They include an efficient and nimble business organization, an open corporate culture, and a risk management system capable of flexibly responding to emergencies such as accidents and natural disasters. At the NTT Communications Group, we take a thorough, Groupwide approach to ensuring efficient governance and solid compliance in order to continue contributing to the development of a sustainable society. In recent years in particular, we have been working diligently to prevent and thwart cybercrime, which has become a serious social problem.

Our Approach

Priority Activities

☒ Efficiency in governance
☒ Thorough compliance
☒ Ensure information security

As we continue to provide global ICT services that have become embedded in social infrastructure, we must ensure that our management foundation covers all the required elements, which are diverse. They include an efficient and nimble business organization, an open corporate culture, and a risk management system capable of flexibly responding to emergencies such as accidents and natural disasters. At the NTT Communications Group, we take a thorough, Groupwide approach to ensuring efficient governance and solid compliance in order to continue contributing to the development of a sustainable society. In recent years in particular, we have been working diligently to prevent and thwart cybercrime, which has become a serious social problem.

Priority Activities

◆ Compliance
◆ Risk management
◆ Respect for human rights
◆ Information security
We strengthen CSIRT operations to reduce the security risks of Companywide IT systems.

Building a CSIRT Operation System for a Quick Response to Incidents

Ensuring information security is the core of our initiatives as an ICT company, and we have repeatedly sought to bolster our countermeasures for the Companywide IT system to address threats against cyber security that continue to grow in sophistication and diversity. The relationship between cyberattacks and security measures is often a vicious cycle, which means that eliminating the threat completely is impossible, no matter how many measures are implemented. We launched an internal Computer Security Incident Response Team (CSIRT) in July 2017 with an emphasis on minimizing the impact and limiting damages in the event of an incident.

Building a Robust Social Infrastructure by Creating a Self-Detection Mechanism against Cyberattacks

It is often the case that people only realize they are under cyberattack after being warned by someone else, and thus fall one step behind in their response. We therefore believe it is important to create a corporate self-detection mechanism against cyberattacks. For example, an event in the security equipment will trigger a review of server logs and network equipment, visualizing and analyzing them from a security perspective, which in turn leads to early detection and response to a threat. The pressing issue in the years ahead will be to organize incident response operations into standardized management operations and establish a management system with the optimal number of staff. Also, we will actively develop security experts by utilizing CSIRT operations as a field in which we practice and experience operations for security management.
# Fiscal 2017 Targets and Results

## Contributions to Society

<table>
<thead>
<tr>
<th>Priority Activities</th>
<th>Initiatives</th>
<th>Fiscal 2017 Targets</th>
<th>Fiscal 2017 Activity Results</th>
<th>Quantitative Results</th>
<th>Self-Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation That Supports a Networked Society</td>
<td>Provision of new value that contributes to business transformation</td>
<td>Contribute to the digital transformation of corporate customers by optimizing their hybrid ICT environments</td>
<td>• Released the &quot;Things Cloud®&quot; Platform with features required for adopting IoT, such as sensor connections, data visualization, and API</td>
<td>Number of IoT projects generated by &quot;Things Cloud®&quot;: more than 80</td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td>Realization of safe and secure daily lifestyles, bridging the digital divide</td>
<td>Launch new services for improving OCN services and continuously implement functional enhancements</td>
<td>• Improved communication speeds for OCN Mobile ONE during heavy data traffic</td>
<td>• Number of press releases related to IoT: 18</td>
<td>★★★</td>
</tr>
<tr>
<td>Development of disaster-resilient networks</td>
<td>Development of disaster-resilient networks</td>
<td>• Explore measures against flooding based on the latest hazard maps (flood prevention: Shonan and Karasuma; seismic reinforcement: Tenjin Minami)</td>
<td>• Flood prevention and seismic reinforcement</td>
<td>• Improved communication speeds for OCN Mobile ONE during heavy data traffic</td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td>Measures to address major natural disasters</td>
<td>• Repair basic action/processes in the event of an earthquake directly under Tokyo; members traveled from their homes to their offices on the assumption that an earthquake had occurred on a weekend or holiday</td>
<td>• Participating survey response confirms drills and training were effective</td>
<td>• Number of domestic networks: 4 projects</td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td>Network surveillance 24 hours a day, 365 days a year</td>
<td>• Reduction in the number of long-term malfunctions: Networks in Japan (more than 4 hours): 460 incidents/year</td>
<td>• Improved service performance by reinforcing the linings of pipelines</td>
<td>• Number of overseas networks: 556 incidents/year</td>
<td>★★★</td>
</tr>
</tbody>
</table>

**Fiscal 2017 Activity Results**

- **Self-Assessment:** ★★★: Target achieved, ★★: Target almost achieved, ★: Target only partially achieved.
## Contributions to the Global Environment

<table>
<thead>
<tr>
<th>Priority Activities</th>
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<th>Self-Assessment</th>
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<tr>
<td><strong>Realizing a Low Carbon Future</strong></td>
<td><strong>Cutting carbon emissions from businesses</strong></td>
<td>• Raise power efficiency per data transmission in our telecommunications businesses (including data centers) by at least 10% in 2018 compared to fiscal 2013 levels (fiscal 2017 target was 2.8-fold)</td>
<td>• Completed the assessment of 128 systems planned for FY2017</td>
<td>• Completed the assessment of 128 systems planned for FY2017</td>
<td>★★★</td>
</tr>
</tbody>
</table>
## CSR Activity Results | Fiscal 2017 Targets and Results

<table>
<thead>
<tr>
<th>Priority Activities</th>
<th>Initiatives</th>
<th>Fiscal 2017 Targets</th>
<th>Specific Activities</th>
<th>Quantitative Results</th>
<th>Self-Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Realizing a Low Carbon Future</strong></td>
<td>Cutting society’s carbon emissions through products and services</td>
<td>Expand the use of the Environmental Solutions Label System to contribute to reducing CO₂ emissions across society by at least 10 times more than the NTT Com Group’s own emissions in 2030 (fiscal 2017 target was 17.2 fold)</td>
<td>Nationwide deployment of airflow control</td>
<td>Contribution to CO₂ reduction in society/the company’s own emission: 19.8 fold</td>
<td>★★★</td>
</tr>
<tr>
<td><strong>Implementing Closed-Loop Recycling</strong></td>
<td>Realization of a low environmental impact business model</td>
<td>Implementation of measures to reduce electricity use; installation of energy-saving equipment; appropriate management of hazardous substances</td>
<td>Enhance promotion of 3R policy</td>
<td>—</td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td>Thorough implementation of a 3R policy in businesses</td>
<td>• Through implementation of a 3R policy—reduce, reuse, and recycle—with regard to all the resources relevant to our business activities • Improvement in final waste disposal ratio: final disposal ratio of 2.4% or lower • Strength measures at the level of individual organizations based on data on multifunction printer usage, and promote a paperless working style that utilizes ICT equipment</td>
<td>Final disposal ratio: 0.85%</td>
<td>—</td>
<td>★★★</td>
</tr>
<tr>
<td><strong>Planning a Future of Natural Harmony</strong></td>
<td>Facilities that show consideration for biodiversity</td>
<td>Implement the use of the Environmental Solutions Label System to contribute to biodiversity conservation</td>
<td>Facility maintenance based on NTT Group building concepts</td>
<td>—</td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td>Utilize ICT to contribute to biodiversity</td>
<td>• Facility maintenance based on NTT Group building concepts • Compliance with action guidelines with regard to biodiversity conservation</td>
<td>—</td>
<td>—</td>
<td>★★★</td>
</tr>
</tbody>
</table>

### Respect for Human Resources

<table>
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<tr>
<th>Priority Activities</th>
<th>Initiatives</th>
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<th>Quantitative Results</th>
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</thead>
<tbody>
<tr>
<td><strong>Human Resource Development</strong></td>
<td>Maintenance and improvement of motivation</td>
<td>• Implement measures to continuously maintain and improve employee motivation through surveys to all employees • Expand implementation of employee awareness surveys across the Group companies</td>
<td>Conducted trial employee satisfaction surveys in overseas Group companies</td>
<td>—</td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td>Building a career development program</td>
<td>Training time per person: more than 19 hours</td>
<td>In data science and intellectual property, the specialty fields (subcategories) that were newly added in 2016, Milestone Level 3, was achieved for the first time, executed activities for raising skill levels Companywide and increasing the number of talented employees capable of major contributions, such as setting up new communities and organizing workshops by top engineers in the industry</td>
<td>Training time per person: 21 hours</td>
<td>★★★</td>
</tr>
<tr>
<td><strong>Employment and promotion of diverse human resources</strong></td>
<td>Employment and promotion of diverse human resources</td>
<td>Continue department level and domestic Group company level activities that involve discussions with female managers to influence and improve employee career-mindedness</td>
<td>Held the &quot;Open Cafe&quot; event for first-year employees, including a panel discussion on female manager career paths, also organized discussion sessions for female managerial candidates with current female managers (manager of HR, manager of the Diversity Promotion Office), and both of these activities were intended to raise career-mindedness of female employees</td>
<td>—</td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td>Training global personnel</td>
<td>Promote seconding employees to new companies and also accepting such employees; plan to send 50 seconding employees and accept 20</td>
<td>As destinations for secondment, create more posts that lead to greater software development skills and technical capabilities, which will be critical to business going forward. In addition, take in a greater number of human resources (six out of 22 people) from acquired companies, not only from locally-established affiliates</td>
<td>—</td>
<td>★★★</td>
</tr>
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Achievement levels (self-assessment set at three levels) | ★★★ | Target achieved, ★★ | Target almost achieved, ★ | Target only partially achieved
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<tr>
<td>Maintaining and Improving Employee Health</td>
<td>Health</td>
<td>Accelerating working style reform</td>
<td>99.8%</td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Promotion of not working after 20:00 for all employees (late night work is in general not permitted)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Designating months for leaving work at regular times (August, November)</td>
<td></td>
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<td></td>
<td></td>
<td>• Promotion of remote working (expand working from home to all employees, provide a secure work space)</td>
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<tr>
<td></td>
<td></td>
<td>• Consider and implement systems for flex/shift working/modified working styles</td>
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<td></td>
<td></td>
<td>• Management level reforms (work inventory, clearance of unnecessary tasks)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Health checkup rate 100%</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Various groups to work together and recommend checkups for those who have not yet received them</td>
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<tr>
<td>Thorough implementation of occupational safety and health</td>
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<td>Accelerated working style reform</td>
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<td>• Promoted remote working (e-work (working from home) for all employees, provided a secure work space)</td>
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<td></td>
<td></td>
<td>• Implemented flextime for all Group companies</td>
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<td></td>
<td></td>
<td>• Conducted management level reforms (work inventory, clearance of unnecessary tasks)</td>
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### Continuous strengthening of management foundation

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<tr>
<td>Compliance</td>
<td></td>
<td>• Delivered an executive message on corporate ethics from the president</td>
<td></td>
<td>★★★</td>
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<tr>
<td></td>
<td></td>
<td>• Issued an e-magazine on compliance for all employees</td>
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<td></td>
<td></td>
<td>• Conducted job level-based training sessions, including compliance seminars for senior executives, compliance training for all full-time and temporary employees, new employee training, and other rank-based training</td>
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<td></td>
<td></td>
<td>• Enhanced corporate ethics training materials for NTT Communications Group companies</td>
<td></td>
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<td></td>
<td></td>
<td>• Maintain and operate various contact points to provide an appropriate and adequate response to consultations and report on diverse issues, and support consultations in languages other than Japanese</td>
<td></td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• NTT Communications Compliance Hotline</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Compliance Hotline set up at NTT Communications Group companies</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Workplace Problem Consultation Helpdesk that receives consultations on work-related issues</td>
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<td></td>
<td>• Human Rights Consultation Helpdesk</td>
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<td></td>
<td></td>
<td>• Conduct training for staff in charge of promoting compliance</td>
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<td></td>
<td>• Strengthen auditing to facilitate the discovery and prevention of illegal activity</td>
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<td>• Maintained and operated various contact points to provide an appropriate and adequate response to consultations and report on diverse issues, and supported consultations in languages other than Japanese</td>
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<td>★★★</td>
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<td></td>
<td>• NTT Group Corporate Ethics Help Line set up at a law firm</td>
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<td>• NTT Communications Compliance Hotline</td>
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<td></td>
<td></td>
<td>• Disseminated a schedule of face-to-face consultations with professional counselors and information on various internal contact points</td>
<td></td>
<td>★★★</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Disseminated information on contact points through Companywide human rights training and the corporate intranet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respect for Human Rights</td>
<td></td>
<td>Disseminated potential human rights impact assessment related to overseas Group companies</td>
<td></td>
<td>★★★</td>
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<tr>
<td></td>
<td></td>
<td>• Conducted potential human rights impact assessment related to overseas Group companies</td>
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<td></td>
<td></td>
<td>• Assisted ethical business conduct by expanding the number of face-to-face consultations with overseas Group companies</td>
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<td></td>
<td>• Disseminated potential human rights impact assessment related to overseas Group companies</td>
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<td></td>
<td></td>
<td>• Continued cooperation to disseminate information on contact points that can effectively and sufficiently respond to consultations and report on diverse issues</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Protect children's human rights by maintaining access restrictions for &quot;goo,&quot; &quot;plala,&quot; and &quot;OCN&quot; services based on a list of child pornography website addresses provided by the ICSA</td>
<td></td>
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<td>★★★</td>
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<tr>
<td></td>
<td></td>
<td>• Published periodic human rights impact assessment related to overseas Group companies</td>
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<td></td>
<td>• Disseminated potential human rights impact assessment related to overseas Group companies</td>
<td></td>
<td>★★★</td>
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<td></td>
<td></td>
<td>• Continued operation and dissemination of information on contact points through Companywide human rights training and the corporate intranet</td>
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</thead>
<tbody>
<tr>
<td>Risk Management</td>
<td>Continuous upgrades to risk management structure</td>
<td>• Business risks - Maintain ongoing efforts to develop a business risk management structure by incorporating activities of overseas Group companies into domestic risk management activities • Crisis risks - Implement personal safety confirmation measures for overseas employees during the fiscal year to enable response to crisis risks outside Japan</td>
<td>• Business risks - Implement business risk management activities at 8 overseas subsidiaries in fiscal 2017 as a follow-up to measures implemented at the 5 regional headquarters in 2016 • Crisis risks - Began operating an overseas personal safety confirmation program for employees on business trips, expats, and senior managers at acquired companies</td>
<td>• Business risks - Implemented business risk management activities at all 8 overseas subsidiaries • Crisis risks - Incorporated data for about 4,000 employees who take business trips each year, expats, and senior managers of 11 acquired companies</td>
<td></td>
<td>★★★</td>
</tr>
<tr>
<td>Information Security</td>
<td>Strengthening of Security Management</td>
<td>• Strengthen security management through collaboration with domestic Group companies to raise competitiveness • Bolster process management to ensure the safe handling of confidential information, including personal information • Conduct Companywide security training to raise awareness and limit occurrences of security incidents (attendance: 100%) • Improve and strengthen security measures at each Group company based on security survey results • Bolster collaboration regarding responses to security incidents, including cyberattacks</td>
<td>• Conducted a survey of Group companies (12 in Japan, 25 overseas) to confirm the implementation of PDCA cycles for security management • Introduced application rules for seeking special access to integrated networks to ensure greater safety in the handling of customer information • Established procedures for managing customer information downloaded from operational systems, which were enforced along the security line of all corporate organizations • Deployed targeted email attack training at Group companies (4 in Japan, 1 overseas), conducted specialized training for staff in charge of security management, including staff in charge of security at domestic Group companies • Confirmed the installation of CSIRT functions at domestic Group companies and visualized functions that will be required by each company • Established procedures for handling security incidents at 7 overseas Group companies</td>
<td>Attendance in Companywide security training: 100%</td>
<td></td>
<td>★★★</td>
</tr>
<tr>
<td>Development of Security Specialists</td>
<td>Raise the skills of intermediary-level personnel Advanced level qualification: 12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriate Management of Personal Information</td>
<td>Comply with the revised Personal Information Protection Law</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Achievement levels (self-assessment set at three levels) ★★★: Target achieved, ★★: Target almost achieved, ★: Target only partially achieved.
Corporate Overview (as of March 31, 2018)

Name
NTT Communications Corporation

Headquarters
1-1-6 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-8019, Japan

Date Established
July 1, 1999

Paid-in Capital
230.9 billion yen

Number of Employees
6,250 (NTT Communications Group: 22,050)

Business
Domestic and international telecommunications services

Operating Revenues (Billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Group-wide</th>
<th>Non-consolidated</th>
</tr>
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<tbody>
<tr>
<td>FY2015</td>
<td>1,319.1</td>
<td>918.3</td>
</tr>
<tr>
<td>FY2016</td>
<td>1,283.0</td>
<td>923.8</td>
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Operating Income (Billions of yen)

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<td>FY2015</td>
<td>118.2</td>
<td>91.1</td>
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<td>FY2016</td>
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</tr>
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Number of Employees

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<tr>
<td>FY2015</td>
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Globally Recognized Achievements

- Won top recognition at the 2017 World Communication Awards in four categories: Best Global Operator, Best Wholesale Operator, Best Enterprise Service, and the Industrial IoT Award.
- Received the Best NFV/SDN Implementation and Most Innovative IoT Project awards at the Telecom Asia Awards 2018.

About the Reporting Media

CSR Website
The CSR website is updated with the latest information on a regular basis. Please access the site for information on the CSR activities of each NTT Communications Group company.


PDF Report Downloads
The content of the NTT Communications Group CSR Report 2018 is presented in a comprehensive manner. The report consists of a highlight version and an expanded version. We aim to provide information effectively by catering to readers envisioned for each medium.

As can be expected of a company that provides ICT services, the NTT Communications’ CSR Report has been provided in electronic format since 2012. The highlight version presents the NTT Communications Group’s more important CSR activities in a clear, straightforward manner for the general public.

The expanded version presents numerous examples of the NTT Communications Group’s CSR activities through a comprehensive look at specific CSR activities and detailed data.


Scope of the Report
This report covers the activities of NTT Communications Corporation and its Group companies, unless otherwise indicated.

Period Covered
Fiscal 2017: April 1, 2017 to March 31, 2018
(Also contains information on activities conducted before or after this timeframe)

Issue Date Information
This report: October 2018
(Previous report: November 2017; next report scheduled for October 2019)

Referential Guidelines
GRI Sustainability Reporting Standards 2016
Ministry of the Environment “Environmental Reporting Guidelines 2012”
(from the website)
Ministry of the Environment “Environmental Accounting Guidelines 2005”
ISO 26001: 2010 Guidelines on Social Responsibility

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