



NTT Communications Corporation CSR Report 2018

Business Vision and Fundamental CSR Policy


Senior Management's Commitment


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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 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)

ICT Total Solutions for Businesses

40+ Countries and Regions **110+** Locations

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)

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 Network Services

190+ Countries and Regions

We provide global network services that extend across 190 countries and regions worldwide. (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)

Global Data Center Service Offering the Highest Levels of Quality

20+ Countries and Regions **400,000 m²+** Server Room Space

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.

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.



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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.



Source: *The Global Risk Report 2018*, World Economic Forum

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.

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



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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.

Contributions to Society ▶ p. 10

Relevant SDGs



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

Respect for Human Resources ▶ p. 14

Relevant SDGs



Priority Activities

- Human resources development
- Respect for diversity, equal opportunity and other objectives
- Maintaining and improving employee health

Contributions to the Global Environment ▶ p. 12

Relevant SDGs



Priority Activities

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

Continuous Strengthening of Corporate Governance ▶ p. 16

Relevant SDGs



Priority Activities

- Compliance
- Respect for human rights
- Risk management
- Information security



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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.



Toru Maruoka
Senior Executive Vice President



Contributions to the Global
Environment

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

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.



Masaaki Moribayashi
Senior Executive Vice President



Respect for Human Resources

Realizing Workplaces that Enable Diverse Human Resources to Thrive

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.



Denji Sakurai
Executive Vice President



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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.



Hiromasa Takaoka
Senior Vice President, Head of Customer Services

Relevant
SDGs



Rising to the Groupwide Challenge to Realize a Sustainable Society



Eiichi Tanaka
Executive Vice President



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.