

NTT Communications Corporation Sustainability Report 2021


CONTENTS


Message from the President & CEO


Our Vision of the Future


Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results

Continuous Strengthening of Corporate Governance Governance

Thorough Compliance

Respect for Human Rights

Risk Management

Ensuring Information Security

Corporate information



Continuous Strengthening of Corporate Governance



Hiroki Kuriyama
Senior Executive Vice President

Due in part to the impact of the COVID-19 pandemic, digital transformation (DX) using advanced technologies such as AI, IoT, and 5G has accelerated across society. We are creating innovative and unprecedented communication methods by providing various solutions that promote the DX initiatives of customers under our Re-connect X business vision. To realize this vision, the foundation that connects the NTT Communications Group and its customers must be built upon trust as the key universal element. To remain a trusted corporate group in this so-called “new normal” era, we will always place compliance at the foundation of our operations.

To ensure that all employees engage in business activities with high ethical standards under a solid governance structure, we will thoroughly comply with laws, regulations, social norms, and internal rules while continuously enhancing our risk management structure, to which we have also added considerations for handling risks. Ensuring information security remains a vital aspect of our business activities, and we are aware of the need to consistently reinforce initiatives that include proper information management and the development of security specialists. Moreover, we believe that only by extending these initiatives across our value chain can we earn recognition as a fully trustworthy partner.

Up to the present and into the future, we will endeavor to realize solid governance and enhance corporate value as we continue to advance as a company that has earned the public’s trust.

Remaining Trustworthy and Mission-Oriented

Society expects companies to fulfill a wide range of responsibilities, from providing new value through products and services to maintaining a corporate culture of integrity and fairness. NTT Communications is upholding its new business vision Re-connect X as a strategy for creating a sustainable future by re-connecting everything. To achieve sustainable corporate growth and continuously contribute to realizing a sustainable future, we are committed to practicing efficient governance and solid compliance across the Group. In particular, as advances in the remote world have heightened the importance of ensuring information security as a social concern, we have been actively preventing problems and providing countermeasures. We will remain faithful to our corporate mission, core beliefs, and policies in order to ensure each and every employee takes action with a sense of responsibility and strive to establish corporate governance and compliance systems throughout the Group to construct an efficient, legally compliant, and ethical management foundation.

CSR
Priority
Activities

094 Thorough Compliance

097 Respect for Human Rights

100 Risk Management

102 Ensuring Information Security

NTT Communications Corporation Sustainability Report 2021


CONTENTS


Message from the President & CEO


Our Vision of the Future


Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results
 Continuous Strengthening of Corporate Governance
 Thorough Compliance
 Respect for Human Rights
 Risk Management
 Ensuring Information Security

Corporate information

Fiscal 2020 Activity Results

Actions Implemented in Line with KPIs

In view of changes in the business environment and social expectations, such as the dissemination of ICT throughout society and the need to address supply chain management, we have designated thorough compliance, respect for human rights, risk management, and ensuring information security as our Sustainability Priority Activities, put to action by each employee based on our mission, core beliefs, and business vision and with the intention of remaining a trusted corporate group.

As a result, we were able more or less to attain our targets in all areas in fiscal 2020. In terms of thorough compliance, we enhanced quality in line with Japan's revised Whistleblower Protection Act, such as by shortening the investigation period after verifying the whistleblowing process, including confidentiality and investigation of reported content. We intend to incorporate the results into developing our initiatives further in fiscal 2021 on a Groupwide basis.

◆ Fiscal 2020 Activity Results

Initiatives	Medium-term Targets (Form We Want to Take in Five Years)	Fiscal 2020			Scope of Activities (Boundary)		
		Targets	Specific Activities	Quantitative Results	Assessment	Within the Organization	Outside the Organization

CSR Priority Activities | Thorough Compliance Relevant SDGs ▶ 5 10 16

Raise awareness and establish compliance throughout the Group	Becoming a company that practices corporate ethics, including compliance with laws, social norms, and internal rules	<ul style="list-style-type: none"> Implement training and education centered on measures for preventing workplace harassment (collaboration between the Human Rights of the Human Resources and the Compliance Committee secretariat) Strengthen efforts to raise awareness by conveying messages from top management and visualizing initiatives on compliance (open and two-way effort) 	<ul style="list-style-type: none"> Implemented Companywide compliance training Organized seminars on anger management Formulated the Rules for Preventing Harassment Conducted a corporate ethics survey Published messages from top management (message from the chairperson of the Compliance Committee) in the online journal 	<ul style="list-style-type: none"> Attendance of Companywide compliance seminars at NTT Com (96.8%) Response to the corporate ethics survey at NTT Com (85.8%) Auditing of subsidiaries: paper audits were conducted for the first time at 9 of 14 subsidiaries, and an auditing method was established for the "new normal," such as identifying the auditing trail of trade based on BOX 	★★★	●	Group in Japan and overseas
		<ul style="list-style-type: none"> Formulate and execute audit plans that reflect changes in the business structure associated with NTT Com's organizational restructuring Concentrate auditing resources in high-risk areas by stringently practicing risk-based auditing Establish preventive auditing 	<ul style="list-style-type: none"> Created a risk map that reflects changes in the business structure associated with NTT Com's organizational restructuring to conduct audits based on themes selected through discussions with management. Selected subsidiaries for either paper audits or onsite audits in accordance with changes in risks that occurred in the relevant fiscal year Shared the analysis results of continuous risk monitoring based on CAAT with all Group organizations by visualizing the results in a dash board format to establish preventive auditing. Also changed the frequency of information sharing from bi-annual to quarterly to provide information in a timelier manner. 	<ul style="list-style-type: none"> Sharing analysis results with each division: expanded from 37 to 157 staff, centered on the heads of planning and personnel in charge of each division Frequency of information sharing: changed from bi-annual to quarterly 	★★★	●	
Appropriate prevention and response to violations and misconduct	● Maintaining and operating points of contact that consulters and whistleblowers can safely contact as needed	<ul style="list-style-type: none"> Enhanced quality in line with Japan's revised Whistleblower Protection Act, such as by shortening the investigation period after verifying the whistleblowing process, including confidentiality and investigation of reported content Promoted collaboration with auditors from the standpoint of implementing Companywide risk management, including corporate ethics 	<ul style="list-style-type: none"> Conducted direct interviews using Web conferencing (shortened the investigation period) Introduced an investigation process conducted by a third party (lawyers) to ensure objective external accountability Provided auditors with a report on the status of whistleblowing and exchanged views monthly 	<ul style="list-style-type: none"> Shortened the investigation period from 4 to 2 months (9 weeks) Investigation by lawyers: 4 cases (unpublished) Reports to auditors and exchange of views (12 times, monthly) 	★★★	●	Group in Japan and overseas
	● Ensuring thorough protection for individuals who report incidents				★★★	●	

Achievement levels based on self-assessment ★★★: Target achieved ★★: Target almost achieved ★: Target only partially achieved

NTT Communications Corporation Sustainability Report 2021


CONTENTS


Message from the President & CEO


Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

- Fiscal 2020 Activity Results
- Continuous Strengthening of Corporate Governance
- Thorough Compliance
- Respect for Human Rights
- Risk Management
- Ensuring Information Security

Corporate information

Initiatives	Medium-term Targets (Form We Want to Take in Five Years)	Fiscal 2020				Scope of Activities (Boundary)											
		Targets	Specific Activities	Quantitative Results	Assessment	Within the Organization	Outside the Organization	Scope									
Raise awareness and establish compliance throughout the Group	Understand issues related to human rights awareness at NTT Communications and domestic affiliates to strengthen initiatives for raising human rights awareness as a global enterprise	Analyze results of the human rights management survey targeting affiliates in Japan and identify issues	Analyzed results of the survey targeting affiliates in Japan and identified priority human rights issues. These issues were shared with domestic affiliates and will be used as important reference in the planned revision of the NTT Group Human Rights Charter in fiscal 2021. Human rights due diligence will be conducted throughout and after fiscal 2021 pending revisions in the Human Rights Charter.	<ul style="list-style-type: none"> Human rights management survey targeting affiliates in Japan has already been conducted Identified priority human rights issues for NTT Com and its supply chain 	★★	●		Group companies in Japan									
									Appropriate prevention and response to human rights abuses	Create a Companywide consultation and reporting mechanism capable of preventing and appropriately responding to human rights abuses	Continue to operate contact points under remote working conditions to respond effectively and sufficiently to consultations and reports on diverse issues and communicate this information to employees	<ul style="list-style-type: none"> Maintained efforts to raise awareness of contact points for consultation and whistleblowing in general by incorporating them into Companywide training and monthly messaging to all employees Reconfirmed policies on conducting rapid and appropriate investigation of the facts in accordance with compulsory measures for preventing harassment in the workplace Changed part of the consultation and whistleblowing process from one-on-one meetings to Web meetings in response to COVID-19 Contact points for consultation and whistleblowing are accessible through a link at the top page of the internal information portal for all employees 	Test question concerning the functions of the contact points were answered correctly by 97% of the participants in Companywide training	★★	●	●	Group companies in Japan
Data Platform Services: Protect children's human rights by maintaining access restrictions for OCN service based on a list of child pornography website addresses provided by ICSA	Data Platform Services: Number of limited-access domains was approx. 20	Data Platform Services: Protect children's human rights by maintaining access restrictions for goo and OCN services based on a list of child pornography website addresses provided by ICSA	Data Platform Services: Number of limited-access domains was approx. 20	★★★	●	●	Group companies in Japan										
								NTT Resonant: Protect children's human rights by maintaining access restrictions for goo and OCN services based on a list of child pornography website addresses provided by ICSA	NTT Resonant: <ul style="list-style-type: none"> OCN: Approx. 34 limited-access sites goo: Registering 250 addresses publishing child pornography per week 	★★★	●			●	Group companies in Japan		

Achievement levels based on self-assessment ★★★: Target achieved ★★: Target almost achieved ★: Target only partially achieved

NTT Communications Corporation Sustainability Report 2021

CONTENTS

Message from the President & CEO

Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability



Contributions to Society



Contributions to the Global Environment



Respect for Employees



Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results

Continuous Strengthening of Corporate Governance

Thorough Compliance

Respect for Human Rights

Risk Management

Ensuring Information Security

Corporate information

Initiatives	Medium-term Targets (Form We Want to Take in Five Years)	Fiscal 2020			Scope of Activities (Boundary)			
		Targets	Specific Activities	Quantitative Results	Assessment	Within the Organization	Outside the Organization	Scope
CSR Priority Activities Risk Management Relevant SDGs ▶ 9								
Continuous upgrades to risk management structure	<ul style="list-style-type: none"> Business risks - Develop domestic and overseas management structures that enable us to consistently respond in the appropriate way to environmental and social risk elements such as climate change and scarcity of resources, in addition to economic risk elements Crisis risks - Develop BCP measures for promptly responding to pandemics and natural disasters 	<ul style="list-style-type: none"> Address the COVID-19 pandemic by rapidly implementing practical risk management, including the review and revision of documents defining risks, based on experience and with due consideration to "new normal" lifestyles In doing so, the Business Risk Management Committee will meet twice a year, and a Business Risk Management Subcommittee will meet every month to quickly reflect the results of deliberations on risk management, improve the efficiency of sharing information, and maximize the effects 	<ul style="list-style-type: none"> Reformatted documents defining risks into an action plan based on experience (November 2020). The documents will be continuously revised as needed. Held Business Risk Management Committee and Subcommittee meetings to address specific targets and reflect relevant points to risk management in a timely manner Reported to the Executive Council on a quarterly basis about efforts for efficiently communicating and widely establishing information with maximum effectiveness, and launched a BRM portal 	<ul style="list-style-type: none"> Held Business Risk Management Committee meetings (twice) Submitted quarterly report on risk management to the Executive Council (4 times) Held Business Risk Management Subcommittee meetings (10) Number of areas that were newly reinforced at the origin of risk based on above discussions: 11 themes 	★★★	●	●	Group companies in Japan
CSR Activities Ensuring Information Security Relevant SDGs ▶ 9 11								
Strengthening of Security Management	Deploy various measures to strengthen security management based on collaboration with domestic Group companies as well as overseas Group companies	<ul style="list-style-type: none"> Conduct Companywide security training to raise awareness and limit occurrences of security incidents (attendance: 100%) Continue conducting and developing system audits and information security audits 	<ul style="list-style-type: none"> Organized and conducted Companywide security training to raise awareness and measured the level of understanding Organized and implemented training for managers and leaders in charge of implementing security management 	<ul style="list-style-type: none"> Attendance of Companywide security training: 16,291 employees (100%) Attendance at training for managers and leaders in charge of implementing security management: 158 	★★★	●	●	Group companies in Japan
Development of Security Specialists	<ul style="list-style-type: none"> Develop security training to raise individual skills required for responding to security issues as ICT professionals Fiscal 2020 target: more than 2,400 people (advanced level: several people; intermediate level: 500; elementary level: 1,900 people) 	Develop personnel who provide support to stationary daily operations (expand the scope and raise skill levels from no skills to the elementary level and from the elementary level to the intermediate level), develop personnel to support major events in 2021 and personnel (consultants, auditors, and others) capable of creating new businesses after the events	<ul style="list-style-type: none"> Implemented a system for seconding mainly new employees to Group companies with systematic and practical human resource development curriculums, and have subsequently been applying their knowledge to security-related projects in each organization Dispatched employees to development programs at companies outside the Group to foster core human resources for the future Held various internal events such as Capture The Flag (CTF) and discovered numerous leadership candidates; expanded the internal community to over 250 members 	<ul style="list-style-type: none"> NTT Group security specialist accreditation program Advanced level: 13 (1) Intermediary level: 788 (10) Elementary level: 3,953 (345) (Figures in brackets indicate employees accredited in fiscal 2020.) 	★★★	●		Group companies in Japan
Appropriate Management of Personal Information	Maintain a sharp sense of awareness concerning the importance of customer information and consistently develop advanced mechanisms based on cutting-edge technologies to prevent information leakage	<ul style="list-style-type: none"> Prepare and respond to an upgrade application for the PrivacyMark Respond to the revision of Japan's Personal Information Protection Law (follow parliamentary deliberations on the revision, consider policies in response to the content of revisions, implement individual responses) 	<ul style="list-style-type: none"> Prepared for paper screening and on-site screening for a PrivacyMark upgrade Monitored developments such as details of the revision and related guidelines in response to the 2020 revision of Japan's Personal Information Protection Law that took effect on April 1, 2022 and revised internal operating rules accordingly. In particular, we worked with the information security department on creating a mechanism for ensuring thorough adherence to rules on the appropriate disposal of confidential information such as personal data. 	<ul style="list-style-type: none"> Passed the upgrade screening for the PrivacyMark (November 2020) 	★★★	●		Group in Japan and overseas

Achievement levels based on self-assessment ★★★: Target achieved ★★: Target almost achieved ★: Target only partially achieved

NTT Communications Corporation Sustainability Report 2021

CONTENTS

Message from the President & CEO

Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability



Contributions to Society



Contributions to the Global Environment



Respect for Employees



Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results

Continuous Strengthening of Corporate Governance

Thorough Compliance

Respect for Human Rights

Risk Management

Ensuring Information Security

Corporate information

Continuous Strengthening of Corporate Governance

Our Foundational Mission, Core Beliefs, and Business Vision

Business Activities under Our Mission, Core Beliefs, and Business Vision

The NTT Communications Group took the opportunity of its 20th anniversary in 2019 to establish its mission, “Creating communication methods that open up new possibilities for people and our world,” and its core beliefs, “Take the initiative,” “Inspire Each Other,” and “Respond to Society’s Needs.”

Our mission expresses the purpose of our business while also reflecting our stance of generating innovative businesses to realize a world in which the inherent strengths and qualities of individuals, organizations, and societies are demonstrated to maximum effect. Our core beliefs embody the values that all of us should uphold in meeting our mission, with the underlying intention of creating value that exceeds society’s expectations by exercising individual initiative.

These represent the cornerstone for management and individual employees as all of us think and act at our own initiative to accomplish our mission of creating innovative and unprecedented communication methods and new value for the future.

We will advance toward achieving our goals by sharing and broadly establishing our mission and core beliefs, which are the result of a united effort drawing upon repeated discussions by employees, the president, and members of management. In our relationship with stakeholders, we may at times become uncertain about the decisions and actions that meet their needs. Whenever this concern arises, we will return to our mission and core beliefs in order to determine the right action as a company

serving society. Through these actions, we will strive to become a trusted company that satisfies the needs of customers and society.

In addition, the NTT Communications Group is upholding its new medium-term business vision of Re-connect X to fulfill its corporate mission in the “new normal” society that has been forced to undergo rapid change due to the spread of the COVID-19 pandemic.

As a general variable, “X” can signify anything. Together with our customers and partners, we will strive to help bring about a sustainable future by safely and securely connecting and re-connecting everything, and by collecting, storing and analyzing data, and providing feedback.

We believe that maintaining our business activities based on our mission, core beliefs, and business vision in a lawful, fair, and ethical manner contributes to meeting the SDG 10 “Reduced Inequalities” and SDG 16 “Peace, Justice and Strong Institutions.”



For more information on our mission, core beliefs, and business vision, see:

https://www.ntt.com/about-us/we-are-innovative/vision.html?link_id=ostp_mdd_about

(Japanese only)



For more information on Re-connect X, see:

<https://www.ntt.com/en/about-us/re-connectx.html>

Specific Activities for Companywide Engagement

To put into practice our mission and core beliefs, each employee must develop a deep understanding that facilitates taking action.

NTT Communications has produced and disseminated various tools across the Group. These include the Story Book, which explains our mission and core beliefs through stories and how they came to be established, and we printed cards bearing our mission and core beliefs in an easy-to-carry format. The tools are also distributed to new employees and staff who have been relocated to the NTT Communications Group.

We also organize workshops for creating personal action plans by linking individual values with our mission and core beliefs so that new employees can apply our mission and core beliefs to their jobs.

At the same time, we focus on sharing initiatives aligned with our mission and core beliefs across the Group. Articles that explain business policies formulated around our mission and related workplace efforts, including how they are connected to our mission and core beliefs, are broadly disseminated across the Group via our Web-based internal newsletter.

Moreover, we launched the KURUMAZA.exe forum to encourage direct interaction between executives and employees. These have been held five times to date, as needed. We are promoting Groupwide activities by fostering a deeper understanding of management policies and business activities in line with our mission and core beliefs through information sharing and a frank exchange of views.

NTT Communications Corporation Sustainability Report 2021


CONTENTS


Message from the President & CEO


Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results

Continuous Strengthening of Corporate Governance

Thorough Compliance

Respect for Human Rights

Risk Management

Ensuring Information Security

Corporate information

◆ Story Book, distributed to new employees and other staff



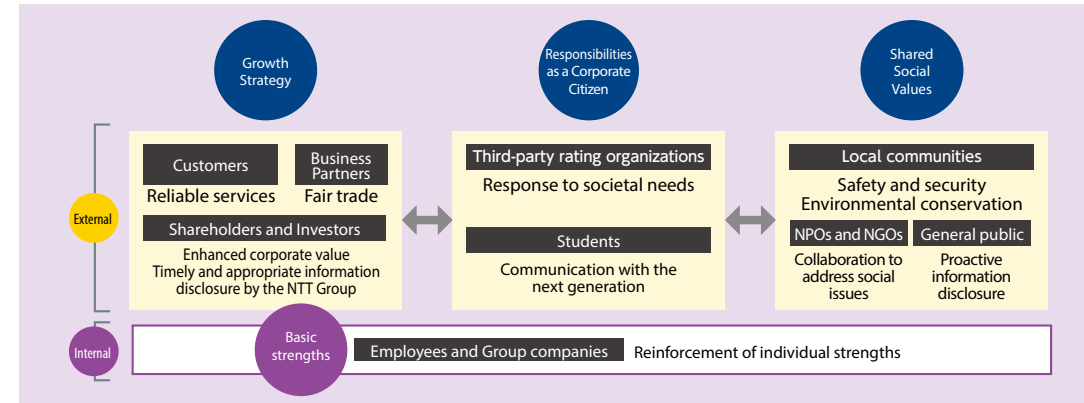
◆ KURUMAZA.exe session



Our Approach to Stakeholder Engagement

Our stakeholder relationships are extremely important for the NTT Communications Group in maintaining sustainable business operations. As part of our efforts to disclose information on sustainability, we have categorized our stakeholder engagement from the perspectives of required information, information that should be shared, and communication media. In addition to this report, we will engage with our stakeholders through our website, various events, and surveys.

◆ NTT Communications Stakeholders



◆ Dialogue with Stakeholders and Major Topics

Stakeholder	Opportunities for Engagement	Main Purposes
Customers	<ul style="list-style-type: none"> • Voice of Customer (VOC) Survey, CS surveys • Exchange of opinions at the NTT Communications Forum • Exchange of opinions based on daily interaction with Customers 	<ul style="list-style-type: none"> • Improve the quality of products and services • Explore new products and services • Continuously enhance customer service
Business Partners	<ul style="list-style-type: none"> • Customer Council • Partner Summit • Surveys, daily exchange of opinions 	<ul style="list-style-type: none"> • Improve the quality of products and services • Explore new products and services • Ensure fair business practices • Ensure green procurement and respect for human rights
Society at Large	<ul style="list-style-type: none"> • Dialogue with stakeholders • Exchange of opinions with NPOs, NGOs • Social contribution activities • Environmental protection activities 	<ul style="list-style-type: none"> • Contribute to the development of a sustainable society • Participate in social contribution and community activities • Seek harmony with local communities • Fulfill responsibility as a corporate citizen
Employees	<ul style="list-style-type: none"> • Comments from executives during dialogue meetings and lectures • e-learning programs and questionnaires • Feedback collected through the corporate intranet and helpline • KAIZEN Support Line • Employee satisfaction surveys 	<ul style="list-style-type: none"> • Broadly establish the corporate vision and philosophy • Broadly establish the Sustainability Policy • Create customer value and seek self-development • Realize value in work
Third-party Rating Organizations	<ul style="list-style-type: none"> • Participation in surveys conducted by research institutions in Japan and overseas • Publication of the Sustainability Report and information disclosure via the corporate website 	<ul style="list-style-type: none"> • Report on the status of various initiatives for social issues, human resources, the environment, and corporate governance

NTT Communications Corporation Sustainability Report 2021

CONTENTS

Message from the President & CEO

Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability



Contributions to Society



Contributions to the Global Environment



Respect for Employees



Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results

Continuous Strengthening of Corporate Governance

Thorough Compliance

Respect for Human Rights

Risk Management

Ensuring Information Security

Corporate information

Guidelines for Diverse Business Activities

Society has entrusted us with diverse responsibilities to fulfill through our operations, from developing products and services that solve social issues to protecting the environment and fostering a corporate culture that respects fairness and diversity. We encourage strict adherence to various guidelines in our corporate activities in order to continue fulfilling our social mission in each of our Sustainability Priority Areas.

Examples of Policies and Guidelines for Sustainability Priority Areas and Priority Activities

Sustainability Priority Areas and Priority Activities		Policies and Guidelines	Page in Report
Contributions to Society	Ensuring Stable and Reliable Services as Mission-critical Infrastructure	NTT Communications Three Disaster Policy Fundamentals to Address Disasters	030
	Robust Network Security for Customers	NTT Communications Security Declaration	032
	Collaboration with Suppliers	Procurement Policies	036
	Social Contributions and Fostering of Communities	Social Action Principles	038
Contributions to the Global Environment	Basic Philosophy and Vision	NTT Communications Group Global Environmental Charter	044
		Environmental Statement	
	Preserving Biodiversity	Eco Strategy 2030	045
Respect for Employees	Nurturing Human Resources	Biodiversity Action Plan	061
	Respect for Diversity and Equal Opportunities	Talent Profile of Ideal Employees	072
Continuous Strengthening of Corporate Governance	Respect for Human Rights	Promotion of Diversity Fundamental Policy	076
		Basic Policy on Human Rights Education	097
	Internal Controls	Basic Approach for Maintaining an Internal Control System	101
	Ensuring Information Security	NTT Communications Security Declaration	102

NTT Communications Corporation Sustainability Report 2021

CONTENTS

Message from the President & CEO

Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

Contributions to Society

Contributions to the Global Environment

Respect for Employees

Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results
 Continuous Strengthening of Corporate Governance
 Governance
 Thorough Compliance
 Respect for Human Rights
 Risk Management
 Ensuring Information Security

Corporate information

Governance

Corporate Governance

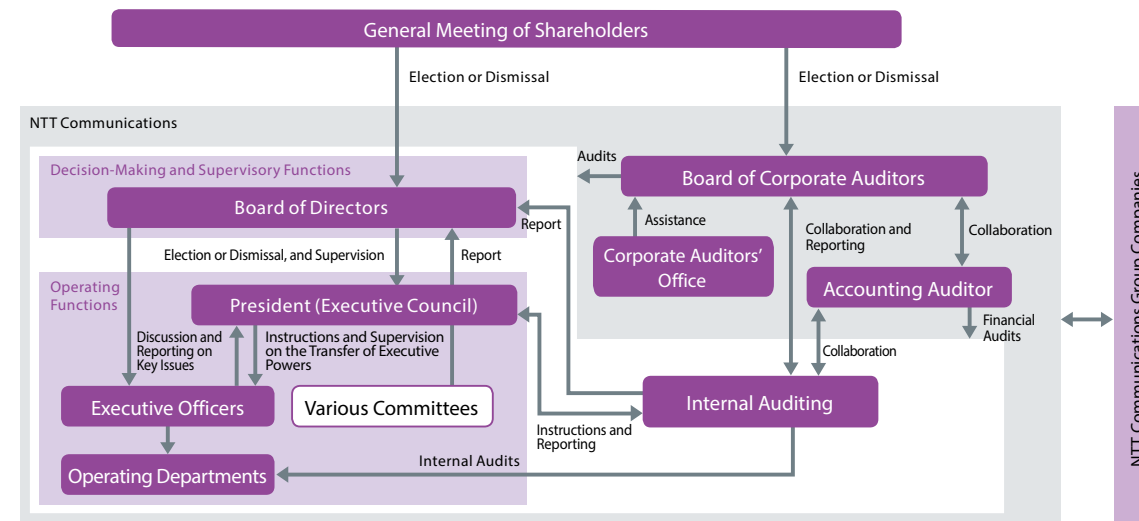
Corporate Governance Structure

NTT Communications has adopted a governance structure based on a system of Board of Directors and Board of Corporate Auditors and has recently assigned outside directors to bolster its governance functions. The board comprises six members and is chaired by the president. In principle, it meets once a month to make key management decisions in compliance with laws and regulations, the Articles of Incorporation, and the Board of Directors' rules.

We have set up an Internal Audit Department at the head

office to conduct annual internal audits by selecting audit items based on the results of risk assessment to minimize or prevent management risks and boost corporate value. The Board of Corporate Auditors comprises three auditors. In addition to attending important meetings such as those of the Board of Directors, they hold meetings of the Board of Corporate Auditors to audit the execution of directors' duties with an emphasis on confirming the legality and appropriateness of management decisions. A dedicated organization and staff facilitate efficient audit operations. The corporate auditors conduct their audits in close cooperation with accounting firms and the Internal Audit Department by periodically sharing information on audit plans and results.

Corporate Governance Structure



Appointing Directors

Directors are appointed with the expectation that they will utilize their extensive knowledge and insight in their respective fields.

Composition of Board Directors and Auditors (as of December 1, 2021)

Directors	Name	Main Responsibilities and Roles
President & CEO	Toru Maruoka	
Senior Executive Vice President	Hidemune Sugahara	Executive Vice President of Platform Service Division In charge of Technology & Innovation, Information Security, and Digital Transformation
Senior Executive Vice President	Hiroki Kuriyama	Executive Vice President of Business Solution Division Senior Vice President of Smart World Business, Business Solution Division In charge of Corporate and Global Business
Senior Vice Presidents	Toshio Kanai	Senior Vice President of Corporate Planning
Senior Vice Presidents (Part-time)	Masaaki Shintaku Takashi Ohira	
Corporate Auditors	Kazuhiko Aramoto Sakuo Sakamoto Ikuro Izutsu	

NTT Communications Corporation Sustainability Report 2021


CONTENTS


Message from the President & CEO


Our Vision of the Future


Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results
Continuous Strengthening of Corporate Governance Governance

Thorough Compliance
Respect for Human Rights
Risk Management
Ensuring Information Security

Corporate information

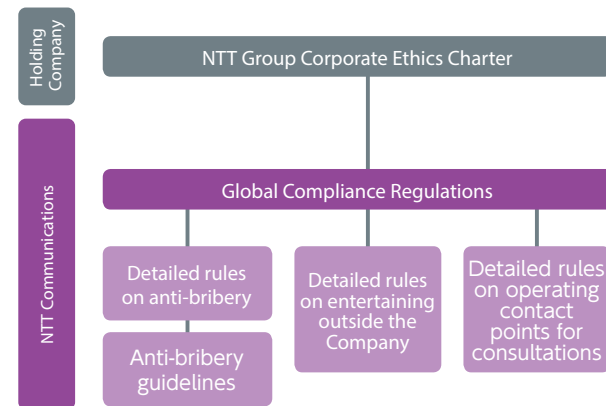
CSR
Priority
Activities

Thorough Compliance

Compliance Promotion Framework

The NTT Communications Group acts in accordance with the NTT Group Corporate Ethics Charter, established by its parent company Nippon Telegraph and Telephone Corporation and applied throughout the NTT Group. To address compliance issues in Japan and overseas that have become increasingly complex in nature, NTT Communications will not only adhere to laws and ordinances but will also engage in its daily operations with high ethical standards as a corporate group that retains the trust of all stakeholders, including customers, business partners, shareholders, and society as a whole.

◆ Framework of Important Internal Rules on Corporate Ethics

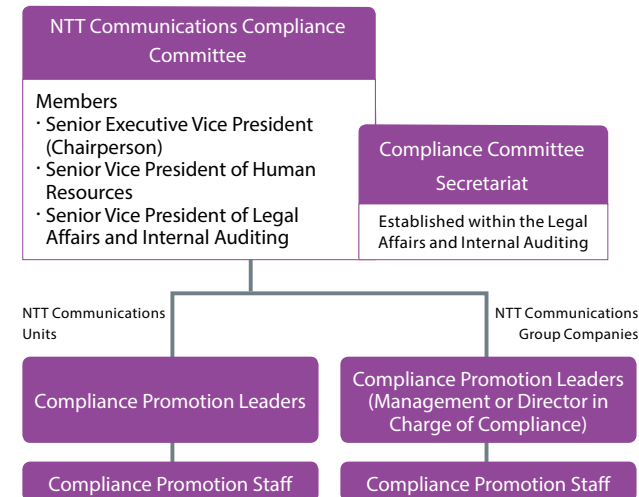


We have specifically established the Global Compliance Regulations as a standard compliance policy for the NTT Communications Group. We promote compliance under a framework comprising the Compliance Committee, chaired by a senior executive vice president, with compliance

promotion leaders and staff assigned to each unit and Group company. At the same time, we consistently promote compliance management across the NTT Communications Group by disseminating top management messages, training employees, operating points of contact for internal reporting, and conducting internal audits to confirm and improve ongoing initiatives at each Group company.

The Compliance Committee consists of the heads of each unit of NTT Communications and presidents of each Group company and meets regularly every six months as a forum for sharing the status of reporting at internal points of contact and holding discussions on measures for establishing corporate ethics. The committee reports on the content of its discussions for each fiscal year to the Executive Council and Board of Directors of NTT Communications.

◆ Compliance Promotion Framework



Looking ahead, even as we respond to the evolving business environment, management and all Group employees will engage in ethical business practices and seek to strengthen the Group's compliance system worldwide.

 For more information on the NTT Group Corporate Ethics Charter, see: <https://group.ntt/en/csr/governance/compliance.html>

Awareness-raising Programs and Training for Thorough Compliance

To ensure thorough legal compliance and fair business activities, companies are required to implement ongoing awareness and training programs for employees and directors. The NTT Communications Group is actively pursuing internal awareness-raising activities through various programs including compliance training, and by conducting employee awareness surveys on corporate ethics, inviting entries for compliance slogans, and regularly providing information via the internal website. Every year, we provide compliance training for all employees and directors. In fiscal 2020, we covered basic themes related to legal compliance in Japan and overseas, such as anti-monopoly laws and the prevention of bribery, including overseas cases. We also organized additional training on specific themes such as the appropriate use of social media and execution of tasks under remote work conditions, from the standpoint of addressing reputational risk in view of the changing business environment resulting from the COVID-19 pandemic. Attendance for the NTT Communications Group as a whole was 93.1%.

Meanwhile, we offered training on proper self-management for preventing harassment in order to address the business environment and needs of employees identified in the

NTT Communications Corporation Sustainability Report 2021


CONTENTS


Message from the President & CEO


Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees


 Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results
 Continuous Strengthening of Corporate Governance
 Governance
 Thorough Compliance
 Respect for Human Rights
 Risk Management
 Ensuring Information Security

Corporate information

annual employee awareness survey on corporate ethics while taking into consideration the pandemic. As a result, 86% of attendees indicated that they had gained a deeper insight on harassment.

In light of the increasing importance of supply chain compliance, including enforcing legal compliance among subcontractors, we include a clause seeking compliance with guidelines such as our Guidelines for CSR in Supply Chain in our subcontracting agreements as part of an ongoing effort to ensure compliance across the supply chain.

 For more information on our procurement activities, see: <https://www.ntt.com/en/about-us/procurement.html>

Initiatives for Preventing Corruption

To ensure compliance with the prevailing laws and regulations in Japan and overseas on preventing corruption, including bribery and bid-rigging, NTT Communications adheres to the Anti-Bribery Handbook compiled by its parent company Nippon Telegraph and Telephone Corporation, as well as its own internal rules, to prevent corruption.

We have stipulated detailed rules against bribery as well as prevention guidelines under the Global Compliance Regulations to clearly demonstrate we have proper measures in place to combat this concern, and we are determined to stringently address specific acts of bribery such as facilitation payments. As part of our Groupwide effort to prevent corruption, we follow procedures in various countries with regard to prior approval in cases where providing benefits to public officials are tolerated under law and confirm the eligibility of agents hired to execute our operations. We also include prevention of corruption as a topic in our compliance training in an ongoing effort to raise awareness.

In August 2021, we established rules on entertaining outside the Company under the Global Compliance Regulations and began applying them to practical situations to ensure that employees of NTT Communications Group companies will engage in highly ethical conduct when entertaining outside stakeholders, including public officials. Through these rules, we seek to ensure fairness in operating our business and earn shareholder trust.

Appropriate Advertising

Telecommunication services such as the Internet and smartphones represent lifelines for our customers. Moreover, these areas are undergoing rapid technological innovation in which the content, providers, and contracts related to services used by customers are becoming increasingly sophisticated and diverse. For this reason, we must provide customers with appropriate information and produce advertisements that are readily understood.

We ensure our advertising is conducted ethically by adhering to our internal Rules on Advertising and following the basic principles of complying with the Act against Unjustifiable Premiums and Misleading Presentations as well as associated laws, regulations, and guidelines. In addition, we practice established operational procedures, including an accountability system related to advertisements and a screening system for advertising, to convey appropriate and easy-to-understand information to customers. To earn customer trust, NTT Communications also adheres to the Voluntary Standards and Guidelines on Advertisement of Telecom Services, established by the Telecom Services Promotion Conference*, so that customers can safely choose and use our services.

In fiscal 2021, we worked to improve the appropriateness

of our advertising in response to a heightened awareness of respecting human rights and diversity, by reviewing expressions that require due consideration and publishing them internally. In addition to complying with the Act against Unjustifiable Premiums and Misleading Presentations and other relevant laws, we will further strive to reassure customers about the accuracy of our advertising when they choose NTT Communications' services.

*A council consisting of four telecommunications industry groups: the Telecommunications Carriers Association, Telecom Services Association, Japan Internet Providers Association, and Japan Cable and Telecommunications Association.

NTT Communications Corporation Sustainability Report 2021

CONTENTS

Message from the President & CEO

Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability



Contributions to Society



Contributions to the Global Environment



Respect for Employees



Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results

Continuous Strengthening of Corporate Governance Governance

Thorough Compliance

Respect for Human Rights

Risk Management

Ensuring Information Security

Corporate information

Initiatives on AI Ethics

Accompanying the rapid progress in technology, AI has spread through incorporation into products and service functions, while concrete applications of AI are being promoted in various areas. On the other hand, ethical concerns over AI-based evaluation and judgment, such as the potential for discrimination and prejudice, have also materialized. In view of our pursuit of businesses such as SmartWorld and B2B2X, we formulated and began implementing the NTT Communications Group Basic Policy on AI in April 2021 with the objective of ensuring sound and reliable use of AI founded on an understanding of its possibilities and its inherent risks.



For more information on the NTT Communications Group Basic Policy on AI

<https://www.ntt.com/about-us/cs/principle.html> (Japanese only)

Consultation Hotline

The NTT Group has established a common external contact point for consultation and reporting operated by a law firm for all Group companies. The Group has also set up its own hotline for reporting and consulting on compliance issues and a contact point for consulting on human rights issues. We are fostering an open corporate culture by creating an environment that encourages employees to seek consultation and by swiftly and appropriately responding to their concerns and reports.

In fiscal 2020, a total of 64* incidents related to the NTT Communications Group (36 related to harassment, 34 to dissatisfaction in the workplace, 9 to labor, and 11 others) were reported through the channels described above. The

Compliance Office responded appropriately to the reports after investigating the facts and implemented the necessary actions to prevent recurrence.

The contact points are being operated in accordance with internal rules such as the Global Compliance Regulations, which stipulate the ability to submit reports anonymously, the necessary measures that will be implemented to ensure that whistleblowers are not treated unfairly as a result of filing a report, and that those involved in an investigation will be bound by confidentiality with regard to information contained in the report.

*The total figure does not add up because a single report may include several incidents.



For more information on the external contact point for the NTT Group Corporate Ethics Helpline, see:

<https://group.ntt/en/csr/governance/pdf/Help-Line.pdf>

CONTENTS


Message from the President & CEO


Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

- Fiscal 2020 Activity Results
- Continuous Strengthening of Corporate Governance
- Governance
- Thorough Compliance
- Respect for Human Rights
- Risk Management
- Ensuring Information Security

Corporate information

CSR Priority Activities

Respect for Human Rights

Promoting Human Rights Education

The NTT Group recognizes that respect for human rights is an important corporate social responsibility and strives to correctly understand and acknowledge the laws and regulations of each country and region and their cultures, religions, values. We aim to realize a safe, secure, and prosperous, sustainable society by fulfilling this responsibility. To that end, we have established the new NTT Group Human Rights Policy by incorporating our existing Human Rights Charter into the NTT Group Global Sustainability Charter.

Under the policy, we respect the Universal Declaration of Human Rights and other internationally recognized human rights in all our corporate activities. We strive to ensure that we are not directly or indirectly involved in discrimination or other human rights violations. In the unlikely event of any negative impact on human rights, we take appropriate action. When negative impacts on human rights by business partners are directly related to NTT Group's relationships, products or services, NTT Group requires these partners to respect human rights and not violate them. To fulfill this responsibility, we respect all stakeholders' human rights. We review and improve business operations and other aspects as necessary from the perspective of respecting human rights and reflect this in our business activities to establish a corporate structure that respects human rights.

NTT Communications has been promoting human rights education by establishing its own Basic Policy on Human Rights Education in accordance with the principles of the NTT Group Policy so as to create a rich corporate culture founded on respect for human rights and resolve human rights issues. In addition, we set up the Human Rights Education Promotion Committee to firmly establish a corporate constitution that

does not tolerate discrimination of any kind as well as to promote awareness of the issues.

Basic Policy on Human Rights Education

As a company that develops business on a global basis, NTT Communications places the utmost importance on solving human rights issues, including discrimination, as a part of its efforts to build a rich corporate culture that respects human rights. As we strive to maintain a corporate constitution that does not tolerate any form of discrimination, we are working to find solutions to human rights and discrimination issues through every facet of our day-to-day business activities.

 For more information on the NTT Group Human Rights Policy, see: <https://group.ntt/en/newsrelease/2021/11/10/211110c.html>

Corporate Constitution that Respects Human Rights

Placing the utmost importance on human rights, we seek to establish a corporate constitution that does not tolerate any form of discrimination and is intended to establish bright and vibrant workplaces.

We have also implemented measures for preventing workplace harassment based on the Rules for Preventing Harassment, established in May 2020 in accordance with the NTT Communications Group's Basic Policy on Human Rights Education.

◆ NTT Communications Group Framework for Promoting Human Rights Education

Human Rights Education Promotion Committee

Human Rights Education Promotion Executive Committee

Human Rights Education Department

Respective Responsibilities in the Promotion Framework

Human Rights Education Promotion Committee: Consists of the chairperson (senior executive vice president), heads of each unit, and presidents of each Group company. Formulates basic policies, action plans, and measures for initiatives pursued by the NTT Communications Group and reports on activities.

Human Rights Education Promotion Executive Committee: Responsible for executing the actions determined by the Human Rights Education Promotion Committee

Human Rights Education Department: Serves as the secretariat for the Human Rights Education Promotion Committee and Human Rights Education Promotion Executive Committee, responsible for the Groupwide deployment of initiatives. Also submits an agenda and reports on key human rights issues to the Executive Council.

| Human Rights Due Diligence

Based on the United Nations Guiding Principles on Business and Human Rights, we will use the human rights due diligence process to identify, prevent, mitigate, and correct human rights issues on a global scale, and strive to raise awareness of human rights and improve human rights management throughout the Group. In addition, due diligence will be conducted throughout the entire value chain, and we require that our suppliers make an effort to comply with the separately established NTT Guidelines for CSR in Supply Chain. Direct dialogue will be the basis of our efforts, especially with important suppliers.

NTT Communications Corporation Sustainability Report 2021


CONTENTS


Message from the President & CEO


Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

- Fiscal 2020 Activity Results
- Continuous Strengthening of Corporate Governance
- Governance
- Thorough Compliance
- Respect for Human Rights
- Risk Management
- Ensuring Information Security

Corporate information

Measures for Raising Human Rights Awareness

Human Rights Education Training

Companies have recently been subject to growing public demand for creating human rights protection frameworks that are closely aligned with the nature of each business.

A diverse array of full-time and temporary employees participates in NTT Communications' business operations. Accordingly, we promote respect for human rights with due consideration for diversity. Every year, we organize Human Rights Education Training sessions for all full-time and temporary employees of the NTT Communications Group with the aim of preventing all forms of discrimination by fostering a heightened sense of awareness in each and every employee. In fiscal 2020, we sought to develop a broad understanding of harassment, the diverse nature of human rights, and the relationship between corporate activity and human rights. We also seek to raise awareness and deepen understanding of human rights among employees and others by encouraging them to frequently review the NTT Group Human Rights Charter (revised in 2021 into the Human Rights Policy) and the NTT Communications Group's Basic Policy on Human Rights Education, and by widely disseminating information on our multiple contact points for consultation.

During these training sessions, we assess the level of understanding and also conduct surveys on potential human rights issues in the workplace, the nature of such issues, and the use of contact points for consultation, and we also gather comments. The results are reported to the Human Rights Education Promotion Committee and are used to consider, implement, and evaluate our efforts to promote human rights education.

Overview of Human Rights Education Training in Fiscal 2020

	Overview
Major topics	<p>Diverse Nature of Human Rights</p> <ul style="list-style-type: none"> • Measures for preventing harassment in the workplace • Examples of internal consultation cases • Discrimination, persons with disabilities, and their human rights • Persons who identify as LGBTQ, other minorities, and their human rights <p>Corporate Activity and Human Rights</p> <ul style="list-style-type: none"> • Relationship between the UN Guiding Principles on Business and Human Rights and the SDGs • Response to the UK Modern Slavery Act 2015 • Human rights due diligence at the NTT Group
Target	Full-time and temporary employees of the NTT Communications Group
Attendance	15,672

Attendance of Human Rights Education Training (Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020
Attendance	91	90	88	89	87

Scope: NTT Communications Group

Providing Various Training Programs

Following the establishment of our Rules for Preventing Harassment, we organized training sessions in fiscal 2020 that were dedicated to preventing harassment. We produced a manual explaining the rules in detail and made it available for the attendees to download once they had completed their training so they can always refer to the rules during their work. Apart from the program, we held a training session on anger management by inviting applicants from across the Group.

For our startup training, we implemented a program for creating worker-friendly environments based on the content of our annual All-Employee Human Rights Education Training

sessions. The program covered topics such as preventing all forms of discrimination and harassment as well as relationship between business and human rights and the SDGs while providing an opportunity for employees to consider LGBTQ issues.

Training Program Topics and Attendance

	Target	Attendance
Training for Preventing Harassment	Full-time and temporary employees of the NTT Communications Group	15,568
Anger Management Training	Staff in charge of human rights education at all units including Group companies as well as full-time and temporary employees who had signed up voluntarily	Approx. 200
Startup Training	New employees at NTT Communications	203

Human Rights and Compliance Slogans

In addition to our various training programs, we invite entries on human rights and compliance slogans as an opportunity for each employee to consider the importance of this public concern. In fiscal 2020, we received 7,378 entries from 3,980 people, comprising full-time and temporary employees at all Group companies. The best slogans were chosen by online voting across the Group. The grand prize and special prize from the chairperson of the Human Rights Education Promotion Committee were presented, and the results announced, on the Group portal site.

Looking ahead, we will continue to engage in various educational measures and foster respect for diversity and acceptance of differences toward creating brighter, more vibrant workplaces.

NTT Communications Corporation Sustainability Report 2021

CONTENTS

Message from the President & CEO

Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability



Contributions to Society



Contributions to the Global Environment



Respect for Employees



Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results

Continuous Strengthening of Corporate Governance Governance

Thorough Compliance

Respect for Human Rights

Risk Management

Ensuring Information Security

Corporate information

Contact Points for Human Rights Issues

NTT Communications has set up internal and external contact points for all full-time and temporary employees as well as the staff of business partners to consult on issues and concerns related to human rights and harassment. The Human Rights Education Department and counseling system for workplace issues serve as internal contact points, and we provide external contact points through a law firm and the Consultation Hotline. The contact points are absolutely committed to confidentiality and protecting the rights of individuals who seek consultation.

These contact points appropriately respond for the purpose of resolving issues and alleviating concerns while taking due care to protect the privacy of individuals seeking consultation and the interests of the whistleblower. In particular, the external contact points offer consultation with counsellors at specialized institutions outside the Company.

We enhanced the convenience of the counseling system for workplace issues by expert outside counselors by switching the contact method from visits and one-on-one meetings to Web-based remote interviews in 2020 in the wake of the increasing number of COVID-19 infections.

Respect for Human Rights in Content and Services

Internationally, companies are required not only to do their utmost to avoid infringing on human rights but also to take action from the standpoint of preventing complicity, which includes ensuring that any information they release does not contain any elements possibly encouraging violations and that no business partner responsible for providing services is or has been involved with an offender. Accordingly, we are making an industry-wide effort to eliminate violence and pornography by blocking the Internet access of our individual customers to websites containing such content. Moreover, we conduct procurement practices with due consideration for CSR when selecting suppliers.



For more information on initiatives against child pornography, see:

https://www.ocn.ne.jp/info/announce/2011/04/21_1.html?_ga=2.90582362.1582685654.1509433276-864394619.1509433276

(Japanese Only)

Contributing to the Welfare of Children

Industry-wide Countermeasures against Child Pornography

Blocking child pornography on the Internet is an important issue that must be addressed, not only to protect the human rights of children but also to prevent children from falling victim to human rights abuses and to ensure the provision of a safe Internet environment. In particular, since the Japanese government launched a national campaign against child pornography in 2010, an ongoing private-public initiative has established a proactive system that includes the voluntary blocking of access to child pornography websites by Internet service providers. Under these circumstances, the NTT Communications Group joined other ISPs, search engine service providers, filtering service providers, and related businesses to form the Internet Content Safety Association (ICSA). The ICSA has been effectively compiling and managing information for forcibly blocking access to child pornography images and providing member companies with the list of addresses for websites that publish child pornography.

Specifically, the NTT Communications Group's goo and OCN services restrict access based on child pornography website address lists provided by the ICSA. Individual ISPs have begun blocking child pornography images based on these lists as well. In response, NTT Resonant has implemented measures on the search engines it offers.


CONTENTS


Message from the President & CEO


Our Vision of the Future


Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results
 Continuous Strengthening of Corporate Governance
 Thorough Compliance
 Respect for Human Rights
 Risk Management
 Ensuring Information Security

Corporate information

CSR Priority Activities

Risk Management

Business Risk Management

The basic elements of risk management are defined in the Risk Management Rules we established to achieve sustainable corporate growth by anticipating and preventing the occurrence of potential risks that exist in and around our business and by minimizing any loss in the event they materialize. As a system and mechanism for effectively addressing major risks that may affect our business management, we set up the Business Risk Management Committee, chaired by the senior executive president, to construct and implement a PDCA cycle for risk management.

The heads of units and presidents of Group companies comprising the Business Risk Management Committee meet twice a year to address the changing business environment by defining risks that require action, identifying material risks, and discussing issues such as initiatives for promoting risk management. In fiscal 2020, the committee identified 26 risk items by focusing on the current status of internal and external risks as well as their impact and scope. The risk items were also assessed according to their assumed frequency of occurrence and impact. As a result, the COVID-19 pandemic and information security were identified and addressed as material risks.

Each risk item, including material risks, is handled by a Business Risk Management Subcommittee consisting of the relevant units that meet each month to implement a practical PDCA cycle for risk management by examining and analyzing the occurrence of risks and discussing countermeasures. The subcommittee presents a quarterly report on the status of its response to the Executive Council. Operational audits are conducted to confirm the status of each unit's measures against risk, and similar activities are extended to principal

Group companies in Japan to promote risk management throughout the Group.

To address social trends, which are becoming increasingly complex, and to make better use of data, in fiscal 2021 we redefined the risks into 29 categories. We also added environmental issues as a new material risk based on the need to accelerate the shift to decarbonization management in corporate economic activities, and we are reinforcing our risk management efforts.

Crisis Management

Since the Great East Japan Earthquake, we have seen growing public interest in crisis management for times of emergency, such as large-scale natural disasters. With a renewed awareness of our mission as a company responsible for maintaining social infrastructure through communication, we have strengthened our management structure to accelerate our response to contingencies and have sought to instill that awareness in all departments by ensuring strict adherence to manuals and organizing drills. In the event that a material risk occurs, we will set up a Disaster (Accident)/Risk Response Headquarters, headed by the president or senior executive president, as needed in order to provide the structure for gathering accurate information and making effective decisions. Thereafter the Disaster Response Headquarters will take the lead in addressing the situation on the ground. In July 2021, we established the Supply Chain BCP Guidelines to strengthen business continuity across the entire supply chain. We are working to ensure stable procurement with the cooperation of our suppliers. Since fiscal 2013, we have laid out an operational plan to prepare against a pandemic in compliance with the Act on Special Measures for Preparedness and Response against

Pandemic Influenza and New Infectious Diseases, and we are currently formulating a related concrete business continuity plan.

In response to the COVID-19 pandemic, we have taken the following measures.

- Set up a Disaster Response Headquarters headed by the president
- Established our operational policy based on guidelines published by the Telecommunications Carriers Association and other entities
- In line with our responsibilities as a designated public institution, we sought to secure telecommunications through operations such as monitoring networks, repairing equipment, and opening communication lines. We also sought to protect people's lives and health by taking appropriate actions against infection.

Furthermore, to comply with Japan's Disaster Countermeasures Basic Act and Act on Measures for Protecting Japanese Nationals in Armed Attack and Other Situations, we have established and publicly disclosed our Operational Plan for Disaster Prevention and Operational Plan for the Protection of Japanese Nationals in order to fulfill our responsibility as a designated public institution.

 For more information on NTT Communications' initiatives against disaster, see: <https://www.ntt.com/about-us/cs/saitai.html> (Japanese Only)

NTT Communications Corporation Sustainability Report 2021


CONTENTS


Message from the President & CEO


Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results
 Continuous Strengthening of Corporate Governance
 Thorough Compliance
 Respect for Human Rights
 Risk Management
 Ensuring Information Security

Corporate information

Internal Controls

In accordance with the new Companies Act, enacted in May 2006 and revised in May 2015, we have drawn up basic policies for establishing a system of internal controls for the entire NTT Group. Concurrently, as a member of the NTT Communications Group, the Board of Directors resolved to implement the measures necessary for the system. We are also working to reinforce and upgrade internal controls over financial reporting in line with the requirements of the Financial Instruments and Exchange Act, enacted in June 2006.

Basic Approach for Maintaining an Internal Control System

1. In maintaining a system of internal controls for complying with laws and regulations, managing any risk from losses and carrying out proper and efficient business operations, NTT Communications takes a variety of measures to prevent and minimize loss.
2. NTT Communications has established the Legal and Internal Audit Department to maintain and assess effectiveness with regard to operational status of the above system of internal controls. As a monitoring organization, the department is responsible for regular audits and special audits of high-risk areas common to the NTT Group, in keeping with the standardized auditing criteria of NTT. The necessary improvements are made following assessments of system effectiveness.
3. NTT Communications will cooperate with NTT and take appropriate measures to ensure the reliability of its system of internal controls for financial reporting under Japan's Financial Instruments and Exchange Law.
4. The president is responsible for ensuring the development and implementation of the system of internal controls.
5. We will take all necessary steps to comply with NTT's Basic Policies Concerning the Maintenance of Internal Control Systems.

Internal Audits

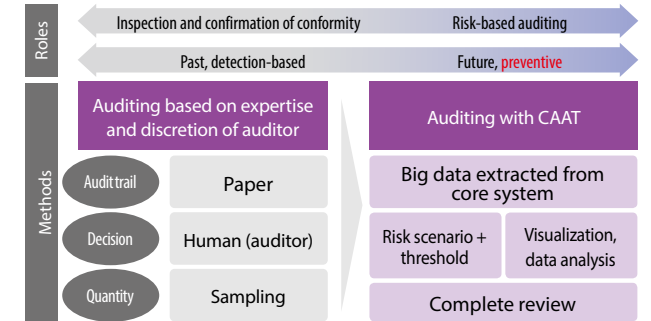
At NTT Communications, Internal Auditing plans to achieve its goal of implementing audits that benefit management by taking the lead in conducting internal audits of internal organizations and Group companies, with an emphasis on business risks. Through the audits, we seek to reduce and prevent the manifestation of management risks while also proposing operational improvements to enhance the corporate value of the entire NTT Communications Group.

In fiscal 2020, we actively practiced risk-based auditing focused on specific themes and simultaneously implemented continuous risk monitoring with CAAT¹. Analysis results were disclosed in visual format via the corporate intranet to encourage self-driven improvement in an environment that enables each internal organization to review data down to the personal level. We also maintained our efforts to foster internal auditors, and five of them have recently obtained qualification from the Institute of Internal Auditors – Japan as certified internal auditors. In fiscal 2021, we will enhance our risk control by establishing an auditing cycle for supporting flexible responses to emerging business-related risks. We will also work on raising operational efficiency by introducing new auditing methods such as agile auditing².

*1 Computer-assisted audit techniques that utilize big data

*2 Agile auditing is a method that places greater focus on risk and by which audits are conducted within a short period so that advice and reporting can be provided on a near-real-time basis.

Practical Reforms in Auditing Functions at NTT Communications




CONTENTS


Message from the President & CEO


Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

Fiscal 2020 Activity Results
 Continuous Strengthening of Corporate Governance
 Thorough Compliance
 Respect for Human Rights
 Risk Management
 Ensuring Information Security

Corporate information

CSR Priority Activities

Ensuring Information Security

Basic Policy

The NTT Communications Security Declaration has been our basic policy for conducting business based on our belief that adhering to strict security management standards will lead to improving security and delivering benefit to our customers.

NTT Communications Security Declaration

Our most important mission, in addition to protecting information that is vital to our customers and providing services they know are safe, is contributing to an enhancement of our customers' security system. We regard security as our top priority in providing services to our customers, and we pledge to work with them to achieve an optimum security system. We will do our utmost to ensure security in all phases of the value chain from technology and service development to establishment and operation. Furthermore, as ICT professionals, each one of us will raise our capabilities to respond to security-related issues.

Three Resolutions

1. We regard security as our top priority in providing services to our customers, and we will do our utmost to enhance their security.
2. As an ICT solution partner entrusted with our customers' vital information, we will work with them at all times to ensure their security.
3. Business partners and contract employees are also important supporting members of NTT Communications. We will therefore collectively strive to ensure our own security.

Protection of Customer Information and Personal Information


We protect customer personal information in compliance with the relevant laws and regulations as well as guidelines published by the Ministry of Internal Affairs and Communications, operating under an effective system of information management to stringently implement our Customer Information Protection Rules, which define the basic elements of protecting customer information and personal data. When subcontracting the handling of customer personal information, we select subcontractors that meet the required standards.

In 2002, we obtained the Information Security Management Systems (ISMS) certification^{*1}, primarily for our corporate sales and maintenance divisions, and the PrivacyMark certification^{*2}

In fiscal 2020, we implemented security measures in terms of technology and management and in response to an incident involving unauthorized access to the SSL-VPN. Given the passing of Japan's revised Personal Information Protection Law in June 2020, we began considering revision of our internal rules and reinforced implementation in tandem with initiatives being pursued by the Security Committee. We continue to protect our customers' information and personal data so they can use our services without concern.

*1 A screening and certification system for assessing whether an information security management system conforms to JIS Q 27001 (ISO/IEC 27001) standards.

*2 A registered trademark granted for use by companies that have been certified by the Japan Information Processing Development Corporation as having established a system for appropriately protecting personal information in compliance with Japanese Industrial Standard JIS Q 15001 requirements for personal information management systems.

 For more information on our policy concerning the handling of personal information, see:

<https://www.ntt.com/en/about-us/hp/privacy.html>

Raising Workplace Awareness and Providing Thorough Training

Having positioned "Ensuring Information Security" as a key focus of our Sustainability Priority Area in which we seek continuous strengthening of corporate governance, we have consistently pursued our initiatives by setting KPIs. These encompass a wide range of activities such as strengthening the reliability of our information handling processes, obtaining and maintaining ISMS certification, and conducting security surveys. Additionally, we provide training for employees in order to raise workplace awareness as a critical responsibility for an ICT enterprise.

In fiscal 2020, we bolstered our training program partly in response to a cybersecurity incident. As a result, attendance significantly increased.

As an entity working to sustain a safe and secure networked society, NTT Communications will accelerate the pace of its ongoing initiatives, including those at Group companies.

◆ Information Security Training Attendance

Type of Training	FY2017	FY2018	FY2019	FY2020
Information security training (total)	13,050	15,055	11,641	16,449
Companywide security training and assessment of understanding	12,928	14,941	11,527	16,291
Training for managers and leaders in charge of implementing security management	122	114	114	158

NTT Communications Corporation Sustainability Report 2021


CONTENTS


Message from the President & CEO


Our Vision of the Future

Overcoming Social Challenges through Our Business

NTT Communications Group Sustainability

 Contributions to Society

 Contributions to the Global Environment

 Respect for Employees

 Continuous Strengthening of Corporate Governance

- Fiscal 2020 Activity Results
- Continuous Strengthening of Corporate Governance
- Thorough Compliance
- Respect for Human Rights
- Risk Management
- Ensuring Information Security

Corporate information

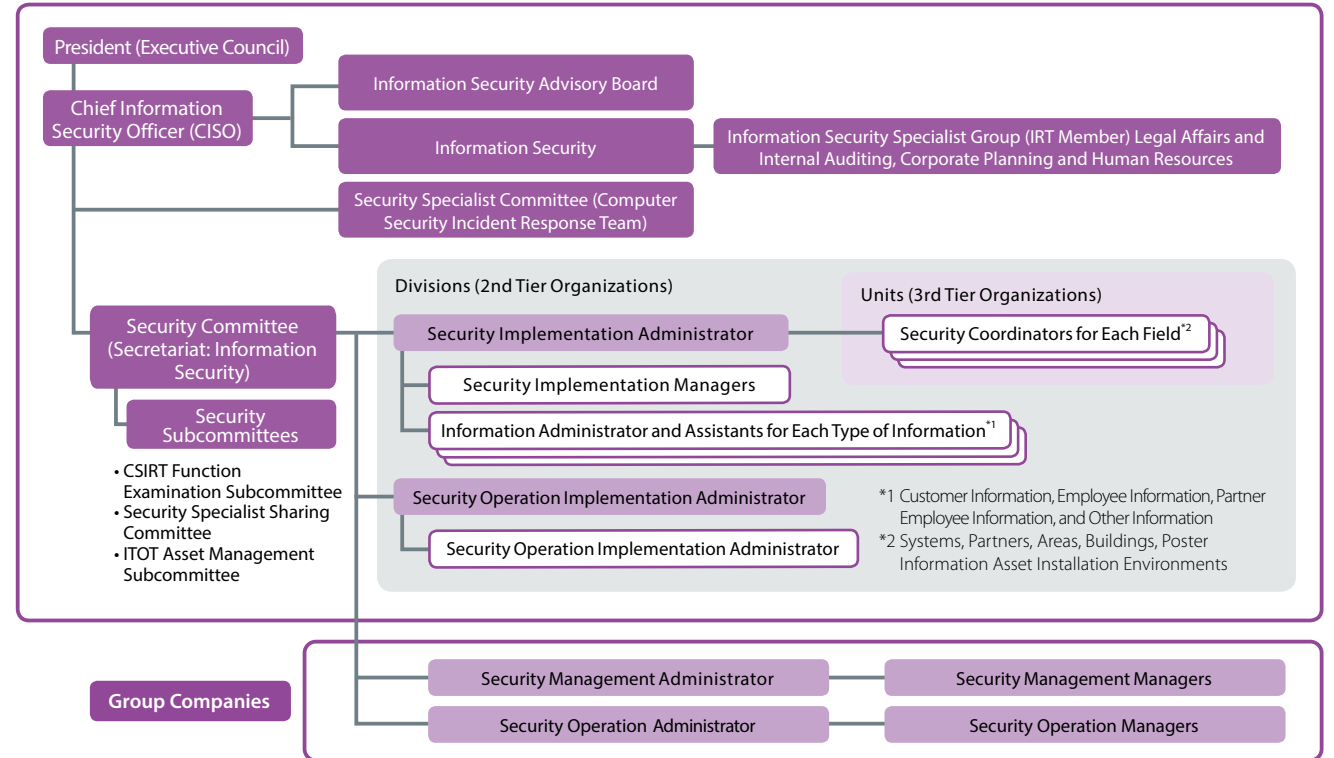
Information Security Management Structure

We set common targets on information security management for our operations in Japan and overseas, based on the requirements of ISO/IEC 27001. Specifically, we implement the following measures under the leadership of the chief information security officer (CISO): formulate rules and standards and educate all employees to raise their awareness, draw up and implement Companywide information security policies, monitor compliance with information security regulations and take any necessary corrective action, and ensure a unified response to information security incidents.

In fiscal 2020, we shifted CSIRT operations to remote work in advance under the impact of the pandemic, and we also expanded its scope in terms of maintenance and service infrastructure networks to bolster the security measures of the NTT Communications Group as a whole by developing a seamless framework across information and operational technologies. We began dispatching staff to the Tokyo Olympic and Paralympic Games in 2019 and experienced a security incident involving unauthorized access to the SSL-VPN in 2020 as we were handling network operations over the period of the games. In response, we thoroughly investigated the causes and took action to prevent a recurrence, which included moving up a vulnerability assessment to an earlier stage of development, documenting management based on the level of confidentiality, reviewing the remote access environment, introducing User and Entity Behavior Analytics, and identifying vulnerabilities by a Red Team (ethical hackers). We achieved the objectives of our plan for developing advanced security specialists by jointly operating a remote training program with N.F. Laboratories, Inc.

*NTT Communications is a Gold Partner of the Tokyo 2020 Olympic and Paralympic Games in the telecommunication services category.

Security Management Framework



Third-party Assessment and Certifications

As of March 2021, eight companies in Japan have obtained external ISMS certification for their information security management systems.

Eight companies that primarily handle personal information entrusted by customers have obtained PrivacyMark accreditation in recognition of their systems for protecting personal information.