## KDDI Corporation Sustainability Report 2014 Third-Party Opinion



One Akiyama President IntegreX Inc.

Earned Masters degree in finance after graduating from Keio University of Economics. In 2001, she founded the company IntegreX Inc. for the promotion of SRI (Socially Responsible Investment) and CSR and became its president.

## 1. Points on Which to Be Commended

For the past two years, KDDI has published the CSR & Annual Report as an integrated report and has been reporting on CSR activities. This year, in addition to publishing the Integrated Report, which includes ESG information required by institutional investors who were the main readers of previous annual reports, a separate Sustainability Report was published, which includes a wide range of CSR information for a broad variety of stakeholders, including consumers. This approach more effectively clarifies who the target readers are.

The Sustainability Report was created with a strong focus on readability and intelligibility. The report communicates the KDDI Philosophy, which expresses the ideal attitudes and values of KDDI with its 40 million users, along with efforts to implement these attitudes and values in the real world. The intent to convey these concepts to all relevant parties in a clear and easy-to-understand manner is evident in the report.

The "8 stories" presented at the beginning are emblematic of this approach. The stories document the efforts made by employees in a variety of fields, and the topics include the evolution of KDDI's role away from providing support to venture companies and toward connecting them with major corporations, their efforts to use cutting-edge sound technology in biodiversity protection, their reconstruction support in the form of temporary assignments to local governments, and their sensible and practical emergency drills aimed at maintaining continuous communications in a crisis. All of these topics are interesting, and the discussion of the thinking behind the implementation of these activities gave me the impression that KDDI is striving for "Connecting Feelings, Connecting Happy Smiling Faces" ("The Kind of Company We Want to Become" in the KDDI Philosophy). Simply by reading these highlights, readers can get an understanding of the broad diversity of KDDI's engagement with society.

In addition, with the description of business activities and social responsibilities in "KDDI's Approach to CSR" this year, the CSR activities are organized into those that support business and those that are implemented through business. This more effectively clarifies the efforts that KDDI is making to fulfill its social responsibilities in the value chain.

As for the annual report on CSR activities, seven material issues are spotlighted in the "CSR Targets, Achievements, and Issues" table again this year, and a detailed description of the activities for each issue are reported on the subsequent pages. By incorporating these issues into the table, it is possible to review the activities and understand the status of their year-to-year progress. I think this is useful for the ongoing efforts to improve the activities.

In the activities report, I was impressed with the quality of the "Labor Practices" description. In terms of KDDI's ongoing diversity promotion activities, I am impressed with their continuous efforts to effectively raise awareness, their activities such as seminars that educate participants on LGBT issues, and their attitude of quickly engaging on generally unfamiliar topics. In addition, with respect to stakeholder engagement, KDDI's establishment of a CSV Conference this year, along with their sponsorship and participation in international meetings hosted by organizations such as United Nations Working Groups, expanded their range of activities while they engaged in efforts on global issues.

## 2. Areas for Improvement

Companies are motivated to do whatever it takes to achieve the performance objectives in terms of sales and the number of contracts, but there is also a similar need for the dedication to achieve the company philosophy (company dedication). When there is company dedication, the specific judgments and instructions of the superiors have a significant influence on the actions of each individual employee toward achieving the philosophy (influence of superiors). In the direction that the company is aiming for, the motivation of the company as a whole can be maximized when individual employees experience a sense of reward through their work and realize their dreams and hopes (affinity toward the company).

In addition to promoting the further spread of the updated KDDI Philosophy within Japan and abroad, I hope that KDDI will demonstrate the power of ICT that establishes bonds between people, companies, and society above and beyond their basic mission of providing stable communications services. I also hope the company will contribute to the resolution of social issues and do whatever it takes to succeed in their efforts for "Connecting Feelings, Connecting Happy Smiling Faces" and "Delivering Excitement Beyond Surprise to Customers" as promoted in the KDDI Philosophy.

## Our Response to the Third-Party Opinion

In this year's report, we included "8 stories" that highlight the actual efforts of individual employees. The aim of this section is to communicate our efforts in the workplace, in an easy-to-understand manner, to customers who are stakeholders.

We are extremely pleased to receive a positive evaluation from Ms. Akiyama.

As we proceed to spread the new KDDI Philosophy, which serves as the philosophical foundation for our CSR activities, within Japan and abroad, we will keep in mind the three factors that Ms. Akiyama highlighted as areas for improvement (company dedication, influence of superiors, and affinity toward the company). Moving forward, we will continue making concerted employee efforts for "Connecting Feelings" through providing stable communications services, and to follow through in solving social issues through ICT.



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