

About Material Issues

Policy

KDDI'S Material Issues for CSR

KDDI has identified four material issues for CSR where it is focusing its efforts. From the various issues we face in the course of our business activities, we have identified issues with significant social concerns that we need to focus our efforts on to grow sustainably and with society at large.



Material Issue: Governance

Offering Reliable Information and Communications Services

ICT provides important “lifelines” for society. The biggest responsibility KDDI faces in its operations is to provide customers with stable information and communications services.

We are therefore committed to avoiding network outages due to natural disasters and equipment failures to the greatest extent possible, and maintaining our ability to always offer high-quality information and communications services 24 hours a day 365 days a year.



Material Issue: Society

Creating a Safe and Secure Information and Communications Society

The phenomenon of children using smartphones and mobile phones to access the Internet and getting trouble is becoming a social problem. KDDI is addressing this situation by conducting KDDI Smartphone and Mobile Phone Safety Classes, through which it aims to raise children's “information literacy.” We also encourage the use of filtering to block harmful content. These are some of the many initiatives under way at KDDI with the aim of creating a safe and secure information and communications society. We are also strengthening efforts to close the digital divide among seniors.



Material Issue: Society

Vitalizing the Company by Developing a Diverse Workforce

At KDDI, promoting diversity is one aspect of its management strategy for achieving sustainable corporate growth. Respecting the individuality of employees, rather than forcing different people to fit into the same box, we are working to create an organization and environment that harnesses our employees' capabilities by leveraging external differences, internal differences, and differences in corporate organizations. Encouraging diversity puts into practice “Chapter 1: Vision” of The KDDI Group Philosophy, namely “Embracing diversity.”



Material Issue: Environment

Initiatives to Conserve the Global Environment

Environmental preservation is a need that all mankind faces, and one that requires long-term initiatives. Accordingly, every 5 years KDDI formulates a Medium-term Environmental Conservation Plan including initiatives involving “Low-carbon society,” “Recycling-oriented society,” and “Biodiversity.” To achieve these objectives, in addition to reducing its own environmental impact, KDDI provides ICT services that help to reduce the environmental impact of society and promotes a host of activities involving customers and employees.

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Process for Identifying Material Issues for CSR

We are engaged in addressing social issues that surround KDDI. We identify four issues that we should focus our efforts on from the many issues which result from dialogues with stakeholders and experts. The four themes rate high in importance in terms of social concern and issues for the sustainable growth of KDDI. Afterwards, a committee that is committed to CSR and the environment selects the material issues.

We also hold dialogues between the management including the President and experts. After careful consideration of everyone's opinions, the President decides on the continuation of material issues.

We use the Global Reporting Initiative (GRI) Guidelines 4th Edition, ISO26000, SASB (TELECOMMUNICATIONS Research Brief), and other documentation as check items for more specific initiatives for the four material issues and reflect those initiatives in our business activities.

Infusion

Dissemination of Material Issues for CSR

The CSR & Environment Management Department is the main body responsible for spreading awareness of the promotion of the four material issues.

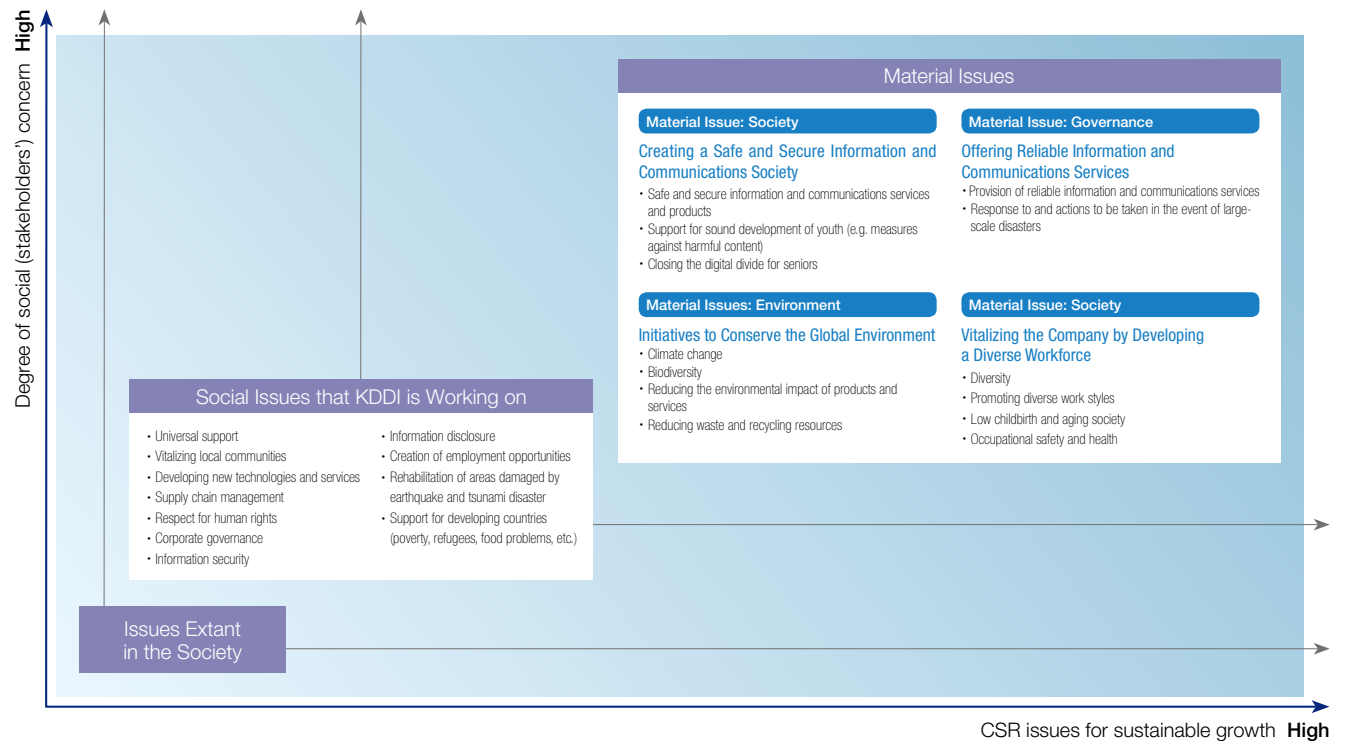
The material issues cover the 164 companies of KDDI and the Group.

We also work to share the material issues with business partners through the KDDI CSR Procurement Policy implemented in FY2013

and the KDDI Supply Chain CSR Guidelines formulated in FY2015.

Furthermore, we hold proactive dialogues with stakeholders, and apply the opinions and advice obtained from them to the promotion of future CSR activities.

Social Issues and the Four Material Issues for CSR



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Activity and Results

Targets, Results and Issues in Material Issues for CSR

The chart below provides an overview of the principal targets and results of the material issues for CSR during FY2015 and reports the main issues for FY2016 and their countermeasures.

(Evaluation standard)
 A+: Significant achievements made on the issue
 A: Certain achievements made on the issue
 B: Action was taken, but with no achievements
 C: No action was taken

	Priority	Material Issue	Target and KPI	Boundary		FY2015 Activity Results	Evaluation	Future Issues
				Within organization	Outside organization			
Governance	A	Provide stable information and communication services (Further strengthen large-scale disaster response measures)	•Achieve 100% improvement of issues identified in disaster countermeasure training drills	●	●	•Achieved 100% improvement of issues	A+	•Build a back-up system for terrestrial lines in times of disaster (when all communication is disrupted)
	B	Strengthen system for promoting CSR activities	•Establish CSR Committee •Review KDDI Code of Conduct	●		•Established CSR Committee and held first CSR Committee meeting •Revised KDDI Code of Conduct	A+	•Discuss next environmental conservation plans in CSR Committee and implement PDCA for CSR activities
	B	Spread philosophy and criteria	•Implement The KDDI Group Philosophy Study meetings for all employees •Achieve 100% participation in e-learning program on KDDI Code of Conduct	●		•Total number of participants 36,995 •Achieved 93% participation in e-learning program on KDDI Code of Conduct	A	•Continue dissemination activities on The KDDI Group Philosophy •Spread revised KDDI Code of Conduct

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	Priority	Material Issue	Boundary		FY2015 Activity Results	Evaluation	Future Issues	
			Within organization	Outside organization				
Society	A	Realize a safe and secure information and communication-oriented society (Improve quality of KDDI Smartphone and Mobile Phone Safety Classes)	<ul style="list-style-type: none"> • Achieve a score of 90 for satisfaction with classes for juniors • Achieve 83% satisfaction with classes for seniors 	●	●	<ul style="list-style-type: none"> • Achieved a score of 93.5 for satisfaction with classes for juniors • Achieved 83.1% satisfaction with classes for seniors 	A+	<ul style="list-style-type: none"> • Consider measures to improve KPI (Review program in view of diversity of problems and respond to new needs of seniors)
	A	Create a vigorous company by cultivating diverse human resources (Further promote diversity)	<ul style="list-style-type: none"> • Achieve target number of female managers by end of FY2015 Female line managers: 90 (Proportion of line managers: 7%) 	●		<ul style="list-style-type: none"> • Achieved target number of female managers at end of FY2015 Female line managers: 94 (Percentage of line managers: 7.1%) 	A+	<ul style="list-style-type: none"> • Promote measures to achieve 200 female line managers by FY2020
	B	Promote supply chain CSR	<ul style="list-style-type: none"> • Achieve over 90% collection rate of CSR procurement questionnaire • Formulate KDDI Supply Chain CSR Guidelines 	●	●	<ul style="list-style-type: none"> • Achieved almost 100% collection rate of CSR procurement questionnaire • Formulated KDDI Supply Chain CSR Guidelines (March 2016) 	A+	<ul style="list-style-type: none"> • Spread KDDI Supply Chain CSR Guidelines to business partners
	B	Respond to human rights	<ul style="list-style-type: none"> • Formulate human rights policy • Promote human rights education 	●	●	<ul style="list-style-type: none"> • Formulated KDDI Group Human Rights Policy (March 2016) 	A	<ul style="list-style-type: none"> • Promote human rights education for all employees
	B	Consider and implement new measures aimed at regional revitalization	<ul style="list-style-type: none"> • Consider and implement support measures for outlying islands 	●	●	<ul style="list-style-type: none"> • Implemented au WALLET Market "Shimamono Marche" (December 2015) 	A+	<ul style="list-style-type: none"> • Continue support activities linked to regional revitalization

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	Priority	Material Issue	Target and KPI	Boundary		FY2015 Activity Results	Evaluation	Future Issues
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Environment	A	Initiatives for global environmental conservation (Roll out Third Medium-term Environmental Conservation Plan)	•Reduce power consumption (compared to when no energy-saving measures are taken) by 30% by FY2016			•Progressing at a pace that will achieve the target	A+	•Prepare to receive industrial waste disposal operators •Consider medium-term plan for FY2017 onwards
			•Reduce power consumption per subscriber (compared to FY2011) by 15%			•Reduced power consumption by 33.4%	A+	
			•Construct 100 tribrid base stations (Target for FY2012)			•Constructed 100 tribrid base stations (end of March 2013)	A+	
			•Achieve zero emissions for retired telecommunications facilities Achieve final disposal rate of 1% or less (Zero emissions is defined as having a final disposal rate of 1% or less)	●	●	•0.8%	A+	
			•Achieve recycling rate of used mobile phone material of over 99.8%			•99.8%	A	
			•Achieve recycling rate of general waste material for KDDI buildings and headquarters of over 90%			•85.7%	B	
	B	Understand the supply chain issue	•Respond to all 15 items of Scope 3 (Calculate and verify all 15 items for FY2015)	●	●	•Achieved	A+	•Consider future reduction measures by understanding the trends of the past 3 years (To be reflected in next environmental conservation plan)
B	Reinforce environmental communication	•Implement e-learning at least once a year •Implement stakeholder engagement at least once a year (dialogue, etc.)	●	●	•Implemented mandatory e-learning for all employees on "Global Warming and Scope 3" •Implemented dialogue with experts on CSR procurement and green procurement	A	•Respond to issues identified through engagement	
C	Promote biodiversity conservation	•Promote new initiatives for biodiversity conservation	●	●	•Progressed no further than promoting existing programs (Ganges River dolphins, etc.) and considering new initiatives	B	•Consider new initiatives for biodiversity conservation	