

## Implementing the KDDI Group Philosophy and Contributing to the Development of a Truly Connected Society.



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### CSR Management Starts with the KDDI Group Philosophy

By following the “KDDI Group Philosophy,” KDDI aims to be a company appreciated and trusted by all of its stakeholders. As a telecommunications carrier managing social infrastructure that must work under all sorts of conditions, 24 hours a day, 365 days a year, KDDI has the vital mission of providing reliable communications services to society. The telecommunications business could not exist without being able to borrow radio waves and other valuable assets that belong to the public. We are therefore aware of our social responsibility to help solve problems faced by society with high aspirations. The “KDDI Group Philosophy” defines our corporate posture and how our employees should tackle issues at work. I believe that it is also the starting point for CSR management.

As we have ambitiously developed global business in recent years, it has been essential that all of our employees take action with a shared set of values to generate synergies and strengthen ties between each business division. In conjunction with the revision of the “KDDI Group Philosophy” in 2013, KDDI

has conducted awareness-raising activities for employees inside and outside Japan to help spread the philosophy. We will promote CSR management by pursuing our mission together as a group of employees that share the “KDDI Group Philosophy.”

### Paying Close Attention to the Feedback of All Stakeholders and Creating Value Together

We will actively seek out dialogue with a variety of stakeholders, including the customers who underpin our businesses, partner companies, shareholders, local communities and government institutions, as we seek to resolve issues in a host of fields. I believe that making contributions to society through our business, and working in harmony to deliver new societal value is the kind of CSR management that KDDI aims to achieve.

In recent years, there is an acceleration in the pace of international movements in response to social problems, such as the COP21<sup>[1]</sup> Paris Agreement, an international framework on climate change, and SDGs<sup>[2]</sup> that are aimed at solving international issues, and there are strong expectations of companies

to make contributions through their business. In order to respond quickly to such changes in the social environment, KDDI established its fourth environmental conservation plan “KDDI GREEN PLAN 2017-2030” in FY2016. Under this plan, we established and announced targets for three material issues – Climate Action, Creating Recycling-Oriented Society, and Conservation of Biodiversity. We are taking measures to reduce CO<sub>2</sub> emissions within our own company among other things. In addition, taking into consideration the social issues and long-term goals raised in the SDGs, we have started revising our CSR material issues (materiality) while incorporating feedback from all our stakeholders.

## Towards the Realization of CSR Management That Is Aimed at Co-Creation to Deliver Societal Value

### (1) We Will Continue to Innovate in KDDI's Own Distinctive Way

In FY2016, KDDI established a three-year medium-term business management policy. Based on this policy, we aim to achieve sustainable growth in the domestic telecommunication business, as well as maximize the “au Economic Zone” and ambitiously develop global business. To achieve sustainable growth in the domestic telecommunication business, KDDI will further promote our “3M Strategy”<sup>[3]</sup> of growth in an effort to foster innovation in numerous fields that relate to our customers' lives and livelihoods, and we will continue working to resolve the problems facing society and contribute to sustainable development.

To maximize the “au Economic Zone” through the growth of the au customer base, KDDI aims to transform from a telecommunications company into a “Life Design Company” and offer a comprehensive range of services that are aligned with each customer's stage in life, thereby strengthening the foundation for providing customers a positive experience.

Furthermore, in countries and regions where we have expanded our global business, KDDI will utilize the technology, experience and expertise that we have accumulated in Japan and abroad with the aim of expanding our telecommunications-related business in a way that suits the cultural, social, and economic circumstances of each country and region, thereby contributing to the development of a truly connected society.

### (2) Cultivating a Workforce Rich in Individuality

With the diversification of society's needs and values, it is important for companies themselves to diversify so that they can continue creating new value. We are using our approach to diversity and inclusion to utilize the individualities and capabilities of our diverse employees in our organization, regardless of gender, age, nationality, language, disability or sexual orientation. In particular, KDDI is actively engaged in promoting women's careers in the workplace. Since FY2012, the company has been focused on cultivating and promoting female leaders so that many women can participate in our decision-making processes. We have set a target to promote 200 females to line manager positions by FY2020, and implemented a variety of activities. In recognition of our efforts to proactively promote women in the workplace, KDDI was selected as a “Nadeshiko Meigara” for the fifth consecutive year. KDDI was also selected for the “Diversity Management Selection 100” award, which is presented by Japan's Ministry of Economy, Trade and Industry to recognize companies that improve their corporate value through diversity management.

In addition, KDDI was given the highest “Gold” award in the “PRIDE Index” which evaluates efforts concerning sexual minorities including LGBT. These awards are an indication that KDDI's efforts are recognized and appreciated by stakeholders. Furthermore, in FY2016, KDDI established a “Work Style Reform Promotion Committee” as a new initiative to promote “diversification” through diversity and inclusion, as well as create new values for individual employees and improve productivity. Currently, through this committee, we are implementing various “work style reform” initiatives that make it possible for each employee to exhibit their various skills.

Going forward, KDDI will pay attention to the feedback of all our stakeholders in our efforts to achieve co-creation and produce social value. We will strive to promote solving social issues through innovation and cultivate a diverse work force who will support these solutions in our aim to create a sustainable society and become an active dynamic company.

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[1] The 21st Session of the Conference of the Parties to the United Nations (UN) Framework Convention on Climate Change (COP21)

[2] SDGs: Sustainable Development Goals

[3] KDDI is pursuing a “3M Strategy” named after the initial letters of “Multi-Use,” “Multi-Network” and “Multi-Device.” Through this strategy, we aim to provide a communications environment that gives customers seamless access via their devices of choice – such as smartphones, tablets or others – to attractive and diverse services and content, over optimized networks.