

KDDI's Sustainability



KDDI discloses in detail its initiatives to address six material sustainability issues in the Sustainability Report. The following is an explanation of issues related to governance, the environment measure, human rights, and human resources.

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“Achieving a truly connected society” is the ultimate goal of the KDDI Group Mission Statement. KDDI engages in sustainability activities as a part of its management strategy in order to help solve social issues and encourage the sustained growth of society.

The foundation of KDDI's sustainability activities is the KDDI Group Philosophy, which has informed our code of conduct and the shared thinking of managers and employees since our founding. These activities are also a part of ongoing efforts to strengthen corporate governance to ensure transparency and fairness. Furthermore, we strive to engage in dialogue with diverse stakeholders that support our business, such as customers, business partners, shareholders, local communities, and government agencies. While creating shared value with our stakeholders, we are committed to addressing the six Material Sustainability Issues.

Around the world, movements to address social issues have gained momentum, as demonstrated by the Paris Agreement, an international framework to address climate change, signed at COP21; the Task Force on Climate-related Financial Disclosures (TCFD); and the United Nations' Sustainable Development Goals (SDGs) to solve international issues. We created KDDI's Target SDGs to steadily advance sustainability activities for the next three years under the new medium-term management plan (FY2020.3-FY2022.3). We set targets that are tied to business strategies, encompassing telecommunications, global business, regional revitalization, education, and finance, as well as to corporate activities, including developing human resources, supporting women's advancement in the workplace, respecting human rights, promoting diversity and inclusion, and conserving the environment. As we strive to reach these targets, the entire company will continue working together over the medium to long term to provide solutions to social issues.

KDDI's 6 Material Sustainability Issues

	Safer and more resilient connected world	
	Cyber security and privacy protection	
	Fulfilled life brought through ICTs	
	Rewarding workplaces for diverse talents	
	Respect for human rights and fairness in business	
	An energy-efficient, circular economy	

Please refer to *Sustainability Report 2018* for more detailed information about KDDI's sustainability not included in this report.
<https://www.kddi.com/english/corporate/csr/report/2018/>



Governance



By proactively adhering to Corporate Governance Code and practicing the KDDI Group Philosophy, the foundation of its corporate activities, KDDI endeavors to strengthen corporate governance. We believe in the importance of strengthening corporate governance across the entire KDDI group, including subsidiaries, and we are building a structure for sharing know-how and proactively supporting KDDI group companies in this regard. KDDI directly holds meetings with institutional investors on the topics of governance and sustainability, in addition to events directed at individual investors, as a part of its proactive approach to communications with stakeholders.

Human Rights



As part of the ICT industry, we face many potential human rights issues, including rights to privacy and freedom of expression as well as requests from government authorities to disclose customer data for legitimate purposes. We will continue our efforts to identify and address human rights issues in our business activities through ongoing dialogue with our stakeholders, while furthering understanding among employees of the KDDI Action Guidelines and the KDDI Group Human Rights Policy.

Environmental Measures



Movements to address environmental issues have accelerated, as demonstrated by the Paris Agreement and the establishment of the SDGs and TCFD. Around the world, initiatives are under way to realize a society with zero CO₂ emissions. In Japan, where renewable energy still has room to expand, specific action plans are urgently needed for its promotion. Through our core ICT business and other information communications operations, we contribute to improvements in work efficiency and reductions in the movement of people, helping to reduce CO₂ in society and reign in climate change. However, these benefits are countered by the rather large environmental impact caused by telecommunications equipment. In 2017, ahead of other telecommunications carriers in Japan, KDDI formulated the KDDI GREEN PLAN 2017-2030 with goals for reducing its total volume*1 of CO₂ emissions through the use of energy-saving telecommunications equipment and renewable energy. Putting these plans into action, we are concentrating on initiatives that are even more environmentally friendly than before.

Human Resources



As the productive population declines in Japan, it is imperative that companies provide attractive work environments that enable diverse work styles so that employees can use their various skills to the fullest, with the ultimate aim of sustaining their growth as businesses and contributing to society. KDDI will continue to promote respect for diversity—in the context of women, nationality, LGBT*2 orientation, disability, and age/generation—and work to accommodate various personalities and abilities in its organization. In April 2019, KDDI LEARNING CORPORATION was established as a wholly owned subsidiary to take charge of human resource development for employees of the KDDI Group. While supporting the growth of KDDI Group employees, promoting the exchange of human resources, and creating synergies in Group operations, KDDI LEARNING CORPORATION plans to offer educational services for its stakeholders that draw on KDDI's accumulated experience and knowledge in human resource development. Its aim is to contribute to broader society by helping people and companies grow. In April 2018, KDDI announced the KDDI Group Declaration of Health-Focused Management in a message from the President, and then created the Work Style Reform & Health Management Department in January 2019 as an organization focusing on health management. By promoting health management, we aim to establish a "health first" culture that fosters improvements in employee vitality and productivity.

*1 Targets a 7% reduction in CO₂ emissions for KDDI on a non-consolidated basis (Japan) by the fiscal year ending March 31, 2031, compared with levels in the fiscal year ended March 31, 2014.

*2 LGBT stands for lesbian, gay, bisexual and transgender. Gender minorities include other people with identities other than LGBT, but for the sake of convenience in this report, LGBT refers to all gender minorities.

KDDI's Target SDGs

Medium-Term Management Plan (FY2020.3-FY2022.3)

KDDI's Target SDGs

Social Issues to Be Solved through Business		Comparable SDGs	Sustainability Targets (FY2022.3)
Telecommunications	Building a safe and resilient information and telecommunications-based society	 	<ul style="list-style-type: none"> 4G LTE population coverage over 99.9% Provide 5G commercial services in all prefectures Reinforce communication stations against flooding and earthquakes, enhance resiliency of routes
Global Business	Promoting economic development in countries with inadequate infrastructure	 	<ul style="list-style-type: none"> Reach 70 million mobile connections*1 in emerging countries where KDDI has a communications business presence Total of 6 ICT projects to eliminate digital divides
Regional Revitalization	Building communities where everyone can prosper	  	<ul style="list-style-type: none"> Total of over 60 initiatives to co-create solutions for issues with regions using IoT / ICT
Education	Training the next-generation of human resources	 	<ul style="list-style-type: none"> Enroll about 130,000 students in foreign-language education, create highly efficient educational environment using advanced technologies, such as adaptive learning*2 ICT education support in emerging countries, introduce English and PC classrooms at 11 schools in Cambodia
Finance	Providing financial services anyone can easily use	 	<ul style="list-style-type: none"> Settlements / financial service transactions totaling ¥6.0 trillion
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Partnership	Contribute to solutions for social issues in partnership with stakeholders		

*1 Activated SIM cards ("Mobile connections, including licensed cellular IoT" in GSMA)

*2 Adaptive planning: The provision of study materials and learning methods optimized for each individual, based on each student's level of understanding and progress.

Topics 01

Telecommunications Business





First experiment in Japan using 5G to remotely monitor autonomous driving cars




In February 2019, KDDI conducted the first experiment in Japan using 5G to remotely monitor autonomous driving cars on public roads.

Numerous social issues have emerged as a result of increasing numbers of elderly drivers and others with limited transportation options after relinquishing their driver's licenses. Looking to the future, autonomous driving car technology and ICT show promise as transportation solutions for people who face hardship in shopping, as well as for alleviating shortages of bus and taxi drivers, while also stimulating tourism and the automobile industry.



Social Issues to Be Solved through Corporate Activities		Comparable SDGs	Sustainability Targets (FY2022.3)
Human Resource Development	Enhancing expertise and providing autonomous career development		<ul style="list-style-type: none">• Promote 200 women to line manager positions (target for FY2021.3)• Update foundation for facilitating the employment of senior citizens as a leading company (target for FY2022.3)• Reduce CO₂ emissions by 7% compared with FY2014.3 level at KDDI (domestic non-consolidated basis) (target for FY2031.3)
Support for Women's Advancement	Realizing workplaces where diversity is respected		
Respect for Human Rights, Diversity & Inclusion	Realizing diverse work styles		
Environmental Conservation	Contributing to a sustainable global environment		
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Partnership	Contribute to solutions for social issues in partnership with stakeholders		



Topics 02 Human Resource Development	Establishment of KDDI LEARNING CORPORATION for corporate human resource development
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In April 2019, KDDI LEARNING CORPORATION was established as a wholly owned subsidiary to help train human resources for the KDDI Group. We are currently building training facilities that can accommodate overnight stays, while also facilitating various events, as well as the planning and implementation of employee training for Group companies. Plans call for opening the facility in April 2020.

We aim to support the growth of KDDI Group employees, facilitate the exchange of human resources, and create synergies among Group businesses. At the same time, we are planning to offer services to stakeholders that take advantage of the experiences and know-how gained in human resource development for KDDI Group employees. KDDI aims to contribute to society at large through support for the growth of people and companies.