

Stakeholder Engagement

The Fundamental Principle

The NTT Group provides products and services to diverse stakeholders around the world, and its value chain continues to expand globally and grow in complexity. Along with these changes, our stakeholders' needs and expectations are also becoming increasingly diverse, and we must accurately understand and reflect them in our business activities through stakeholder engagement. Stakeholder input, particularly on social and environmental issues, can help us to become more competitive and accountable while guaranteeing our public license to conduct operations in the various regions in which we conduct business.

NTT Group's Stakeholder Engagement

Stakeholder engagement forms the building blocks of trust-based, value-generating relationships. To properly develop these relationships, the NTT Group follows global guidelines based in part on the AA1000 Stakeholder Engagement Standard (AA1000SES) and AA1000 Account Ability Principles Standard (AA1000APS), and applies them to all of our worldwide operations. By having all Group companies apply the same principles to engaging with stakeholders, we intend to promote effective, efficient, and ultimately value-creating interactions between the NTT Group and its stakeholders. It goes without saying that all means of engagement shall be conducted according to relevant laws, regulations and legal requirements.

Benefits of Stakeholder Engagement

Benefits for the NTT Group	Benefits for Stakeholders
<ul style="list-style-type: none"> Identify emerging environmental/social trends and reflect them in strategy formulation Identify potential risks and develop countermeasures More closely manage our brand reputation Identify opportunities for potential new businesses, collaboration and innovation Improve community relations and support for operations, in particular by involving stakeholders in decisions to ensure their needs are taken into consideration Improve our understanding of sensitive issues and of stakeholders' opinions of us Make more sustainable business decisions based on stakeholder input 	<ul style="list-style-type: none"> Clearer understanding of the NTT Group's strategy and projects Provide feedback regarding their needs and expectations

Process of Stakeholder Engagement

Step 1 Plan

The Level and Methods of Engagement can be Classified According to the Following Categories:

Level of engagement	Examples of engagement methods
Monitor	Tracking of media and one-way communications to the company
Inform	Provision of information from the company to stakeholders through letters, bulletins, websites, speeches, reports, etc., with no invitation to respond
Consult	Two-way exchange of information between the company and stakeholders through surveys, focus groups, workshops, etc., with an expectation of responses from both sides
Involve	Two-way exchange of information between the company and stakeholders, with stakeholders more actively involved in decision-making, through establishment of advisory panels or multi-stakeholder dialogues
Collaborate	Joint ventures and partnerships on specific projects

Potential Risks of Engagement with Specific Stakeholders

- Unwillingness to engage on the part of stakeholders
- Disruptive stakeholders
- Creation of unrealistic and unfulfillable expectations of the company on the part of stakeholders
- Inter-stakeholder conflicts, and others

These could potentially result in criticism of the company and damage to the company's reputation or a waste of company resources.

Step 2 Do

While engaging with stakeholders, discussions should be held on mutual expectations regarding such engagement, and any necessary revisions to initial engagement plans should take into consideration stakeholder requests as well as the NTT Group’s initial intentions.

Factors Requiring Consideration during Engagement

- Levels of contribution and a clear definition of participant roles
- Details of the process, including timelines and methods
- Timely provision of instructions and required materials for participation in and meaningful contribution to the engagement process
- Boundaries of disclosure of required information, including confidentiality requirements
- Communication of the results of the engagement

When holding events attended by multiple stakeholders, care must be taken to ensure balanced participation to minimize risk and maximize value.

Step 3 Follow-up and Review

After concluding the engagement, results must be reported both internally and to participating stakeholders as well as externally to the wider public as necessary to conduct both an evaluation of the outcome of the engagement and a review of the engagement process itself and define KPIs for the assessment of results

Factors that Should Be Included in Reports and Information Disclosure

- The purpose, scope, method and participants of the engagement
- A summary of content, including issues and concerns raised during the process
- NTT Group response to the outcomes of the engagement

Regarding the review of the engagement process itself, an internal review should be conducted and feedback should be sought from participating stakeholders regarding how they felt about their involvement, and a plan for improvement should be developed based on the results of these.

Identifying Stakeholders

Our stakeholders are organizations or individuals who have an interest, in one way or another, in the business activities or decision making of the NTT Group. Major stakeholders of the NTT Group include customers (corporations and individuals), shareholders and investors, employees (employees, their families and retired employees), local communities, business partners, ICT companies and industry associations, and, central government and administrative agencies.

The NTT Group will fulfill its responsibilities and the expectations of its various stakeholders related to these businesses.

Customers (Corporations and Individuals)		
All customers, both corporate and individual, who use services provided by the NTT Group		
NTT’s Approach As we strive to be chosen as “Your Value Partner,” each individual employee will strive for an even higher awareness of CSR to provide safe, secure services that are high in quality and convenient from the customer’s standpoint.	Methods of Engagement (examples) <ul style="list-style-type: none"> • Customer information service • Customer satisfaction surveys • Website, social media 	Why We Engage The NTT Group endeavors to enhance customer satisfaction and become “Your Value Partner” for our customers by understanding their needs and standpoints in order to provide higher quality services and products.
Shareholders and Investors		
Individual and institutional investors including the shareholders and creditors of the NTT Group		
NTT’s Approach We will return profits to shareholders while maintaining a sound financial standing and enhancing our corporate value. We will also endeavor to disclose information related to the Group in a timely, appropriate and fair manner.	Methods of Engagement (examples) <ul style="list-style-type: none"> • General Meeting of Shareholders, earnings reports • Explanatory presentation for individual investors • Explanatory presentation for institutional investors • Annual reports 	Why We Engage We endeavor to disclose information in a timely, appropriate and fair manner to return solid profits to shareholders while maintaining a sound financial standing and enhancing our corporate value.

Employees (Employees, Their Families and Retired Employees)		
Employees who work at the NTT Group and retired employees who support the NTT Group's CSR ideals		
NTT's Approach We will pursue various employee initiatives to create safe and healthy workplaces in which everyone can realize their full potential and be rewarded in their work and daily lives. We will also value communication with retired employees.	Methods of Engagement (examples) <ul style="list-style-type: none"> Employee satisfaction surveys Regular interviews Dialogue between labor and management Corporate ethics helplines CSR Conference 	Why We Engage We create safe and healthy workplaces for our employees and support their daily lives so that each individual employee can realize their full potential and carry out their work with a strong awareness of CSR.
Local Communities		
People in local communities who are connected to us through the core businesses of NTT Group companies		
NTT's Approach We will advance alongside local communities by implementing social contributions and disaster countermeasures through our ICT business.	Methods of Engagement (examples) <ul style="list-style-type: none"> Support and collaboration through social contribution activities Negotiations with local residents on construction work, system development and other activities Support through donations and sponsorships 	Why We Engage We seek to contribute to the further development of a flourishing and vibrant community and to understand and identify the issues faced by local communities in order to implement social contributions and disaster countermeasures through our ICT business.
Business Partners		
Business partners who offer their cooperation in various ways as the NTT Group provides its services		
NTT's Approach We will seek to work together to create and implement services that address a variety of social issues.	Methods of Engagement (examples) <ul style="list-style-type: none"> Inquiry forms Disclosure of procurement policies and guidelines Questionnaires of suppliers Briefing for suppliers 	Why We Engage By procuring products with due consideration to the environment and human rights, and by forging partnerships based on fairness, we will fulfill our social responsibilities as a company and achieve sustainable growth alongside our business partners.
ICT Companies and Industry Associations		
Other ICT companies and people in industry associations who are striving to develop Japan's information and telecommunications		
NTT's Approach We will engage in discussions on the direction and initiatives for the information and telecommunications industry, not only in Japan but from a global perspective, and seek to address diverse social issues together.	Methods of Engagement (examples) <ul style="list-style-type: none"> Participation in industry associations and related initiatives Participation in conferences 	Why We Engage We will engage in discussions on the direction and initiatives for the information and telecommunications industry. By doing this, we will invigorate the entire industry and contribute to society by promoting development and progress in information and telecommunications.
Central Government and Administrative Agencies		
Central and local governments and administrative agencies that make policy decisions on information and telecommunications, employment and the economy, the environment, and other issues		
NTT's Approach We will fulfill our responsibility as an information and telecommunications company by adhering to the policies of the central government, administrative agencies and local governments.	Methods of Engagement (examples) <ul style="list-style-type: none"> Response to laws and regulations Policy proposals Participation in joint projects between the government and private sector 	Why We Engage We will respond to and comply with central and local government and administrative agency policies. Therefore, we will carry out business activities in an appropriate manner and contribute to resolving social issues faced by the Japanese people and local governments.
NGOs, NPOs and Experts		
NGOs, NPOs and experts who are positioned within the NTT Group's domain of activities including CSR		
NTT's Approach We will contribute to creating a sustainable society by sharing the expert knowledge and experience of NGOs, NPOs and experts, and by incorporating them into the telecommunications industry.	Methods of Engagement (examples) <ul style="list-style-type: none"> Participation and collaboration with study groups and activities of each organization Dialogues Collaborative projects 	Why We Engage The NTT Group provides services that extend beyond telecommunications to broader domains, and gaining the specialized perspectives of NGOs, NPOs and experts allows the Group to appropriately and effectively develop business activities.

Main Initiatives

The NTT Group has a mechanism for receiving inquiries and requests from various stakeholders including investors, shareholders, experts and employees.

Engagement with Shareholders, Investors, and Other Relevant Organizations

In response to requests from investors, we hold briefings for institutional investors called “NTT IR DAY.”

Over the past few years, we have also been holding briefings for individual investors to cultivate a better understanding of the NTT Group and increasing the number of individual shareholders. We post major questions and resolutions from the General Shareholders Meeting on our corporate website.

Furthermore, we have actively communicated with ESG rating institutions since fiscal 2015 and will continue to enhance the NTT Group’s CSR efforts and disclosure of ESG data while maintaining regular communication with ESG rating institutions and investors promoting ESG investment.

Initiatives for Enhancing Communication

Institutional investors:

- Held financial results briefings every quarter (4)
- Participated in IR conferences in Japan and overseas (8)
- Held NTT IR Day (1)
- Held individual briefing sessions in Japan and overseas (over 350)

Individual investors:

- Held company briefings (17)
- Held online company briefings (1)

In addition to these initiatives, we promote activities that incorporate feedback from sources including contact centers for consumers in order to improve business operations and build systems for improving or developing products.

[IR Events: Presentations](https://www.ntt.co.jp/ir/library_e/presentation/index.html) https://www.ntt.co.jp/ir/library_e/presentation/index.html

Engagement with Experts

Our dialogues with experts represent extremely valuable opportunities for the NTT Group, which is involved in a wide range of businesses. We actively seek to communicate with experts in each area of business.

Date	Participants	Summary of the Dialogue	Experts’ Opinions and Incorporation in Business Activities
October 2019	Overseas experts on human rights	Dialogue organized by the Caux Round Table (CRT) Japan on the theme of “NTT Group initiatives on business and human rights.” Evaluation of NTT Group initiatives related to human rights, including information disclosure and human rights due diligence, and exchange of views on global trends.	Recommendation for a more proactive and transparent disclosure of information, expectations for active communication by the NTT Group on human rights and potential human rights issues arising from ICT → Consideration of future action based on results of human rights surveys Please refer to page 069 for more information.
October 2019	Participants at the Food Bank Symposium	Food Bank Symposium on the theme of transforming Food Bank activities into social capital sponsored by Food Bank Japan. We introduced NTT Group initiatives that hold the promise for a distribution cycle based on ICT.	Strong request for an acknowledgement of the state of impoverished children and the food supply → Development of solutions for relieving children’s hunger
November 2019	Students of Tohoku University’s Faculty of Economics	Practical Theory of Stakeholder Management seminar held by the Faculty of Economics, Tohoku University. We explained the NTT Group’s medium-term management strategy and positioning of CSR in its management, and introduced specific cases of utilizing ICT to solve social issues and practical examples of stakeholder engagement through social contribution conducted across the Group.	Incorporation of initiatives to CSR activities → Improve quality of stakeholder engagement

We incorporate the opinions and requests we receive from experts to better respond to diverse social needs.

Opinions and Reflections from Readers of the Sustainability Report

NTT welcomes opinions and reflections on the Sustainability Report and the CSR efforts of the NTT Group from various stakeholders through an inquiry form on our website.