

Environmental Management System

The NTT Group has been seeking to introduce environmental management systems (EMS) including voluntary programs in addition to ISO 14001 certification and Eco-Action 21. Additionally, when including Eco Action 21 and voluntary programs, more than 90% of our business sites have introduced EMS.

To improve operational efficiency of obtaining and maintaining certifications, which includes guarantees from external auditing institutions, we also support the construction and maintenance of EMS through internal audits by employees with environmental auditor qualifications. Many NTT Group employees are qualified as auditors, including lead auditors, and sharing the list of auditors within the Group has enabled us to conduct mutual internal audits and thereby optimize the cost of maintaining the EMS.

Environmental Accounting

The NTT Group introduced environmental accounting in fiscal 2001 to boost the efficiency and effectiveness of its environmental conservation efforts by quantitatively determining the costs of environmental conservation programs undertaken as part of its business activities as well as their effects (economic and material benefits).

Moving forward, we aim to implement even more efficient and effective environmental management by continuously carrying out quantitative monitoring and analysis to understand the effects of our environmental activities, clarifying outstanding issues, and sharing information.

Category	Environmental investment (billion yen)		Environmental costs (billion yen)		Economic benefits (billion yen)			Material benefits (thousands of tons)		
	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019		Fiscal 2018	Fiscal 2019		Fiscal 2018	Fiscal 2019
(1) Business area costs	8.60	9.35	15.93	19.83						
• Pollution prevention costs	0.14	0.24	2.42	5.05						
• Global environmental conservation costs	8.07	8.92	3.14	3.01	Cost reductions through energy conservation	5.95	6.37	Reductions in CO ₂ emissions through energy conservation measures	184	119
• Resource recycling costs	0.38	0.19	10.37	11.77	Revenues from sale of recyclable waste (decommissioned telecommunications equipment, etc.)	7.34	6.51	Recycled decommissioned communications equipment	176	146
					Waste disposal cost reductions through recycling	0.12	0.16	Recycled construction waste	222	325
					Cost reductions through reuse of decommissioned telecommunications equipment	26.96	23.02	Recycled civil engineering works waste	115	228
					Cost reductions through reuse of telecommunications devices	10.60	13.86	Recycled office waste	32	27
					Cost reductions through reuse of office waste materials	0.00	0.00	Other recycled items	18	9
(2) Upstream/downstream costs	0.02	0.08	10.35	9.77	Revenues from sale of recyclable waste (subscriber communications devices, etc.)	0.52	0.47	Number of communications devices collected from customers (thousands)	9,372	7,581
					Cost reductions in postal expenses through computerization	14.17	13.77			
(3) Administrative costs	0.12	0.17	5.27	5.13						
(4) R&D costs	3.61	3.16	8.10	8.45						
(5) Social activity costs	0.02	0.00	0.26	0.06						
(6) Environmental remediation costs	0.00	0.00	0.00	0.00						
Total	12.37	12.76	39.90	43.24	Total	65.67	64.16			

- **Scope of data**

The companies subject to consolidated environment accounting are NTT, NTT East, NTT West, NTT Communications, NTT DATA, NTT DOCOMO and their group companies.

- **Applicable period**

- Data for fiscal 2019 is from April 1, 2019 to March 31, 2020.
- Data for fiscal 2018 is from April 1, 2018 to March 31, 2019.

- **Accounting method**

- Accounting is based on the NTT Group Environmental Accounting Guidelines. These guidelines comply fully with the Environmental Accounting Guidelines 2005 issued by the Ministry of the Environment.
- Environmental conservation costs are tabulated separately as environmental investments and environmental costs. Personnel costs and depreciation costs are also included in environmental costs.
- Reductions in CO₂ emissions through energy conservation measures are calculated by subtracting actual emissions from projected emissions in the event that no such measures were taken.