



## P. 064

Promote diversity

6.3%

Ratio of female managers

## P. 067

Respect for human rights

97.3%

Percentage of participation in training concerning human rights

## P. 071

Reinforce value chain management

0

Number of confirmed high-risk suppliers

## P. 074

Ensure employee safety

7

Number of industrial accidents

## P. 075

Promote health management

40.2%

Completion rate of specified health guidance

United NTT

# United NTT

CSR Priority Activities	Medium-term Targets	CSR Quantitative Indicators	KPI	Target Achievement FY	Result (FY)		
					2017	2018	2019
Promote diversity	Aggressively promote the active participation of women	Percentage of female managers	10.0%*3	FY2025	5.1%	5.7%	6.3%
	Expand employment of people with disabilities	Employment rate of people with disabilities*4, *5	2.3%*3	—	NTT: 2.6%	NTT: 2.7%	NTT: 2.7%
					Major NTT Group Companies in Japan: 2.5%	Major NTT Group Companies in Japan: 2.6%	Major NTT Group Companies in Japan: 2.6%
					All Group companies in Japan: 2.3%	All Group companies in Japan: 2.4%	All Group companies in Japan: 2.4%
Respect for human rights	Conduct business activities with respect for human rights at all business locations by introducing the United Nations Guiding Principles on Business and Human Rights (Ruggie Framework) and other international principles	Number of confirmed human rights violations	0	—	27	24	29
		Percentage of participation in training concerning human rights*6	More than in the previous fiscal year	—	93.6%	96.6%	97.3%
Reinforce value chain management	Appropriate management of environmental and social risks, including value chains	Number of confirmed high-risk suppliers	0	—	0	0	0
Ensure employee safety	Enhance safety measures and the safety mindset of employees in order to prevent accidents causing injury or death and industrial accidents	Number of industrial accidents	0	—	9	8	7
		Number of accidents causing injury or death during construction work*7	0	—	3	3	2
Promote health management	Create an environment that raises each individual employee's motivation and dynamism while enabling them to continue to work healthily and energetically	Implementation rate of specified health guidance*3	17.5% or below	—	—	21.9%	20.6%
		Completion rate of specified health guidance	37%*3	—	22.9%	33.3%	40.2%
Create attractive workplaces	Provide workplaces where employees can work with good spirits	Employee satisfaction	Better than in the previous fiscal year	—	3.79 (Out of 5)	3.80 (Out of 5)	3.79 (Out of 5)
Promote a united Group effort on social contribution activities	Employees actively participate in volunteer activities	Number of times employees participated in social contribution activities	More than in the previous fiscal year	—	117,491	123,734	100,834
		Number of times employees participated in activities through the Group's internal volunteer site*1 [Number of people registered]	2,000/year [10,000]	— [FY2020]	1,340 [5,523]	1,814 [9,288]	2,110 [9,429]

\*1 Newly established in fiscal 2019

\*2 Newly established in fiscal 2020

\*3 Changed in fiscal 2020

\*4 Actual results as of June 1 of the following year

\*5 45.5 or more employees

\*6 Includes e-learning and other similar types of training

\*7 Construction by partner companies and directly managed construction

## Promote Diversity

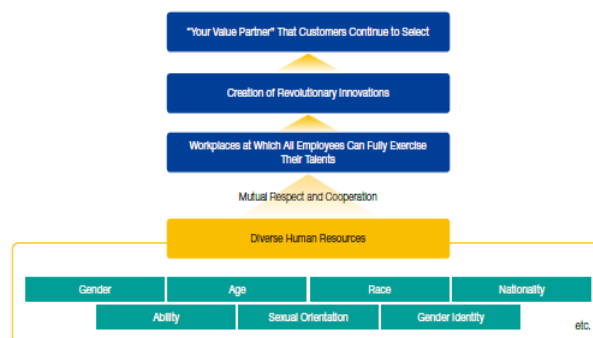


Relevant GRI Standards: 103-2/401-2

### Policies and Concepts

As a global ICT group company, the NTT Group must create innovation to breed new value and address the needs of various users around the world.

To respond to dramatic changes in the markets and meet diversifying customer needs, as well as to become a consistently selected Value Partner, we believe that respecting and making use of the individuality of employees and their differing values is essential. We also believe that ensuring diversity and creating workplaces in which people respect each other will lead to unprecedented breakthrough innovations. Accordingly, the NTT Group works on creating diverse workplaces in which people can realize their full potential irrespective of sex, age, race, religion, nationality, disability, sexual orientation, gender identity, or other factors.



### Organization for Implementation

The NTT Group has positioned diversity and inclusion as an important management strategy and the president himself is communicating inside and outside the Group the importance of accepting a diverse range of values. We are working to implement initiatives aiming for diversity and inclusion companywide.

In 2007, NTT established the Diversity Management Office to bolster efforts to create an environment which enables participation by diverse human resources across the whole Group, and by April 2008, diversity promotion supervisors were in place in Group companies. The Diversity Management Office and diversity promotion supervisors continue to cooperate to promote diversity and inclusion, to support work-life management and career development, and to conduct educational activities aimed at reforming corporate culture and ingrained practices.

Every year, we hold a diversity promotion meeting with each Group company to share their activities and discuss future diversity promotion measures for the Group based on female employee ratios by position, the status of hiring people with disabilities, and other diversity management parameters. Also, management meetings attended by directors are held when necessary to report on and discuss diversity-related initiatives, which are then promoted companywide.

### Main Initiatives

#### Creating Workplaces Where Everyone Can Realize Their Full Potential

NTT's Diversity Management Office and each NTT Group company's diversity promotion staff work together to support employees' work-life management as well as career development for an increasingly diverse workforce, and conduct educational activities aimed at reforming corporate culture. Also, in senior manager training that brings in participants from around the globe, we discuss diversity and promote a diverse workforce across the entire NTT Group.

#### Promoting Women's Participation in the Workplace

The NTT Group provides appropriate compensation to all employees, regardless of gender, adopting equal payment as stipulated in the Equal Employment Opportunity Law, and works Group-wide to promote women's active participation at the workplace. In 2013, we announced a plan to double the share of female managers by fiscal 2020. In fiscal 2019, we were able to increase the percentage of female managers (section manager level or higher) from 2.9% recorded at the end of fiscal 2102 to 6.0%, thereby achieving the target a year in advance. We are now working toward a new target of raising the percentage of female managers to 10% or higher by fiscal 2025. Examples of activities carried out under this plan are the NTT Group joint forum and training sessions for female employees to encourage network building and further participation in activities. These activities provide valuable opportunities for female employees at each Group company to exchange opinions, share issues, and raise motivation.

Additionally, NTT holds career support training for employees taking childcare leave or returning to work after childcare leave and the participants' supervisors also attend management training concerning employees who return. Furthermore, our 6th Plan of Action for General Employers under the Act on Advancement of Measures to Support Raising the Next Generation of Children formulated in March 2019 includes a target aiming for 80% or more of male employees to take leave to engage in childcare and we are encouraging male employees to take childcare leave to deepen the understanding of childcare among men and widen their horizons through this participation.

## Expanding Employment Opportunities for People with Disabilities

The NTT Group has established special-purpose subsidiaries to actively hire individuals with disabilities and expand employment opportunities for them, and it endeavors to create pleasant, agreeable workplaces.

Special-purpose subsidiaries engage in activities that leverage the unique characteristics of employees with disabilities. As examples, we assess problem areas in website accessibility, perform web accessibility diagnostics that offer reports with suggestions for improvements, and conduct training taught by people with disabilities to foster understanding of disabilities. We organize company tours for the general public as well as members of the NTT Group so they can all observe the way employees with different types of disabilities work at the special purpose subsidiaries and how we manage diverse employees, both with and without disabilities, thereby raising awareness of management and work styles.

We also collaborate with NTT Laboratory and other partners to participate in monitoring and consulting for universal design, verifying technologies and services from the perspectives of people with disabilities, and they participate in operations within the NTT Group's value chain, including facilities-related operations at NTT East.

In December 2019 we joined The Valuable 500, an international initiative to promote the participation of people with disabilities in business. In support of the initiative, we conducted a demonstration at an NTT reception in February 2020 in which they remotely controlled the robot OriHime-D. A full-scale presentation of the robot was introduced in July 2020. Through this initiative, we were able to respond to the needs of the Remote World while promoting social participation by people with disabilities.



- **NTT Claruty** <https://www.ntt-claruty.co.jp/> (Japanese only)
- **NTT West Lucent** <http://nttwest-lucent.co.jp/> (Japanese only)
- **NTT DATA DAICH** <http://www.nttdata-daichi.co.jp/> (Japanese only)
- **Docomo PlusHearty** <http://www.docomo-plushearty.com/> (Japanese only)

## Continuous Employment of Employees at Retirement Age

In 1999, the NTT Group introduced a continuous employment program for employees who have reached the retirement age of 60 in response to employee needs and public expectations regarding elderly employment.

Furthermore, from the standpoint of making maximum use of limited human resources in managing the NTT Group's businesses in the future, we introduced a new program in October 2013 that will enable applicants to continue working in a way that fits their lifestyles up to the age of 65 and demonstrate their abilities by putting their experience to work.

## Rehiring Program for Employees Who Resigned

A significant number of employees who left the Company for reasons such as childcare, care for parents or the relocation of their spouse aspire to resume work at the NTT Group in the future. To respond to their requests and to effectively use the experience and skills they had acquired during their previous period of employment, NTT has established a rehiring program.

The program applies to employees who worked more than three years and were forced to leave due to their need to care for children under the age of the third grade of elementary school or elderly family members, or due to their inability to continue commuting because of the change of address necessitated by the relocation or career change of their partner, or by marriage. A request for reinstatement is followed by interviews and a health checkup, and the Company decides whether or not to reemploy them.

## Consideration for LGBT and Other Gender Minorities

The NTT Group is advancing initiatives to support sexual minorities such as those identifying as LGBTQ. To realize an organization and a society in which everyone can be themselves and work freely regardless of sexual orientation or gender identity, in 2016 we clearly expressed our stance by applying programs related to important life events, such as marriage leaves, bereavement leaves, congratulatory/condolence money, and the sending of congratulatory/condolence telegrams, to same sex partnerships. In 2018, we extended all allowances, benefit programs, and other programs involving spouses and families to same-sex partners as well.

We also provide seminars for new employees and managers to develop an understanding of LGBTQ issues and organize ALLY events in support of LGBTQ. In April 2019, we participated in the Tokyo Rainbow Pride 2019 parade, an event held for people who identify as LGBT and their supporters. This was the NTT Group's first time to participate in such an event with around 200 employees from 21 Group companies marching in the parade. In 2020, we became a sponsor of Pride House Tokyo, the first permanent center for LGBTQ in Japan.

These initiatives were well-received and 16 NTT Group companies were recognized at the highest-level Gold status in PRIDE Index 2019, established by a volunteer organization called "work with Pride" to evaluate corporate activities for sexual

minorities and the LGBT community. NTT has received the Gold ranking for four consecutive years since 2016.

 [Commendation and External valuations](https://www.ntt.co.jp/csr_e/award.html) [https://www.ntt.co.jp/csr\\_e/award.html](https://www.ntt.co.jp/csr_e/award.html)

### **Initiatives at Overseas Group Companies**

NTT Security (UK) Limited, which serves customers around the world by providing total solutions incorporating advanced technologies and services related to security, has been publishing a gender pay gap report since 2017. NTT Security discloses the gender gap in its hourly wages and bonus payments to employees in response to the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 enacted by the British government in 2017.

 [Embracing Gender Pay Gap Reporting](https://www.nttsecurity.com/docs/librariesprovider3/default-document-library/uk/gender_pay_gap_report_2018_uea_v1.pdf)

[https://www.nttsecurity.com/docs/librariesprovider3/default-document-library/uk/gender\\_pay\\_gap\\_report\\_2018\\_uea\\_v1.pdf](https://www.nttsecurity.com/docs/librariesprovider3/default-document-library/uk/gender_pay_gap_report_2018_uea_v1.pdf)

## Respect for Human Rights



Relevant GRI Standards: 102-16/103-2/412-1

### Policies and Concepts

As a corporate group to keep growing globally, the NTT Group recognizes that respecting human rights is an important social responsibility of companies. Under this recognition, we believe that we must strengthen respect for human rights, and our human rights management, toward all people involved in the NTT Group's value chain. We established the NTT Group's Human Rights Charter in 2014 to express this principle. This charter clearly defines the human rights to be respected as internationally recognized human rights, and we take the rights stipulated under the Universal Declaration of Human Rights and the International Bill of Human Rights, and under the eight core principles of the ILO Declaration of Fundamental Principles and Rights at Work, to be the minimum standards that require compliance. As a method of managing respect for human rights, we have adopted the approaches of the United Nations' Guiding Principles on Business and Human Rights and ISO 26000. Furthermore, we have separately laid out Basic Policies on Human Rights based on the charter in the effort to solve various human rights issues.

#### The NTT Group's Human Rights Charter

We recognize that the respect for human rights is a corporate responsibility and aim to create a safe, secure and rich social environment by fulfilling its responsibility.

1. We\*<sup>1</sup> respect internationally recognized human rights,\*<sup>2</sup> including the Universal Declaration of Human Rights in all company activities.
2. We responsibly respect for human rights by efforts to reduce any negative impacts on human rights holders. We respond appropriately when negative impacts on human rights occur.
3. We aim to not be complicit in infringing human rights, including being involved in discrimination, directly or indirectly.
4. When negative impacts on human rights are done by a business partner and are linked to a product or service of the NTT Group, we will expect them to respect human rights and not to infringe on them.

\*1 "We" means the NTT Group and its officers and employees.

\*2 "Internationally recognized human rights" are rights included in declarations and rules that form the basis for international standards of universal human rights throughout the world and specifically refer to the following.

#### United Nations (the Universal Declaration of Human Rights and the two Covenants on human rights)

- The Universal Declaration of Human Rights (adopted by the United Nations General Assembly in 1948)
- International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights (adopted by the United Nations General Assembly in 1966, in force from 1976)

#### International Labour Organization (eight basic principles of the Core Conventions of the ILO Declaration)

- The eight core principles of the ILO Declaration on Fundamental Principles and Rights at Work (adopted at the 86th International Labour Conference in 1998) are: Forced Labour, Freedom of Association and Protection of the Right to Organize, Right to Organize and Collective Bargaining, Equal Remuneration, Abolition of Forced Labour, Discrimination (Employment and Occupation), Minimum Age Convention, and Elimination of the Worst Forms of Child Labour..

Note: In carrying out articles 2 through 4 above, we apply UN Guiding Principles on Business and Human Rights and ISO 26000 and are subject to the procedures described therein.

#### Our Basic Policy on Human Rights

Nippon Telegraph and Telephone Corporation, hereunder NTT, believes that human rights is an important issue, and recognizes the fact that making efforts towards promotion of and respect towards human rights is a social responsibility that all companies should discharge. NTT aims to build up corporate culture that respects human rights in order to build a safe secure and enriched society.

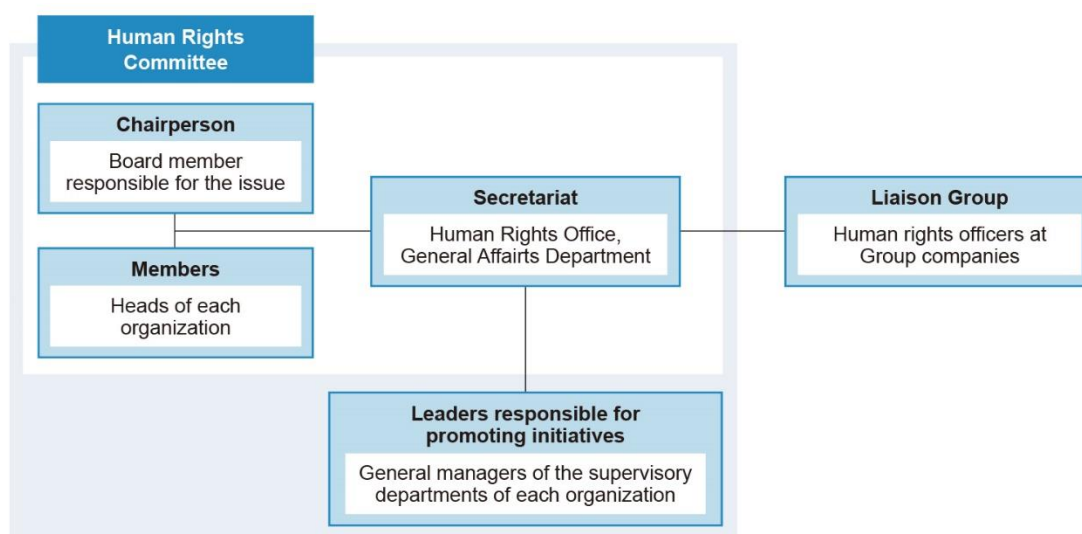
1. The NTT management themselves take a lead in respecting human rights of all the stakeholders.
2. NTT will, through its business activities, strive for a solution on the Dowa issue and other human rights issues.
3. NTT respects diversity, promotes equal opportunity, and strives to create a healthy working environment that is free of harassment issues.
4. NTT will, and from the standpoint of respect to human rights, review its operation, as appropriate, and will adapt and improve these to its business activities.
5. NTT will, through its Human Rights Committee, initiate and execute employee-focused activities.
6. NTT is committed to supporting its Group companies in their efforts to raise awareness on human rights issues.

### Organization for Implementation

We believe it is important for the entire NTT Group to instill an understanding of respect for human rights and undertake business activities with a full awareness of human rights. Accordingly, NTT has established the Human Rights Committee, headed by a senior executive vice president, under the Executive Officers Meeting. Through this framework, we are working



to heighten human rights awareness across the NTT Group and reinforce human rights management, including conducting human rights due diligence, training on human rights issues (training for officers including those at Group companies, training for all employees, etc.), and establishing and operating contact points for human rights.



## Main Initiatives

### Due Diligence

In 2014 we established “The NTT Group’s Human Rights Charter” based on international standards for human rights, such as the UN Guiding Principles on Business and Human Rights and ISO 26000. Based on the approach stipulated in this charter, we are introducing and implementing human rights due diligence processes in step with our global business development.

In fiscal 2015, we conducted a pre-assessment of specific businesses in overseas area that are important to the home market in order to identify human rights issues associated with those businesses. In our human rights management survey in fiscal 2016 covering all Group companies in Japan and overseas, and based on the Guiding Principles on Business and Human Rights, we checked up on their human rights policy, management systems and priority human rights issues. The results identified priority human rights issues for 250 of the 258 companies surveyed and indicated that 248 companies are working on specific initiatives to raise awareness about these human rights issues.

Since fiscal 2017, we have brought in external specialized institutions to implement risk assessments based on results obtained from in-house surveys. In fiscal 2017, a potential human rights impact assessment was carried out which assigned an evaluative score to the degree of negative impact of the NTT Group’s businesses on the human rights of stakeholders from the perspective of “the likelihood of future human rights risks in each country” and “severity of human rights risks arising in each business.” The results of this led to us identifying Asia as a priority area for tackling human rights issues and establishing 21 human rights indicators for ICT business.

In fiscal 2018, a manifest human rights impact assessment was carried out to verify the initiatives implemented in the previous fiscal year. After considering factors such as country risk for each country in Asia and impact on business, India was selected as the country to be assessed. Interviews were conducted with our local subsidiary and a local NGO that deals with human rights risk associated with specific business activities. The results of this confirmed there are currently no serious human rights issues that present a major risk to business operations. Meanwhile we identified priority issues out of the 21 human rights indicators mapped to be addressed in India in the future.

In fiscal 2019, we conducted a second human rights management survey following the first one in fiscal 2016 to confirm the management status of human rights contact points at each company and to set the NTT Group’s human rights priorities.



As a result, we identified “women’s rights,” “privacy rights,” “working hours,” “occupational health and safety” and “the right to organize and collective bargaining” as our top five issues and became aware of the urgent need to reconfigure management to address global human rights issues. We also held a stakeholder dialogue involving five experts from three overseas organizations (Verisk Maplecroft, World Benchmarking Alliance and Corporate Human Rights Benchmark) and one Japanese organization (Japan Research Institute) with the head of the Human Rights Office. And we received advice on the NTT Group’s overall human rights initiatives, human rights in the ICT industry, related challenges, information disclosure and Group-wide promotion of initiatives.

In fiscal 2020, we will seek expert opinion on examining the excesses and deficiencies in our initiatives and consider KPIs with regard to the five priority human rights issues identified during the previous year. We will also strengthen our global management system in response to overseas trends in regulations and areas where public expectations are high to appropriately manage the risks.

## Stakeholder Dialogue

### Reviewing Our Initiatives with Human Rights Experts

#### Outline

In October 2019, we invited four human rights specialists and experts from three overseas organizations and one Japanese organization to share their views on the NTT Group’s human rights initiatives. We received advice on the Group’s overall initiatives on human rights, human rights in the ICT industry, related challenges, information disclosure, and Group-wide promotion of initiatives.

#### Dialogue Participants

Human Rights Specialists and Experts	
Verisk Maplecroft	Mr. Gus MacFarlane
World Benchmarking Alliance	Ms. Pauliina Murphy
Corporate Human Rights Benchmark	Ms. Camille Le Pors
Japan Research Institute	Mr. Mitsuo Wakameda

Nippon Telegraph and Telephone Corporation: Head of the Human Rights Office, General Affairs Department, and five others

Caux Round Table Japan: Director and two others



During the dialogue, the participants exchanged views on a broad range of topics, including the need to address privacy and human rights issues, development of a grievance mechanism and incorporation into the management system, establishment of a human rights management system linked with overseas Group companies, and the need to disclose information on these initiatives. This was our first dialogue with experts on human rights. We renewed our awareness of the importance of promoting human rights initiatives by considering measures in response to this review and by continuously engaging in dialogue with stakeholders as we pursue these issues in the future.

### Communicating Our Efforts

The NTT Group endeavors to broadly communicate its business and human rights initiatives. In fiscal 2019, we shared an overview of the business and human rights activities of the NTT Group at an international conference hosted by the Caux Round Table Japan. We also reported on the results of human rights due diligence and risk assessment conducted from 2017 to 2018 as well as on how these processes are being applied across Group companies. Moreover, we expressed our intention to continue assessing risks, bolster educational programs on business and human rights, and establish an effective management system. The conference was attended by 97 people from 54 companies and 8 organizations, including companies, NGOs, NPOs, and universities.

## Group-wide Human Rights Training and Education Programs

To disseminate the concept of respecting human rights and basic human rights, and to instill an awareness of global standards on human rights, at key points in employees’ careers (joining the Company, receiving promotions, etc.), we provide training on human rights issues connected to business activities. In addition, for those in top management of Group companies or in other management positions, we offer programs that include lectures by outside experts on global trends in human rights. To foster awareness of human rights in employees, we issue invitations to employees and their families to submit human rights slogans, while the board member responsible for human rights issues delivers a message to mark Global Human Rights Day.

Since fiscal 2014, the NTT Group has worked to disseminate its Human Rights Charter by sharing the content of e-learning with Group companies in Japan and continuously carrying out educational activities during training for all employees



as well as on other occasions. In the training, we communicate the importance of respect for human rights and the significance of addressing the issue throughout the NTT Group.

### Contact Point for Human Rights Issues

The NTT Group provides internal and external contact points that employees can consult on various concerns related to human rights. One of these, the Corporate Ethics Help Line, is an external consultation desk outsourced to a law firm that responds to consultation by third parties or by employees, on a confidential basis, for situations that cannot be reported internally. Consultations are accepted in various forms, including email, telephone and letter. All consultations are thoroughly kept confidential to protect the privacy of the person and ensure they are not subjected to disadvantageous treatment.

The contact point also handles consultations on compliance issues. Please see page 101 for details.

### Incidents of Human Rights Violations and Corrective Actions

In an effort to ensure awareness and prevent recurrence, we have set up a Corporate Ethics Action Q&A section on our employee-oriented corporate website to explain nine representative examples of ethics violations. Each example action is described and laws and regulations that are the basis of reasoning are explained. When the NTT Group has taken disciplinary action related to human rights, we publish excerpts of the cases and expound the cases on the site to raise employee awareness and prevent recurrence by calling for their attention and organizing training and other educational opportunities.

### Initiatives at Overseas Group Companies

#### Response to the UK Modern Slavery Act

NTT Group companies have published their statements in accordance with the Modern Slavery Act 2015 enacted in the United Kingdom.

- NTT Communications Modern Slavery Statement  
[https://www.ntt.com/content/dam/nttcom/hq/en/about-us/csr/modernslavery/statement\\_2019\\_en.pdf](https://www.ntt.com/content/dam/nttcom/hq/en/about-us/csr/modernslavery/statement_2019_en.pdf)
- NTT DATA Group Sustainability Report 2019 (page 095)  
[https://www.nttdata.com/global/en/-/media/nttdataglobal/1\\_files/sustainability/sustainability-report/2019/sr\\_2019\\_p.pdf?la=en&hash=81D5CC4F5FBE67DAE141E4D8092760ED6DC8C730](https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/sustainability/sustainability-report/2019/sr_2019_p.pdf?la=en&hash=81D5CC4F5FBE67DAE141E4D8092760ED6DC8C730)
- NTT Data UK Limited Modern Slavery Act  
<https://uk.nttdata.com/Modern-Slavery-Act>

#### Introduction of B-BBEE

South Africa, where Dimension Data, a subsidiary of NTT, is headquartered, adopts the Broad-Based Black Economic Empowerment (B-BBEE) policy to enhance the status of people who had been disadvantaged by discriminatory treatment during the apartheid era. Under B-BBEE, which the Government of South Africa uses as an assessment standard, companies are rated on a scorecard for their level of contribution to ownership, management, employment equity, skills development, preferential procurement, enterprise development, and socio-economic development. As a result of its efforts in the areas of ownership, employment equity and skills development, Dimension Data was recognized as a Level 2 contributor, the second highest recognition in the eight level B-BBEE system, two ranks higher than the previous year.

## Reinforce Value Chain Management

Relevant GRI Standards: 102-9/103-2/412-3

### Policies and Concepts

In recent years, companies find themselves required to monitor the ESG risks and impact on sustainability, including consideration of human rights and mitigation of environmental impacts, of not only their own group companies but also throughout the entire value chain, from raw materials and supplies procurement to disposal and recycling. Also, we are seeking to expand the B2B2X model and global businesses under the medium-term management strategy “Your Value Partner 2025” that we established in 2018. We expect our value chain to expand further globally, requiring us to enhance our value chain management initiatives.

The NTT Group’s value chain management focuses on requiring suppliers to adhere to the various guidelines under the “Procurement Policies” established by NTT. For this reason, it is important for us to build partnerships of trust with all of our suppliers. In 2013, we formulated the NTT Guidelines for CSR in Supply Chain to further promote CSR procurement and we carry out risk assessments of suppliers following these guidelines. Additionally, we have formulated the “NTT Guidelines for Green Procurement” and the “NTT Group Energy Efficiency Guidelines” as specific guidelines on the environment and we require all suppliers to comply with the provisions therein.

#### Procurement Policies

1. NTT will strive to provide competitive opportunities with fairness to both domestic and foreign suppliers, and to build mutual trust and understanding.
2. NTT will conduct economically rational procurement of competitive goods and services that meet its business needs, deciding on suppliers based on quality, price, delivery times, and stable supply in a comprehensive manner.
3. NTT will conduct procurement in a manner that follows laws and regulations as well as social norms, and takes the environment, human rights, and other issues into account to contribute to society.

**Procurement Policies** <https://www.ntt.co.jp/ontime/e/policy/index.html>

### NTT Guidelines for CSR in Supply Chain

A number of supply chain issues have recently come to light, including serious human rights violations such as forced labor and child labor, unlawful disposal of waste, response to stricter regulations on controlling chemical substances, bribery, and other examples of malpractice. These issues have served to intensify public expectations for companies to comply with legal and social standards in their procurement activities.

In light of this, we formulated the NTT Guidelines for CSR in Supply Chain in 2013 that contain detailed requirements for suppliers in the six areas of human rights/labor, health/safety, the environment, fair trade/ethics, quality/safety, and information security to guide our efforts as we work together with suppliers in order to conduct procurement activities in a socially responsible manner.

We have published these Guidelines in Japanese and English, seeking to communicate to a broad range of the NTT Group’s suppliers both in Japan and overseas. We expect suppliers to adhere to these guidelines along with our Procurement Policies and the NTT Guidelines for Green Procurement, which contain our basic approach to green procurement at the NTT Group.

**Procurement** <https://www.ntt.co.jp/ontime/e/index.html>

**NTT Guidelines for CSR in Supply Chain** [https://www.ntt.co.jp/ontime/e/img/pdf/supply\\_chain2.pdf](https://www.ntt.co.jp/ontime/e/img/pdf/supply_chain2.pdf)

### Requests to Suppliers on Environmental and Social Concerns

We have established the following guidelines as requirements under the NTT Guidelines for CSR in Supply Chain and seek compliance from suppliers. We also ask all suppliers that participate in procurement, whether they are a new supplier or not, to comply with our Notes Regarding Participation in the Procurement Process, including not having any past involvement with organized crime groups or demonstration of improper conduct related to procurement.

NTT Guidelines for Green Procurement	Uniformity/selection of plastic materials, restricted use of harmful materials, display of information on plastic materials, energy conservation, specific requirements for assessing suppliers
NTT Group Energy Efficiency Guidelines	Basic policy for developing and procuring ICT equipment such as routers and servers used by the Company, and target values for each type of equipment
Technical Requirements	Specific technical requirements, including the reduction of environmental loads, for procuring products that pay due consideration to quality, safety, the environment and other aspects
NTT Group’s Approach to Conflict Minerals	Basic policy on initiatives for preventing the use of designated conflict minerals due to concerns that part of the minerals originating in the Democratic Republic of the Congo and nine neighboring countries are providing a source of funding for violent armed groups engaging in serious human rights abuses

-  [NTT Guidelines for Green Procurement](https://www.ntt.co.jp/ontime/e/img/pdf/green_j.pdf) [https://www.ntt.co.jp/ontime/e/img/pdf/green\\_j.pdf](https://www.ntt.co.jp/ontime/e/img/pdf/green_j.pdf)
-  [NTT Group Energy Efficiency Guidelines](https://www.ntt.co.jp/kankyo/management/guideline/energy.html) <https://www.ntt.co.jp/kankyo/management/guideline/energy.html> (Japanese only)
-  [Technical Requirements](https://www.ntt.co.jp/ontime/e/policy/tr/index.html) <https://www.ntt.co.jp/ontime/e/policy/tr/index.html>
-  [NTT Group's Approach to Conflict Minerals](https://www.ntt.co.jp/ontime/e/policy/conflict/index.html) <https://www.ntt.co.jp/ontime/e/policy/conflict/index.html>
-  [Notes Regarding Participation in the Procurement Process](https://www.ntt.co.jp/ontime/e/procedures/point/index.html) <https://www.ntt.co.jp/ontime/e/procedures/point/index.html>

## Conducting Risk Assessment for the Supply Chain

We assess the CSR activities of suppliers through surveys referencing various guidelines, and conduct risk assessments from various angles, including society, quality and the environment.

We will continue to scrutinize the survey method, survey content, and analysis method and use the findings of these questionnaires to provide feedback and continue discussions with suppliers in order to reduce risks across the value chain of the NTT Group.

## Organization for Implementation

NTT's Technology Planning Department has formulated the NTT Guidelines for CSR in the Supply Chain as guidelines for promoting supply chain CSR within the Group. In coordination with procurement divisions at each NTT Group company, we ensure that a supplier's compliance with key items within the guidelines is a basic condition of procurement and we regularly check that this condition is being met and follow-up with suppliers.

## Main Initiatives

### Assessment of Social and Environmental Risks

We assess social and environmental risks by conducting the Supply Chain CSR Survey using the Supply Chain CSR Promotion Check Sheet to confirm the status of compliance with various guidelines and technical requirements. The survey targets all of the NTT Group's critical suppliers that account for at least 90% of total procurement value, and includes 140 items covering the seven areas of human rights and labor, health and safety, the environment, fair trade and ethics, quality and safety, information security, and social contributions. For example, in the area of human rights, we also conduct monitoring of child labor and forced labor as well as compliance with the freedom of association and collective bargaining rights. We assess the responses from suppliers, and designate those with a certain percentage of low-rated responses, or those with a low rating for specific items, as high sustainability risk suppliers. We visit these designated suppliers to perform additional checks, and when corrective action is necessary, we have them prepare an improvement plan and monitor its implementation. While the survey covers critical suppliers, we seek to assess risks that exist further upstream by also including items that check whether the supplier is making efforts to educate secondary suppliers about social responsibility. The goal of the survey is to request and receive responses from all critical suppliers. For information on the results of the Supply Chain CSR Survey, see page 087.

### Check points for the Supply Chain CSR Survey (140 items)

- |                                       |   |
|---------------------------------------|---|
| 1. CSR promotion in general (4 items) | 5. Fair trade and ethics (27 items)                         |
| 2. Human rights and labor (22 items)  | 6. Quality and safety (11 items)                            |
| 3. Safety and hygiene (25 items)      | 7. Information security (15 items)                          |
| 4. Environment (23 items)             | 8. Others (social contribution activities, etc.) (13 items) |

### Assessment of Risks Associated with Conflict Minerals

In accordance with the NTT Group's Approach to Conflict Minerals, we conducted written surveys and inspected the offices and factories of suppliers to determine whether or not these minerals are used in their products. For information on the results of this survey, see page 087.

We are also carrying out questionnaires and exchanges of views regarding methods of information management in order to identify exemplary suppliers and those that require improvement and also to understand the current state of their response toward achieving an even higher rate of response in our surveys.

## Communicating with Suppliers

The NTT Group strives to build better partnerships with each of its suppliers by mutually exchanging views and proposals through various modes of communication. In July 2018, we started introducing a system that enables faster assessment of damage to suppliers following a major earthquake or other disaster. By exchanging information more quickly and accurately, we will continue to work with suppliers on the prompt restoration of telecommunications equipment.

The NTT Group companies also engage in various forms of communication with their suppliers. Specifically, these companies inform their suppliers of their business environment and exchange views on how they can continually work together to provide a stable supply of high quality, competitive products.

**ESG Education for Procurement Department Staff**

The NTT Group implements training on ESG for staff in procurement departments to reduce the burden of procurement activities on the environment and ensure they persistently comply with the laws, regulations, and norms of society. The implementation ratio of ESG training for staff in procurement departments can be found on page 087. Going forward we will continue actively working to improve awareness and knowledge regarding ESG.

**VA Proposal System and Supplier Awards System**

NTT East and NTT West engage in value analysis activities in which we invite our suppliers to submit proposals for enhancing quality, safety and workability, and for contributing to environmental protection, and then we incorporate their ideas in product specifications. We award suppliers that offer particularly outstanding proposals. In addition, we participate in improvement presentations held by suppliers and work with them to make improvements based on dialogue and cooperation.

Since fiscal 2006, we consolidated contact points for a simpler proposal system and established an environment for further developing improvement activities, including adding a new scheme for VE (Value Engineering) & VA (Value Analysis) proposals from telecommunications construction companies and suppliers. We will remain active on improving our products and services.

## Ensure Employee Safety



Relevant GRI Standards: 103-2/403-1,3,7

### Policies and Concepts

We believe that ensuring employee safety should be the top priority of business management. To ensure occupational safety and health, the NTT Group has established its own Safety Management Rules and Health Management Rules to facilitate safety and health management in addition to observing relevant laws and regulations such as Japan's Labor Standards Act and Industrial Safety and Health Act. The NTT Group's businesses include telecommunications-related construction and maintenance involving high risk operations such as aerial work. Therefore, we continually implement measures to prevent accidents and enhance safety awareness across the NTT Group, including subcontractors and other corporate partners.

### Organization for Implementation

In addition to establishing and maintaining safety measures and safety management systems based on relevant laws and internal rules, we have set up a committee for preventing industrial accidents across the NTT Group. Also, we are working to prevent accidents during telecommunications-related construction and maintenance that serve as the foundation of the NTT Group's businesses and create a safe working environment.

### Main Initiatives

#### Achieving a Healthy and Safe Workplace Environment

The NTT Group monitors and confirms the status of its workplace environment through the health and safety committee and other internal organizations in accordance with relevant laws and internal rules. We also strive to establish and improve the safety of workplace environments to meet the specific needs of each workplace.

#### Activities to Eliminate Accidents

In fiscal 2019 two\*<sup>1</sup> serious accidents resulting in casualties\*<sup>2</sup> occurred during construction and repair work ordered by NTT Group companies and performed by those companies or by subcontractors for the construction and maintenance of telecommunications equipment and building facilities. The incidents involved a collision between a service vehicle and a passing vehicle as well as an accident caused by a passing vehicle entering a construction zone.

To prevent accidents involving human casualties, NTT Group companies will continue to work in concert to reaffirm standard procedures, reinforce adherence, and improve the safety awareness of all workers. For example, on Safety Day, observed across the NTT Group, we confirm safety points using videos that reenact past accidents and send email messages to all employees to raise awareness of safety.

Also, during the NTT Group Safety Measure Reinforcement Period held from June 1 to July 7 and from December 1 to January 15, we work to further instill safety rules, including reaffirming previously established rules to prevent accidents, displaying safety posters unified across the NTT Group, and reinforcing safety patrols. Furthermore, we continue to engage in activities for achieving a safe labor environment and ensuring zero industrial accidents across the Group, such as exploring means to prevent passing vehicles from entering restricted areas as well as the use of advanced technologies including sensing, AI, and vital data.

\*<sup>1</sup> Serious accidents resulting in casualties: Accidents that led to fatalities or disabling injuries that would prevent the employee from working again.

\*<sup>2</sup> Breakdown of accidents: 0 by NTT Group companies and 2 by subcontractors (in Japan)

#### Actions in Response to COVID-19

As society embraces social distancing as part of daily life in response to the COVID-19 pandemic, we have been creating safe workplace environments, which because of technology do not require close human interaction, extending the use of ICT, and promoting digital transformation in operational processes. In operations that require being present on-site, such as customer support, our employees have been applying safe practices. We are also conducting thorough measures to prevent our customers from being infected.

Our COVID-19 Response Committee meets regularly to monitor the number of NTT Group employees who have tested positive and determine measures to prevent the spread of infection. We follow the basic principles of avoiding the "Three Cs" (closed spaces, crowds and close contact) by rigorously implementing such measures as social distancing, remote work, and staggered commuting. We are thoroughly committed to preventing infections by promoting telework in addition to encouraging the use of masks, disinfecting hands, installing hands-free door openers, employing appropriate seating arrangements, and installing acrylic-glass dividing screens.

## Promote Health Management



Relevant GRI Standards: 103-2/403-6

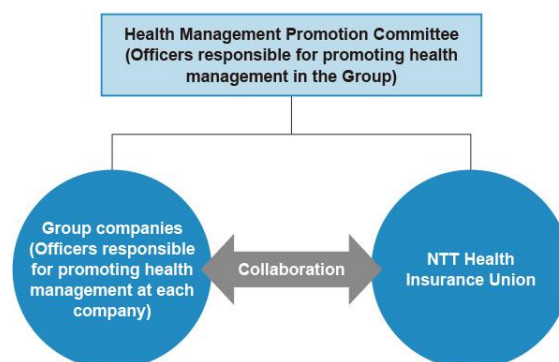
### Policies and Concepts

Health management is pursued as a key corporate strategy with the understanding that initiatives for maintaining and improving employee health also enhance motivation and productivity and ultimately lead to higher corporate earnings. We also believe that giving due consideration for the health of our employees as well as their families will motivate and invigorate each of them and lead to the growth and development of the Group as a whole.

### Organization for Implementation

The NTT Group established the Health Management Promotion Committee to promote health management through a collaborative effort between Group companies and the NTT Health Insurance Union. General managers of human resources department who are responsible for personnel at each Group company and directors of the NTT Health Insurance Union are appointed as officers in charge of promoting health management. The effectiveness of the initiatives is ensured by implementing PDCA cycles (formulate health management plans + set health targets → formulate and implement health-focused actions → identify and confirm health results → verify the effectiveness of health-focused actions).

We have also designated KPIs for wellbeing using health data, and we endeavor to achieve them by planning and implementing initiatives for raising awareness and promoting health-focused activities.



### Main Initiatives

#### Maintaining and Improving the Health of Employees

The NTT Group helps employees maintain and improve their health by providing a full range of regular health checks and offering health guidance based on the results of these checks. Furthermore, as a measure for preventing lifestyle related diseases, we provide more extensive physical checkups for employees who request them and we require all employees to receive a comprehensive physical checkup every five years from ages 30 to 60. We also provide support to help employees use sports gyms.

Together with the NTT Health Insurance Union, we are supporting employees' health-related activities by providing a portal site through which they can use a wearable device to record and check vital data such as the number of steps taken each day, as well as an app that uses health check data to predict and simulate potential future health risks related to metabolism and high blood pressure. Additionally, business sites with a cafeteria prepare lunch menus with the help of a nutritionist, and certain business sites offer massage services that employees can use freely.

#### Managing Employee Health Amid the COVID-19 Pandemic

In view of the COVID-19 pandemic, the NTT Group is taking action to ensure the health and safety of employees at all Group companies. Similar measures are also in place at affiliated companies. For more information, please refer to the section on employee safety (page 074).

Furthermore, we are gradually introducing effective measures for remotely implementing self-care and line care since we believe that the management of employees' mental and physical health will become even more important in promoting remote working to offer a location flexibility in the wake of the COVID-19 pandemic.

#### Prevention of Overwork

The NTT Group is striving to prevent overwork through actions that include recording and managing the times employees log in and off their computers to appropriately oversee the work hours of each individual employee, regardless of whether they work in the office or from a remote location. Health management staff also conduct interviews with employees working extended hours and offer appropriate advice and guidance on personal health care.

We are establishing a sound workplace environment for employees by introducing flex time, super flex time, a discretionary work system, and a remote work system to offer a variety of flexible work styles.



## Mental Healthcare

The NTT Group has established contact points for handling mental health inside and outside the Company and has been implementing mental health initiatives such as stress testing, counseling on overwork-related issues, and line care training for line managers.

As part of our initiative to promote remote work styles, we address mental health issues by periodically conducting simplified interviews to monitor changes in an employee's condition and their self-care efforts. Employees are also encouraged to communicate with superiors (line care) by conducting pulse surveys that provides fixed point observations of employee awareness on a real-time basis.

## Extensive Benefit Programs

The NTT Group operates a comprehensive optional benefit program (cafeteria plan). Employees are given points that can be used to freely choose from a wide range of benefit items, including health maintenance, such as scheduling comprehensive physical checkups or acquiring health and fitness technology devices as well as personal wealth building.

Several core menu items do not require the use of points, such as comprehensive physical checkups aimed at the early discovery of lifestyle-related diseases and cancer, which tend to occur more frequently with age. We also offer items such as subsidies for fitness club memberships and health improvement activities using smartphones (d healthcare), which can be used by employees at their convenience.

### Major Items on The Cafeteria Plan Menu

Health improvement	Comprehensive physical checkups (including subsidies for optional items), introduction to the best doctors, multiple opinion service, purchase of health and fitness technology such as wearable devices
Asset accumulation	Various incentives such as asset accumulation savings, Employee Shareholding Association
Housing	Renting company housing and dormitory space, support for home ownership, etc.

### Core Menu Items for All Employees (Points Not Required)

Health improvement	Comprehensive physical checkups (offered every five years between the ages of 30 and 60), d healthcare
Support for daily life	NTT Benefit Package (subsidy for fitness club membership, support for childcare and nursing care, use of recreation facilities)
Asset accumulation	General asset accumulation savings
Housing	Affiliated housing loan
Other	Insurance, mutual aid

### Initiatives Concerning Health, Safety, and Well-being

Flextime	Flextime system with designated core times and Super Flextime program with no designated core times that offer flexibility in working hours
Remote work system	Work-at-home and mobile working systems that enable working styles that are not confined to specific locations
Childcare facilities and allowance	<ul style="list-style-type: none"> <li>• An allowance for dependents is paid</li> <li>• There is lifestyle support, such as babysitting subsidies</li> <li>• There are workplace nurseries</li> </ul>
Childbirth and childcare leave for mothers beyond what is stipulated by law	Childcare leave, reduced working hours for childrearing (beyond what is stipulated by law), shift work for people with children, a re-employment system for employees who retired due to childrearing, "life plan leave" in which unused annual paid leave can be carried over to future years, etc.
Childbirth and childcare leave for fathers beyond what is stipulated by law	Childcare leave, reduced working hours for childrearing (beyond what is stipulated by law), shift work for people with children, a re-employment system for employees who retired due to childrearing, "life plan leave" in which unused annual paid leave can be carried over to future years, etc.



## Create Attractive Workplaces

Relevant GRI Standards: 103-2/401-2/402-1/404-3

### Policies and Concepts

Retaining a diverse array of competent human resources serves as a powerful management foundation for any organization. This requires the development of employment conditions, such as fair evaluation, equal opportunity, opportunities for growth and benefit programs. Students seeking jobs now take benefit programs and favorable working conditions into account when selecting companies. Accordingly, the creation of an attractive workplace has also become vital from the standpoint of securing competent human resources.

The NTT Group has developed a personnel system that responds to diverse work styles and provides generous benefit programs for employees and their families to create an environment in which employees can work comfortably and fully demonstrate their abilities.

We are also currently constructing a personnel database for registering past career experience and expert knowledge of employees engaged in our international businesses to accelerate the pace of visualizing and nurturing global human resources toward ensuring an optimal allocation of personnel.

### Organization for Implementation

To attract, in the coming years, superior human resources who thrive on the global stage, NTT Group companies have launched a joint information website for students and are jointly hosting NTT Group events. Also, to secure highly capable personnel, not only from Japan but from around the globe, we are promoting hiring worldwide.

In order to measure the results of these activities, we conduct surveys of the level of satisfaction felt by NTT Group employees toward their work and workplaces. We intend to continuously monitor this benchmark to understand outstanding issues and seek improvements.

### Main Initiatives

#### Enhancing Employee Satisfaction

The NTT Group strives to understand the issues at hand in order to improve its working environment and corporate mechanisms toward creating companies that are acceptable for workers. As part of this effort, we regularly conduct a survey of employees at Group companies and use the results to improve the working environment.

#### Fair Evaluation and Compensation

In our employee qualification system, the NTT Group puts priority on performance and sets behavior and performance targets tailored to each qualification rank. By steadily and accurately carrying out a series of evaluation processes that feedback evaluations based on these targets, our personnel system promotes autonomous and independent work by employees.

#### Personnel Evaluation System that Employees Find Very Fair

Rather than having each company operate its own mechanisms for human resources management and development, we operate an all-inclusive system for managing employees' placement, capacity building, evaluation, rating and payment, centered on an employee qualification system that indicates our expectations in terms of behavior and performance according to employee level. Proper evaluation requires appropriate execution of a series of processes that span target setting, everyday communication, evaluation implementation, and interviews to provide feedback. Toward this end, we adhere to the following cycle (evaluation system applies to 60% of the NTT Group).

#### Regular Personal Interviews with Superiors and Human Resources Managers

NTT Group employees meet regularly with their superiors and human resource managers for personal interviews to ensure that they share the same perception as their superiors regarding performance targets and the processes required to achieve them, to share thoughts on areas that can be improved, and to discuss career paths and personal growth.

Employees are given six opportunities each year to talk personally with their superiors, once each at the start, middle, and end of each fiscal year, plus one overall evaluation feedback interview and two performance evaluation feedback interviews (April and October). The first interview of the year is for employees and their superiors to align their views on targets for the year and for the superiors to provide advice. The mid-year, year-end and feedback interviews are for managers and their subordinates to review results, performance, and the processes for achieving targets, and for managers to provide advice and motivation for making further improvements and growth. The implementation of these interviews is managed so they are held without fail, except when vacations or leave prevent them from being held in the allotted time.

## Evaluator Meetings

Evaluator meetings have been held twice annually—once in the spring and once in the autumn—since fiscal 2001. We endeavor to enhance the fairness and objectivity of our evaluation process and prevent subjective and arbitrary evaluations by having all of the evaluators in the same business unit hold evaluator meetings to align their evaluation criteria and perspectives.

## Evaluator Training

We provide employees in evaluator positions with evaluator training (e-learning) and new manager training as well as our Human Resources Evaluation Manual as part of our efforts to further improve the fairness of evaluations and employee satisfaction. We also provide employees subject to evaluations with training for the evaluations, training for setting targets, and other training, a handbook explaining evaluation, target setting, online educational tools for promoting understanding of our human resources management and pay systems, and a collection of high performance model examples.

## Improving Human Resource Management and Payment Systems

The NTT Group implements policies aimed at enabling each and every employee to make the most of their abilities as members of Team NTT and to grow steadily as competent professionals and take the initiative in developing their careers.

We reconstructed our human resources management and pay systems in 2013 as part of our efforts to create an environment in which employees of all ages can realize their full potential in a way that grows our business. We also hire the right mix of both people possessing frontline skills and specializations, and people eager to take on new challenges, based on our perception of the period from start of employment up to the age of 65 as a single block. The new systems are designed to better reward employees who perform the roles and produce the results expected of them through introducing evaluation-based compensation and expanding results-based awards.

## Work and Leave Style Reforms for Promoting Work-Life Management

The NTT Group seeks to create new value through innovation. In order to accomplish this goal, there is a strong need for all NTT Group employees to break away from traditional work styles to adopt more efficient practices not bound by time and place, and thereby exercise greater levels of independence and creativity. We are also aware of the great importance of supporting this shift by cultivating a deeper understanding of work-life management throughout workplaces and fostering a corporate culture that accepts the diverse work styles of each individual employee. From this standpoint, in 2017 the NTT Group made a Work Style Reform Declaration, which represented the shared sentiment of all executive officers, managers and employees.

We are currently pursuing improvements in overall work processes together with business partners while advancing initiatives for helping employees maintain good physical and mental health and for encouraging reforms in the work styles of individuals. NTT has also set a goal of shortening total hours worked by achieving 1,800-1,850 total hours actually worked by the end of fiscal 2022.

### NTT Group Work Style Reform Declaration

1. Fundamental Policy  
Recognizing that the health and safety of all employees and business partners is of the utmost importance for achieving sound, creative and efficient business administration, we will pursue work style and leave style reforms while improving overall operating processes together with business partners as part of our enduring commitment to reduce total hours worked and, in principle, completely eliminate late night overtime.
2. Action Guidelines
  - (1) Executive officers and managers  
As leaders of work style reforms, will take the initiative in improving overall operating processes, including through collaboration with business partners. Will provide appropriate advice and assistance regarding employees' work styles and work-life management.
  - (2) All employees  
Will be fully mindful that it is critical to complete job tasks within prescribed working hours and will endeavor to achieve work styles that are independent and efficient. Will work to enrich their hearts and minds by varying the way they work and proactively taking vacations.

## Use of the Telework System

All employees who work at the NTT Group review the way they work in order to develop efficient, flexible work styles through the active use of remote work and flextime programs that we provide as an ICT company. In fiscal 2018, the NTT Group declared its support for the intention behind Telework Days<sup>\*1</sup>, and we actively participate in this initiative. Twenty-one companies participated in 2018 and in July 2019, and over 100 Group companies took part as implementing organizations, fully cooperating organizations, and other roles. To provide an environment for realizing flexible work styles, we have established various work systems tailored to the business characteristics of each Group company (e.g., flextime, super-flextime, a program that enables working hours to be changed for a one-year period, discretionary work systems, and split shifts). The NTT Group companies in the Tokyo metropolitan area are also actively participating in the Smooth Biz<sup>\*2</sup> initiative promoted by the city through various work systems and implementing flexible work styles such as staggered working hours.

Under the Telework Pioneer 100 Selection program launched in 2015, the NTT Group views itself as a “telework pioneer” along with the companies and organizations publicly recognized by Japan’s Ministry of Internal Affairs and Communications that are leading the way in adopting and promoting telework.

- \*1 Telework Days : A work style reform initiative aimed at the Tokyo Olympic and Paralympic Games and led by the Ministry of Internal Affairs and Communications, Ministry of Health, Labour and Welfare, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, the Cabinet Secretariat, and the Cabinet Office. The initiative designates July 24 as Telework Day and calls on companies to implement telework.
- \*2 Smooth Biz : An initiative launched by the Tokyo Metropolitan Government that includes promoting a range of measures such as telework, staggered business hours, and transport demand management (TDM) to establish a Tokyo model of new work styles and company activities with the aim of realizing a society where all people can work and participate with vigor.

 **Commendations and External Valuations** [https://www.ntt.co.jp/csr\\_e/award.html](https://www.ntt.co.jp/csr_e/award.html)

## Encouraging Employees to Take Various Types of Leave

The NTT Group is actively working on not only work style reforms, but also leave style reforms, and as part of this we encourage employees to take annual paid leave in an effort to promote work-life management.

To create an encouraging environment conducive to taking various forms of paid leave, we encourage employees to take long vacations by combining paid leave with long major holidays such as Golden Week holidays, end-of year and New Year holidays, and summer vacation.

As a part of the promotion of taking annual leave, including by managers, NTT also engages in Value Up Friday, by which managers are encouraged to take a leave of half a day or more at least one Friday per month.

## Support for Balancing Work with Childcare or Nursing Care

To support childcare and nursing care by employees, the NTT Group has prepared a variety of programs usable by both men and women. We enhance these programs as needed, enabling their flexible use from the perspective of promoting the use of diverse human resources, based on employees’ needs and on the expectations of society.

Amid ongoing changes in employees’ needs concerning health, childcare, and nursing care, in 2018 we conducted a major review of our benefit program menu to prepare environments even more conducive to work, and enhanced our childcare and nursing care support menu as the NTT Benefit Package. Specifically, we introduced a Childcare Concierge to support childcare placement in employees’ areas of residence, and greatly enhanced services such as childcare subsidies. For nursing care, we also established a Nursing Care Concierge for consultations on nursing care, including matching of care managers. We use Tomonin a symbol created by the Ministry of Health, Labour and Welfare to promote the establishment of working environments that allow the balancing of work and nursing care. NTT uses the symbol to publicize its initiatives and develop a workplace environment that enables employees to balance work and nursing care.

Through these initiatives, the NTT Group is striving to develop a working environment in which employees who must care for their children and family members can continue to pursue their careers without having to leave for these reasons. Going forward, we will continue to enhance our various programs for childcare and nursing care while actively developing initiatives to support balancing life and work.

## Communicating Information on Childcare and Nursing Care

The NTT Group has established a childcare and nursing care web site with information about the programs and how to use them, and also the experiences of employees who balance childcare and nursing care. In addition, we hold seminars for childcare support and for people returning to work, hold talks with employees before childbirth and after parental leave, and establish nurseries in workplaces. Looking ahead to the coming age of major nursing care needs, our Group companies organize nursing care study sessions and other events aimed at creating an environment that enables their employees to balance work with nursing care commitments. With many interested employees participating in these events, we plan to continue providing such opportunities.

## Life Plan Study Sessions

In light of increasing diversity in employee life plans, the NTT Group provides website-based life plan design support for employees reaching age or career milestones to help them consider how they wish to spend the rest of their lives, including their working lives.

We have also established in-house system contact points to promote greater understanding of matters including support and in-house systems for maintaining and improving physical and mental health, personal wealth building, specialist advice for tackling lifestyle-related troubles and issues, life plan creation, and support for balancing work with child or nursing care.

## Favorable Labor-Management Relationship

With the exception of managers, most NTT employees in Japan belong to the NTT Labor Union, a member of the Japan Labor Union Confederation, and labor-management relations have remained stable. There have been no labor union strikes for more than 10 years. The Company adheres to the minimum notice period of 10 days before an official announcement, as designated by the Agreement on Employee Relocation under the collective agreement with the NTT Labor Union.

# Human Resource Development



Relevant GRI Standards: 103-2/404-2

## Policies and Concepts

Aspiring to become “Your Value Partner” that is consistently selected by customers, the NTT Group places its human resources (employees) at the core and develops human resources so all employees can demonstrate their abilities through their work and provide high added value.

With the aim of developing individuals’ capabilities, we offer training that includes hierarchy-specific training for the acquisition of skills matched to position and experience, and training to enhance expertise needed for work. Through this, we aim to develop human resources who are able to act amid the technological innovations, globalization, and other rapid changes occurring in the societal environment.

## Organization for Implementation

The NTT Group companies have readied a variety of systems for human resources development, including the setting of areas of expertise matched to the business specifics and the content of work and the creation of mechanisms for skill certifications. These create an environment in which employees can work at any time to improve the skills they need, including for personal development.

Companies also perform regular follow-up on the status of employee human resources development through interviews and other means. This enables the creation of training plans in line with employees’ career plans.

## Main Initiatives

### Helping Employees Develop their Abilities

In addition to Group training and on-the-job training to enable employees to gain necessary skills in various fields of business, we provide many other opportunities for employees who are eager to get ahead, including e-learning, distance learning, in-house certification of skill levels, and support for earning qualifications. We have also introduced a Group-wide talent management system to create an environment that enables employees to play a more active role in developing their careers, and we recommend training courses that would be effective in achieving their career goals.

We actively support employee career development in various ways, including having superiors hold personal talks with their subordinates at the start, the middle and the end of the fiscal year to review performance and career plans, and holding management training for employees tapped for promotion. In particular, we have created a curriculum for nurturing experts in the security field given the heightening security risks of recent years, and we offer leadership development and a personal network building training curriculums to around 400 carefully selected general managers and section managers. With an eye on the further globalization of our operations, and to nurture personnel capable of performing in global markets, we also send employees to study at overseas graduate schools or participate in our overseas work experience programs.

### Programs for Cultivating Management Leaders and Globally Capable Employees

	Goal	Program	Details
CULTIVATION OF LEADERS TO FILL FUTURE MANAGEMENT POSITIONS	Development of Leaders for the entire NTT Group	Mentoring program	This program entails assigning a mentor, usually a senior executive vice president or corporate officer from within the Group, to new directors and young management candidates (section manager level) to teach them the frame of mind required of a manager.
		Group leader development program	This program is designed to help the young managers who will be responsible for promoting collaboration between NTT Group companies gain experience, broaden their perspective, and develop a mind-set focused on advancing cross-Group businesses. This is accomplished through periodic relocations to other Group companies and exchanges of opinion with managers.
		MAC Management Workshop	The purpose of this program is to cultivate managers with broad perspectives that are not restricted to the Company, to foster a sense of solidarity within the NTT Group, and to enhance personal networks. The curriculum consists of four management workshop courses conducted by external lecturers over a period of seven months.
	Fostering of globally capable human resources	GLDP (Global Leadership Development Program)	The Global Leadership Development Program (GLDP) aims to broaden the horizons of the next generation of managers who will be responsible for developing global businesses, cultivate a sense of leadership within them, and help them form personal networks. The program includes a one-week curriculum of study at an overseas business school.
		GLDP LEAD (Leadership Excellence and Accelerating Diversity)	This extension of the GLDP is targeted at senior managers in Japan and overseas, aiming to help them acquire leadership skills and otherwise cultivate global leaders within the NTT Group. Participants are sent to a one-week curriculum of study at an overseas business school, where they take part in discussions on leadership and diversity, among other curriculum items.

## Skill Mapping and Encouraging and Supporting Acquisition of Qualifications

Each Group company sets up a unique program of skill mapping based on the characteristics of their respective business operations and conducts human resources training according to those categories. Companies measure the level of each employee according to the mapping, identify the number of employees who are qualified for each level, and measure the status of implementation. Specifically, the process is operated as follows:

1. Designate areas of expertise according to the expert skills required by each operation;
2. Define and certify levels according to the skill set for each area of expertise; and
3. Develop a PDCA cycle based on the employee's own career plan, supported by supervisors and the organization.

NTT's five major Group companies in Japan have created 93 skill categories. Our overseas Group companies are also creating skill categories. As an example, Dimension Data conducts human resources development based on a framework of 10 skill categories.

The NTT Group also encourages employees to acquire qualifications related to their respective duties, including major qualifications that are in broad demand in the ICT industry such as Professional Engineer, Information Technology Engineer and Certified Information Systems Security Technology Professional qualifications, and we intend to boost the number of qualified employees.

## Placing the Right People in the Right Jobs

The NTT Group engages in businesses across a broad range of fields. The development of each business requires placing the right people in the right jobs so that each employee can fully demonstrate their potential. Therefore, we periodically rotate personnel on the basis of each employee's overall skill development and career plan decisions.

### In-house Recruitment System

At the NTT Group, in addition to offering the NTT Group Job Challenge which provides opportunities for regular employees with ambition to take on the challenge of shaping their own careers, we also operate NTT Group Job Offerings, a program for the management staff who will advance the transformation of the NTT Group. The program enables a variety of individuals who offer fresh ways of thinking to apply for important positions in each business area.

We are actively promoting the usage of these internal job posting systems as part of efforts to build a group-wide culture that supports employees taking on new challenges.

## Layoffs

Organizational changes are implemented after discussion and negotiation with all labor unions. As in the previous year, no layoffs occurred in fiscal 2019.



## Promote a United Group Effort on Social Contribution Activities



Relevant GRI Standards: 103-2

### Policies and Concepts

The NTT Group has operating bases located not only in Japan but also around the world, from which it provides telecommunications networks, an important lifeline, and develops business that works to realize a smart world and Society 5.0 by leveraging ICT and data to solve social issues. Thus, it is essential that we not only aid the various organizations aiming to develop ICT but also pursue harmonious relationships and strive to resolve local issues in collaboration with local residents, central and local governments, NGOs, NPOs, and educational institutions.

The NTT Group looks to address the various issues faced by local communities in which we operate, including those related to environmental issues, aging populations, declining birthrates, and the education of children. NTT believes it is important to contribute to the development of flourishing and vibrant local communities through the actions of each member of Team NTT comprising NTT Group employees, their families, and retired employees. We seek to have each employee of the 300,000-strong NTT Group interact with members of their local community, identify local needs, and contribute in even small ways to addressing issues through our business activities. We believe that these efforts will eventually come back to us in the form of business opportunities and avoidance of risk, and thus we view activities that invest in local communities as our most important area of activity. Herein lies the strength of the NTT Group, a global enterprise that engages in businesses deeply rooted in local communities.

### Organization for Implementation

The NTT Group CSR Charter calls on Team NTT to work together to contribute to the realization of a sustainable society. In accordance with this policy, each NTT Group company engages in citizenship activities following the policies and detailed action plan set by NTT's CSR Promotion Office.

For example, since fiscal 2009, we have joined across the Group to promote activities with a focus on the area of environmental conservation, with active participation by employees under the slogan Green with Team NTT. We are also engaged in supporting people who have been impacted by the Great East Japan Earthquake and other major natural disasters.

### Main Initiatives

#### Citizenship Activity Categories

Investments in local communities:	Corporate citizenship activities carried out over the medium- to long-term to address social issues that concern both the NTT Group and local communities
Donations to charities:	Corporate citizenship activities that are carried out on a one-time basis or are expected to be completed within a short period
Commercial initiatives:	Corporate citizenship activities that generate profit for the NTT Group

#### Support for Citizenship Activities by Employees

With the belief that participation in citizenship activities can help to broaden the mind, the NTT Group is implementing an increasing range of policies to support employee citizenship activities, informing employees of support programs, and commending citizenship activities carried out under such programs. Other programs include a Matching Gift Program under which Group companies match donations collected independently by employees, and a Volunteer Gift Program under which Group companies donate goods to facilities and other places where employees are engaged in voluntary citizenship activities.

#### Measures to Support Citizenship Activities

Programs	Details
Volunteer Gift Program	This program provides goods from the volunteer's company to facilities and other places where the volunteer has been active over a long period.
Matching Gift Program	Under this program, the NTT Group companies support employees' fund-raising and charity activities by matching donations made by employees.
Volunteer Leave Program	This program enables employees to take extended leave for volunteer activities or other purposes in line with life design plans.
NTT Group Volunteer Portal Site	This portal site introduces and supports a range of volunteer activities across the NTT Group, with a focus on sports volunteers.

### **Promoting Volunteer Activities Through the NTT Group Volunteer Portal Site**

The NTT Group Volunteer Site was established in 2017 to introduce and support various volunteer activities for NTT Group employees in Japan. Under the motto “smiles for all,” we promote group-wide social contribution activities that can bring smiles to everyone involved, creating win-win situations for the NTT Group, participants, and local communities.

In fiscal 2019, we carried out activities in various fields under the themes of diversity and the environment, including sign language classes, para sports viewing events, and tree planting across Japan. Going forward, we will expand these kinds of activities that use the NTT Group’s workforce strength to involve more organizations, fields, regions, age groups, and individuals and also develop the site as a “third place” venue for creative interaction to foster a volunteer culture.

### **Citizenship Activities by Retired NTT Group Employees**

Retired employees of the NTT Group are also actively participating in citizenship activities individually or in a group as a member of Team NTT. Denyu-Kai, whose membership consists of retired NTT Group employees, engages in a broad range of citizenship activities, including social welfare and environment beautification. Denyu-Kai supports the citizenship activities of retired employees by annually presenting the Volunteer Activity Awards to members and organizations who undertake effective citizenship activities. In fiscal 2019, we recognized 36 individuals and 3 groups and presented an award for outstanding achievement in volunteer activities to 13 recipients.

## Systems Promoting Work-Life Balance

System		Description
Leave programs	Paid vacation days	Paid leave that can be taken regardless of reason. Employees who have worked continuously for the company for one year or more are entitled to 20 days per year. Employees who have worked for the company less than one year are entitled to 13 days
	Special leave	Leave that can only be taken due to specified reasons <b>Reasons:</b> Marriage, bereavement, summer leave, childbirth, childcare time, menstrual leave, transport restrictions, loss of home due to a natural disaster, etc.
	Life planning vacation	Up to three days of unused paid vacation days, which become invalid at the end of each fiscal year, can be accumulated for use as a life planning vacation.
	Sick leave	Leave that can be taken if an employee is injured or falls ill.
Childbirth and Childcare	Mitigation of commuting during pregnancy	Paid program that exempts pregnant employees from working at the start or end of the workday for up to 60 minutes per day
	Measure related to health examinations, etc., during and after pregnancy	Paid program that exempts employees from working to attend health guidance or a health examination during pregnancy or within a year after pregnancy
	Maternity leave (Special leave)	Six-week paid leave before childbirth (14 weeks for multiple pregnancies) and eight-week paid leave after childbirth
	Reengagement of former employees who left for childcare	Program for rehiring former employees who left to care for a child, within a certain period of time since leaving the Company
	Childcare leave	Program that enables employees with a child under three years old to take non-paid leave for childcare
	Shortened working hours for childcare	Program that offers shortened working hours for employees with a child below the third grade of elementary school (options: four-hour, five-hour and six-hour workdays)
	Shifted working hours for childcare	Program that offers individualized shifts (moving up or moving down the starting/ending hours of the workday) to secure time for dropping off and picking up children from daycare centers up to the end of elementary school
	Limits on overtime or overnight work	Program that limits overtime, etc., for employees who need to care for a child below the third grade of elementary school
Nursing Care	Nursing care leave	Program that enables employees to take non-paid leave to look after a family member in need of nursing care
	Shortened working hours for nursing care	Program that offers shortened working hours for employees with a family member in need of nursing care (options: four-hour, five-hour and six-hour workdays)
	Shifted working hours for nursing care	Program that offers individualized shifts (moving up or moving down the starting/ending hours of the workday) to secure time for nursing family members
	Limits on overtime or overnight work	Program that limits overtime, etc., for employees who need to care for a family member

System		Description
Systems related to working	Shifted working hours	Program that enables an individual to change the starting or ending hours of the workday to secure time for child or nursing care
	Flex time	Flextime system: Employees work during standard core times (10:00–15:00, specific times can be set by each organization) and flexibly outside of these times (7:00–22:00) Super Flextime system: Employees work flexibly between 7:00–22:00 (minimum unit: 3 hours)
	Remote work	Program that allows an employee to temporarily work at a location other than their regular worksite as a means of supporting work-life balance, encouraging independence and creativity, or increasing productivity
	Rehiring program	Program that enables employees who quit due to childcare, nursing care, or the relocation of their partner to apply to be rehired after they quit

# Personnel and Labor Data

## Employment in the NTT Group

			Boundary	Unit	2017	2018	2019
Total number of employees			C	Employees	284,544	307,894	319,039
Employees by region	Domestic	166,173			179,902	183,824	
	Overseas	118,371			127,992	135,215	
	Percentage of overseas employees	%		41.6	41.6	42.4	
Number of employees by gender			E	Employees	109,200	106,997	110,207
	Male	92,000			88,756	88,724	
	Female	17,200			18,241	21,483	
	Percentage of female employees	%		15.8	17.0	19.5	
NTT			NTT	Employees	2,644	2,562	2,494
	Male	2,371			2,273	2,200	
	Female	273			289	294	
	Number of temporary employees included in the above	55			68	65	
Total managers*1			E	Employees	26,110	25,736	25,616
	Male	24,770			24,268	23,991	
	Female	1,340			1,468	1,625	
	Percentage of female managers	%		5.1	5.7	6.3	
Average age			NTT	Years	41.3	41.3	41.1
	Male	41.7			41.7	41.7	
	Female	37.4			37.6	37.1	
Average years of employment			NTT	Years	16.8	16.8	16.7
	Male	17.2			17.2	17.1	
	Female	13.4			13.5	13.3	
Average annual compensation			NTT	Yen	5,846,977	5,913,532	5,954,975
			A		6,390,108	6,449,078	6,520,047
Ratio of basic salary per employee and remuneration of women to men*2	Managers	Basic salary	D	—	—	—	1:1.02
		Remuneration			—	—	1:1.03
	Non-managerial employees	Basic salary			—	—	1:1.17
		Remuneration			—	—	1:1.17
Number of new graduate hires			A	Employees	1,550	1,721	1,877
	Male	1,022			1,170	1,270	
	Female	528			551	607	
	Percentage of female employees	%		34.1	32.0	32.3	
Number of foreign national hires			D	Employees	58	75	55
	Male	35			44	31	
	Female	23			31	24	
Percentage of employees with disabilities*3			NTT	%	2.6	2.7	2.7
			A		2.5	2.6	2.6
			B		2.3	2.4	2.4
Number of re-employed members			D	Employees	18	16	14
	Male	1			0	2	
	Female	17			13	12	
Turnover rate (including mandatory retirement)	Turnover rate among all employees		D	%	6.4	6.1	9.9
	Turnover rate due to personal reasons				3.0	3.7	3.7
Continuous employment of employees at retirement age			D	Employees	18,000	14,000	10,000
Percentage of NWJ membership			B	%	86.0	84.8	79.4
Enhancing employee satisfaction			B	Points	3.79	3.8	3.79

\*1 Section manager level or higher

\*2 We have a single pay scale for men and women. Differences are due to age and job grade.

\*3 As of June 1, 2020

**Number of Employees Using Company Systems, Working Hours, etc.**

			Boundary	Unit	2017	2018	2019
Special leave (childbirth)			D	Employees	1,147	1,081	1,164
Childcare-related			D	Employees	2,199	2,370	2,394
Childcare leave	Male	120			169	257	
	Female	2,079			2,201	2,137	
	Ratio that returned to work	%		97.1	98.1	99.2	
Shortened working hours for childcare	Male	Employees		27	39	36	
	Female			2,391	2,491	2,006	
Nursing care-related			D	Employees	116	94	58
Nursing care leave	Male	65			42	28	
	Female	51			52	30	
Shortened working hours for nursing care	Male	D	Employees	25	36	31	
	Female			29	50	36	
Leave programs			D	Days	19.7	19.3	17.7
Paid vacation days	Male	%		—	97.0	89.3	
	Female			—	93.8	85.8	
	Percentage of total entitled leave			98.4	96.4	88.7	
Working hours	Total hours actually worked		NTT	Hours	1,911	1,933	1,906
	Average annual overtime hours				23.0	22.2	23.0
	Overtime hours		D	Hours	—	—	17.5
	Overtime pay		D	Yen	—	—	48,180
Number of employees working from home*1			D	Employees	15,046	26,719	38,962
	Male	10,498			18,171	29,442	
	Female	3,500			5,626	9,520	
Number of employees taking leave for mental health			A	Employees	1,648	1,550	1,815
	Male	1,293			1,202	1,323	
	Female	355			348	492	
Number of industrial accidents			A	—	44	36	71
	Operational accidents				9	8	7
	Commuting accidents				35	28	64
	Frequency rate			—	0.10	0.09	0.11

\*1 Including the DOCOMO Group

**Status of Human Rights Initiatives**

	Boundary	Unit	2017	2018	2019
Number of confirmed cases of human rights violations	B	—	27	24	29
Human rights training and attendance	B	%	93.6	96.6	97.3

**Status of Human Resources Development**

		Boundary	Unit	2017	2018	2019
Average annual training	Hours per employee	B	Hours	34.0	28.0	26.0
	Cost per employee		Yen	10.4	10.9	8.6
Job challenge and job offering	Use	B	Employees	477	297	296
	Transfer			188	113	107
Number of qualified employees (cumulative total)		B	Employees	26,963	38,437	48,564

**Status of Supply Chain Initiatives**

		Unit	2017	2018	2019
Percentage of critical suppliers that we sent CSR surveys (SAQ) to, and percentage that were responded to	Sent	%	100	100	100
	Responded	%	99	98	100
Number of recognized high-risk suppliers		—	0	0	0
Percentage of issues recognized as actual risks that were corrected at suppliers		%	100	100	100
Percentage of employees in procurement trained on ESG		%	100	100	100

**Employee Volunteering**

		Boundary	Unit	2017	2018	2019
Employee participation rate			%	70.7	69.0	54.9
Results of Citizenship Activities*	Number of activities		—	4,204	3,977	3,713
	Number of participants		—	117,491	123,734	100,834
	Expenditures		Million yen	6,414	8,030	6,632
Environmental conservation	Number of activities		—	1,106	1,106	894
	Number of participants		—	75,706	76,889	60,714
	Expenditures		Million yen	875	796	1,408
Social welfare	Number of activities		—	497	513	534
	Number of participants		—	6,399	9,559	7,516
	Expenditures		Million yen	1,079	1,860	439
Education and cultural promotion	Number of activities		—	423	388	341
	Number of participants		—	2,940	2,845	2,544
	Expenditures	B	Million yen	1,841	2,423	2,656
Local community development and dialogue	Number of activities		—	1,740	1,507	1,609
	Number of participants		—	23,068	26,868	25,396
	Expenditures		Million yen	937	1,126	1,606
International exchange activities	Number of activities		—	43	55	13
	Number of participants		—	445	320	411
	Expenditures		Million yen	69	72	202
Sports promotion	Number of activities		—	268	224	161
	Number of participants		—	5,853	3,752	234
	Expenditures		Million yen	1,499	1,579	118
Other (e.g., activities that combine multiple categories)	Number of activities		—	127	184	161
	Number of participants		—	3,080	3,502	4,019
	Expenditures		Million yen	113	174	203
Breakdown of activities by type						
	Community Investments	B	%	65.8	60.0	67.1
	Charitable Donations			8.2	15.6	13.7
	Commercial initiatives			26.0	24.5	19.2

\* Expenses related to corporate citizenship include monetary donations, donation of goods, effective costs of opening facilities to the public, personnel costs of employee participation, and costs for implementing corporate citizenship programs (work outsourcing fees, transportation costs, etc.).