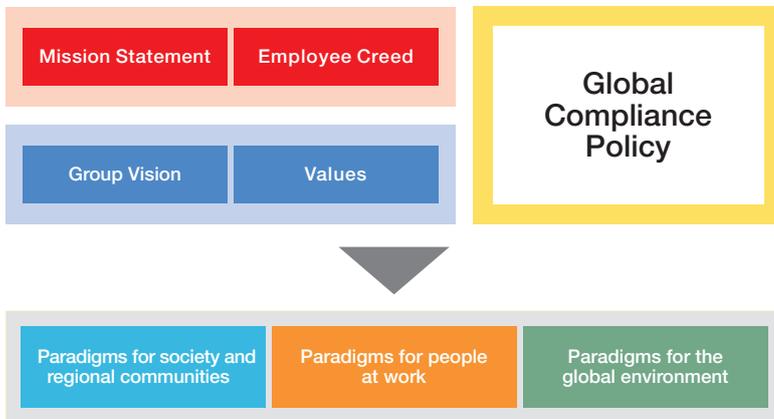# CSR in the NTT DATA Group

NTT DATA Group CSR Policy

We practice Our Way, the guiding principles of our CSR activities, by pursuing our Material CSR Challenges of developing paradigms for society and regional communities, for people at work and for the global environment.

Our Way

Mission Statement   Employee Creed

Group Vision   Values

Global Compliance Policy

Paradigms for society and regional communities   Paradigms for people at work   Paradigms for the global environment

Initiatives of the NTT Group

The NTT Group CSR Charter

In recent years, attention to environmental, social and governance (ESG) concerns has increased across the globe, as evidenced by the adoption of the Sustainable Development Goals (SDGs) by the UN General Assembly and the COP21 Paris Agreement, along with growing expectations by shareholders, investors and other stakeholders for companies to align management strategy with CSR strategy.

Therefore, the NTT Group revised the charter in May 2016 to reflect the global scope of our business activities, including the value chain.

Guided by the revised NTT Group CSR Charter, the NTT DATA Group continues to engage in CSR activities that are commensurate with the nature of its business operations.

Ensure Reliable Communications

Unite the Energies of Team NTT

Create a sustainable society by delivering the highest quality ICT solutions

Enrich Social Communication

Protect the Global Environment

CSR Committee

In fiscal 2016, the NTT Group established the Group CSR Committee, chaired by the chairperson of NTT's CSR Committee (representative director and senior executive vice president) and comprising chief CSR officers (senior executive vice presidents and the executive vice president) of the eight major NTT Group companies. The NTT DATA Group contributed to advancing CSR management for the NTT Group as a whole through such efforts as participating in the Group CSR Committee. It also takes part in the Group CSR Liaison Meetings on a regular basis to share common challenges and successful examples from each Group company and to monitor progress on the implementation of our CSR Priority Activities with respect to PDCA cycles and further promote a sense of unity across the Group.

Raising Groupwide CSR Awareness through Conferences

The NTT Group has been convening the NTT Group CSR Conference, which the NTT DATA Group participates in every year, since fiscal 2014 to raise employee awareness of CSR and encouraging them to think about the future of CSR and social contribution by sharing superior CSR initiatives across the Group.

NTT Group CSR Conference

Presentations by the NTT DATA Group

Two of NTT DATA's initiatives in Japan were selected as superior CSR initiatives, and one initiative at an overseas Group company was selected for significantly advancing CSR. Accordingly, we presented our initiatives at the third conference, in February 2016.

〈 Japan: Verification Test for Supporting the Elderly with Communication Robots 〉

For three months beginning in March 2015, NTT DATA conducted verification trials at nursing homes for a senior citizen service using communication robots and sensors. As Japan's population continues to age, the government is seeking to structurally reform medical and nursing services, and the development of a framework for supporting the elderly who live at home has become a social concern. The purpose of the trials was to raise the efficiency of elderly care and prevent the advance of dementia. Following research on the current staffing and daily lives of elderly people in nursing homes, the trials were conducted using robots with mounted sensors to take on the task of checking on the elderly and monitoring their physical condition. We intend to develop an organic link with various services and introduce robots that can assist with daily living needs, which will be essential for providing support that closely aligns with demand.
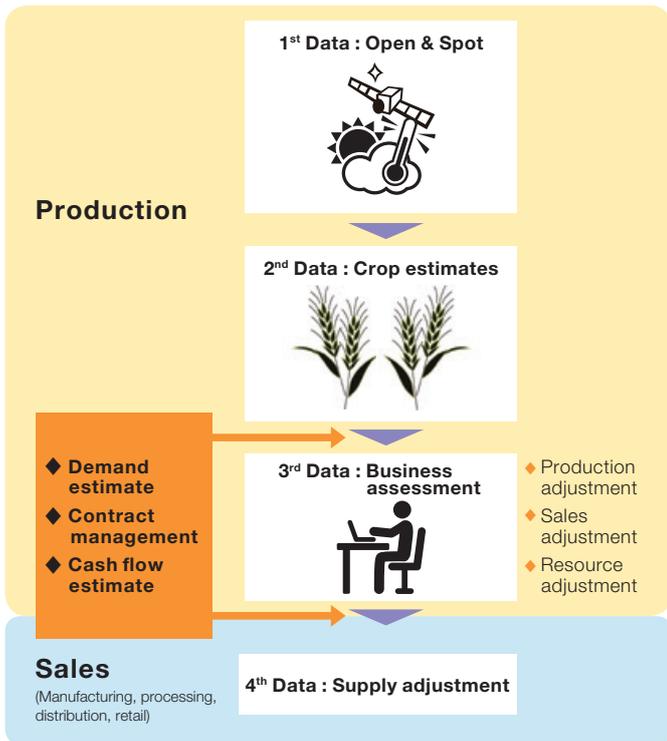

The "Sota" communication robot

〈 Initiatives in Japan: Introducing Data Science to Agriculture 〉

JSOL conducts R&D on agricultural business management while using data science, such as crop estimates and market forecasts. In Japanese agriculture, particularly the primary industries, supply does not function as well as production, which adversely affects the entire economy. We have been utilizing the results of our research in the construction of an IT platform for research in order to turn agriculture into a growth industry. Moreover, we intend to continue applying ICT to support creative food production that can be handed down to the next generation by strengthening collaboration with the NTT Group and working on joint projects with external research institutions.

■ Crop Estimate Model for Farmers

Production

1st Data : Open & Spot

2nd Data : Crop estimates

◆ Demand estimate
◆ Contract management
◆ Cash flow estimate

3rd Data : Business assessment

◆ Production adjustment
◆ Sales adjustment
◆ Resource adjustment

Sales
(Manufacturing, processing, distribution, retail)

4th Data : Supply adjustment

〈 Overseas Initiatives: Social Contribution Activities by NTT DATA Global Delivery Services 〉

NTT DATA Global Delivery Services believes that supporting local communities, the environment and disaster relief will have a positive impact on local communities. We therefore support the daily lives of children, women and the elderly by providing medical services, education and food, and we extend aid in the event of a natural disaster. During our Global Volunteering Week in December of each year, more than 2,000 employees participate in over 50 social contribution programs organized by various NGOs. Our Companywide efforts in these and other activities have been regarded highly by society and acknowledged with external awards.

Employees participating in Global Volunteering Week

CSR Management

System for Promoting CSR

NTT DATA manages its CSR activities under the leadership of the representative director, senior executive vice president and director, and executive vice president. The General Affairs Department handles related operations such as compiling information, training employees and engaging with outside entities, and each workplace carries out CSR activities to contribute to resolving social issues.

Material CSR Issues

◼ Identifying Material CSR Issues

The NTT DATA Group pursues activities in line with its Material CSR Challenges by upholding Our Way while at the same time striving to establish the infrastructure for our CSR management, such as corporate governance, to meet the expectations of the global community. To make our measures for promoting Group activities more effective, we identified the material issues requiring a focused effort, by following the materiality analysis process outlined in the GRI Guidelines (G4).

◼ Material CSR Issues of the NTT DATA Group

Material CSR Challenges			CSR Infrastructure
Society and regional communities	People at work	Global environment	
● Contribute to the realization of a fair society ● Develop IT human resources	● Realize diversity in hiring and promotion ● Eliminate illegal labor practices (child labor, forced labor, extended work hours)	● Conservation of biodiversity (response to climate change)	● Broadly establish safe and secure IT infrastructure ● Innovate advanced IT technologies ● Ensure information security ● Ensure compliance ● Respond to disaster risks

◼ Process of Identifying Material Issues

We used the following process to identify our Material CSR Issues.
(1) In view of the Group's business environment, we considered the internal and external situation from the perspective of ESG to extract the issues that the NTT DATA Group should address.
(2) We prioritized these issues from the perspective of "materiality for society" and "materiality for the NTT DATA Group" to identify our material issues.
(3) The General Affairs Department, which serves as the secretariat for CSR, verified the validity of the material issues we identified in order to ensure that the material issues of the NTT DATA Group have been adequately covered and that the expectations of our stakeholders have been appropriately reflected. The identification of issues was ultimately confirmed after gaining final approval from directors.
(4) We annually publish a report on our material issues and related initiatives. Also, we gather feedback from our stakeholders through surveys, external reviews and other means to improve our activities in the upcoming fiscal year.
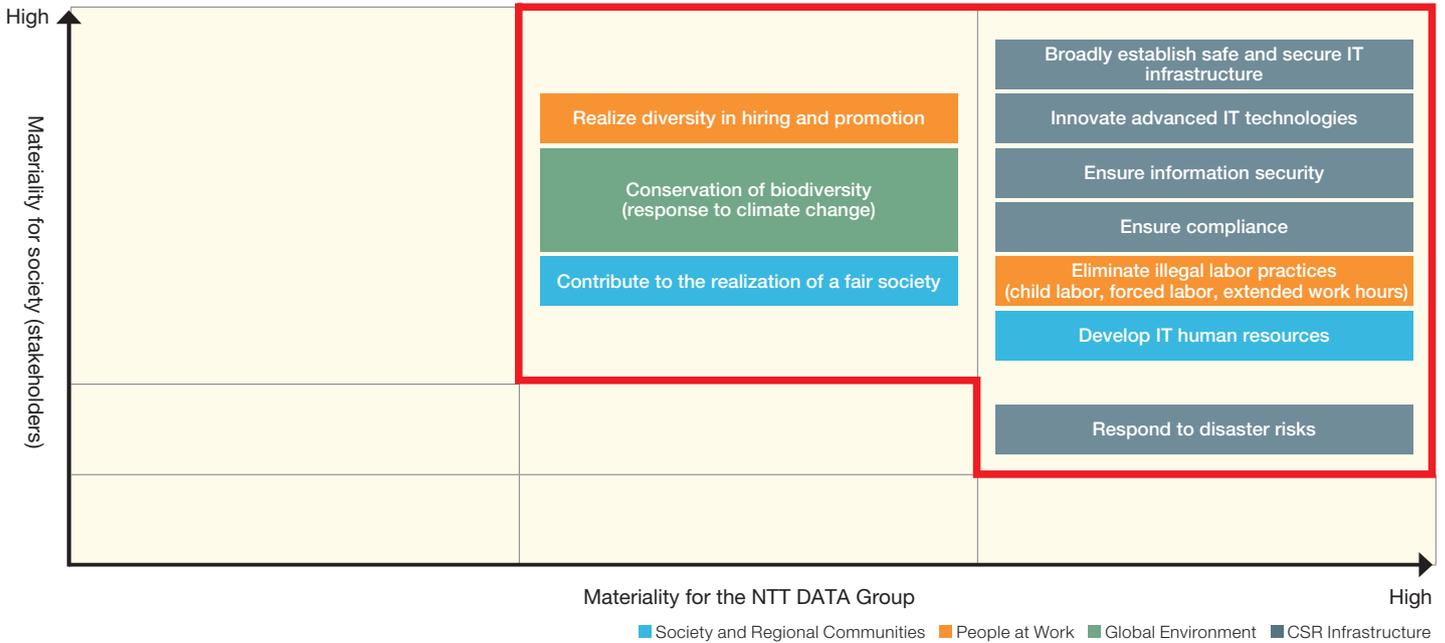
■ **Materiality Analysis**

Identifying materiality for society
- Sort out and analyze the results of evaluation by research and rating agencies
- Identify the categories adopted by the GRI Guidelines, ISO 26000, etc.
- Interview outside experts

Identifying materiality for the NTT DATA Group
- Conduct an employee survey on the Sustainability Report
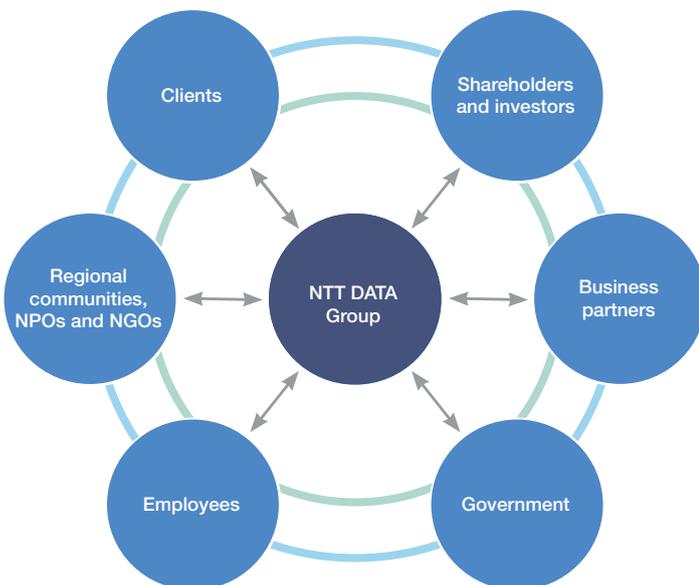- Conduct the Employee Satisfaction Survey, Customer Satisfaction Survey, etc.

We also referenced the NTT Group CSR Charter to identify materiality.

High ↑

Materiality for society (stakeholders)

- Realize diversity in hiring and promotion
- Conservation of biodiversity (response to climate change)
- Contribute to the realization of a fair society

- Broadly establish safe and secure IT infrastructure
- Innovate advanced IT technologies
- Ensure information security
- Ensure compliance
- Eliminate illegal labor practices (child labor, forced labor, extended work hours)
- Develop IT human resources
- Respond to disaster risks

Materiality for the NTT DATA Group → High

■ Society and Regional Communities ■ People at Work ■ Global Environment ■ CSR Infrastructure

Stakeholder Engagement

In business, there are always opportunities to engage with stakeholders in dialog and make improvements based on these conversations. We value the conversations we have on a daily basis and instill within the Group our commitment to our stakeholders while at the same time considering what society at large expects of us as we strive to address social issues.

■ **Key Stakeholders**

- Clients
- Shareholders and investors
- Regional communities, NPOs and NGOs
- NTT DATA Group
- Business partners
- Employees
- Government

■ Overview of Stakeholder Engagement

	Stakeholders	Related Material CSR Issues	Main Approach
Clients	● All our clients, including corporations, that use services provided by the NTT DATA Group	● Broadly establish safe and secure IT infrastructure ● Innovate advanced IT technologies ● Ensure information security	● Regular sales and proposal activities ● Client satisfaction surveys (questionnaires, interviews)
Shareholders and investors	● Shareholders and creditors of the NTT DATA Group, and individual and institutional investors	● Respond to disaster risks ● Ensure compliance	● Annual Meeting of Shareholders ● Annual reports ● Investor relations website ● Financial results briefings ● Shareholder newsletters
Government	● Central and local governments overseeing policies on the IT service industry, employment, the economy and the environment	● Broadly establish safe and secure IT infrastructure ● Innovate advanced IT technologies ● Ensure information security ● Ensure compliance ● Realize diversity in hiring and promotion	● Various applications and reports ● Consultative meetings, committee meetings and research committees held by government agencies ● Committee meetings and investigative meetings held by industry groups and organizations
Regional communities, NPOs and NGOs	● Local communities and NPOs involved with NTT DATA Group companies through our core businesses	● Contribute to the realization of a fair society ● Develop IT human resources ● Broadly establish safe and secure IT infrastructure ● Ensure information security	● Participation in community events ● Collaboration with/sponsoring of social contribution activities ● Feedback via our website ● Advisory boards
Business partners	● Business partners that cooperate in providing NTT DATA Group services	● Ensure compliance	● Regular business activities ● Business Partner (BP) Presidents' Meetings ● Discussion meetings ● Technological briefing sessions
Employees	● Employees of the NTT DATA Group and their families	● Eliminate illegal labor practices (child labor, forced labor, extended work hours) ● Realize diversity in hiring and promotion ● Respond to disaster risks	● Employee satisfaction surveys ● Management-employee town halls ● Proposal Patio (bottom-up suggestion system) ● "Nexti" (NTT DATA Group internal social networking service) ● Helpline ● Counseling

■ Advisory Board Established to Incorporate Opinions and Proposals into Business Activities

In August 2016, NTT DATA set up its third advisory board as a forum for seeking objective opinions and proposals of outside experts on NTT DATA's management. The members exchange views on aspects of our management and on social issues, and we incorporate their opinions and proposals into business activities.

● Term: from August 2016 to September 2017 (tentative)

● Frequency of meetings: twice a year

● Advisory Board Members (as of September 2016)

• Noriko Arai, Professor, National Institute of Informatics/Director, Research Center for Community Knowledge

• Yoshinori Ando, President, Ando Yoshinori Office

• Fumihiko Ike, Former Chairman, Honda Motor Co., Ltd.

• Shuzo Kaihori, Chairman of the Board, Yokogawa Electric Corporation

• Hirohide Yamaguchi, Chairman of the Advisory Board, Nikko Research Institute, Inc.

Commitment to Outside Initiatives

The NTT DATA Group has adopted a preventive approach and participates in outside organizations, including those listed below, to share information on social issues and engage in discussions.

- Japan Data Communications Association (board member)
- KEIDANREN (Japan Business Federation)
- VCCI Council
- Japan Electronic Payment Promotion Organization (Chair)
- The ITU Association of Japan

Third Party Evaluation

NTT DATA's CSR initiatives are evaluated by domestic and overseas research agencies (as of September 2016).

MEMBER OF Dow Jones Sustainability Indices In Collaboration with **RobecoSAM**

Dow Jones Sustainability Asia Pacific Index

FTSE4Good

NTT DATA is a component of the FTSE4Good index series, a stock index series designed to promote investment in companies that meet global standards related to the environment, society and governance.

MS-SRI

Morningstar Socially Responsible Investment Index

Corporate Responsibility Prime rated by **oekom research**

oekom research AG
NTT DATA has been evaluated as a "Prime" leader in the Internet & Software industry category.