

NTT DOCOMO's ESG Activities

December 8, 2017

NTT DOCOMO, INC.
Corporate Social Responsibility Dept.
General Manager, Sonomi Aizawa

1. **DOCOMO's CSR**
2. Enhancing Enterprise Value and ESG Risks/Opportunities
Institutional Investors' Expectations for Telecommunications Industry
-DOCOMO's Responsibility and Actions-
3. Initiatives for New Value Creation
CSR Medium-Term Target and beyond

DOCOMO's CSR

CSR does not exist separately from our business activities; they are in fact synonymous with them. DOCOMO aims to “enhance customer services” and “achieve sustainable growth for the Company”.



Message from CEO, Kazuhiro Yoshizawa

“While the communications business constitutes a major pillar of DOCOMO’s business activities, we have another pillar: creating value for society and generating innovative services. I believe that CSR does not exist separately from our business activities; they are in fact synonymous with them. The concept of serving society by providing new value has always formed the foundation of our business.

‘Innovative docomo’ is our term for ‘+d’ initiatives that address social issues by co-creating social value through our business. Also, I want DOCOMO to be a sound, open and enjoyable company, which means it must be structurally trustworthy. We refer to initiatives for achieving this as ‘Responsible docomo.’ Together, ‘Innovative docomo’ and ‘Responsible docomo’ constitute the dual drivers for our CSR and creating a sustainable society.”

By addressing both strategic CSR (=Innovative docomo) and Basic CSR (=Responsible docomo), DOCOMO will help realize a sustainable society

Society & DOCOMO



For A Brighter Future

Our view of the future is a society in which people can live with greater security, safety, comfort and affluence across national and regional borders and across generations.

With a deep sense of mission, DOCOMO is working diligently toward a better tomorrow in increasingly innovative ways.

Innovative docomo

We will create new value through every facet of our business activities.

Target

Addressing social issues across six value-creation domains

Action

Providing services that employ DOCOMO's ICT and co-creation with partners

Responsible docomo

We will carry out our corporate activities with the utmost integrity.

Target

Establishing a corporate culture that customers trust

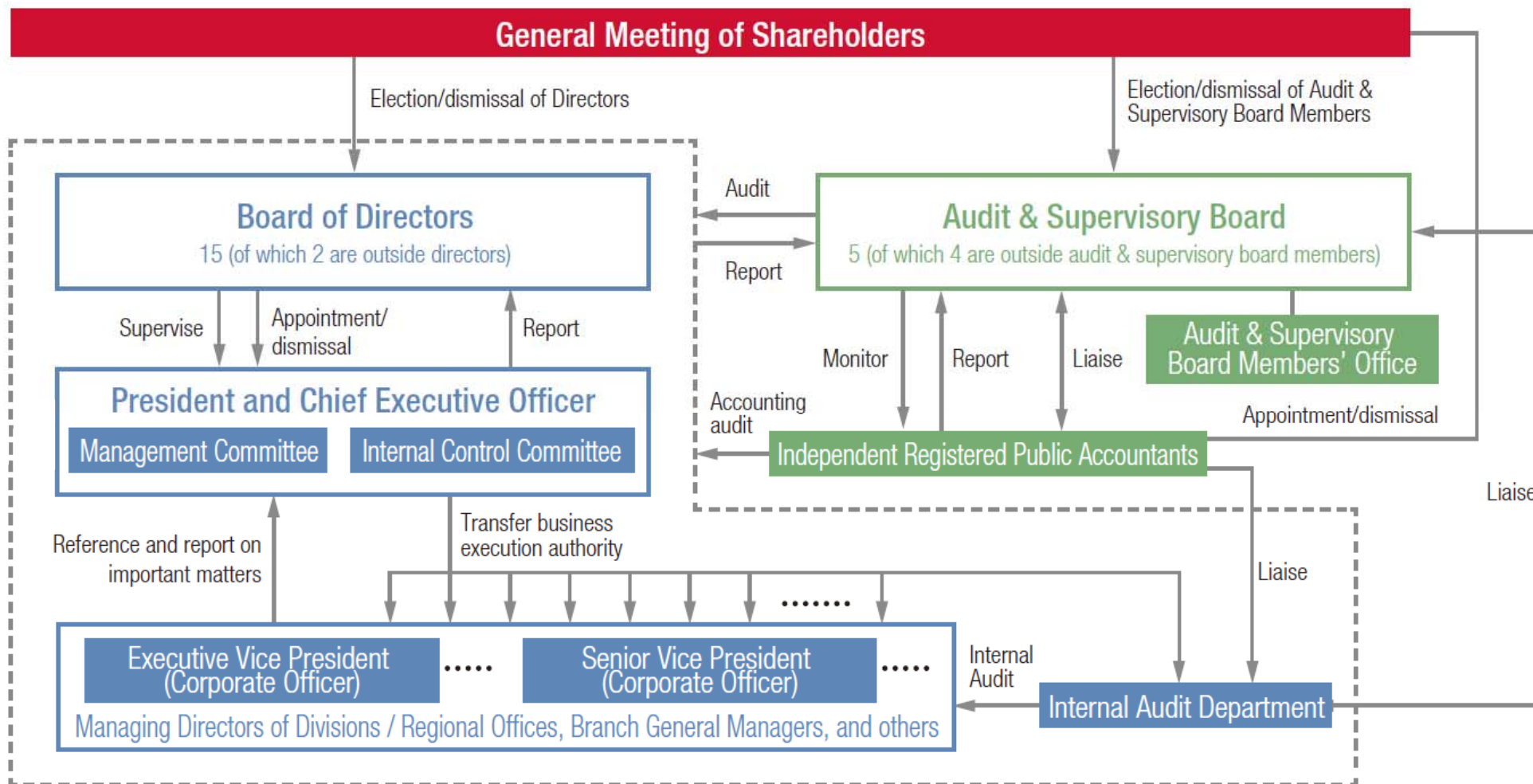
Action

Promoting business activities across seven core subjects

$$\begin{array}{c}
 \text{Innovative} \\
 \text{I}
 \end{array}
 +
 \begin{array}{c}
 \text{Responsible} \\
 \text{R}
 \end{array}
 =
 \begin{array}{c}
 \text{Sustainable} \\
 \text{S}
 \end{array}$$

1-3. Governance System Sustaining CSR (1/2)

DOCOMO has adopted a corporate governance system consisting of a Board of Directors, audit & supervisory board members and an Audit & Supervisory Board. To further bolster management supervision and auditing, the Company appoints outside directors and outside audit & supervisory board members.



1-4. Governance System Sustaining CSR (2/2)

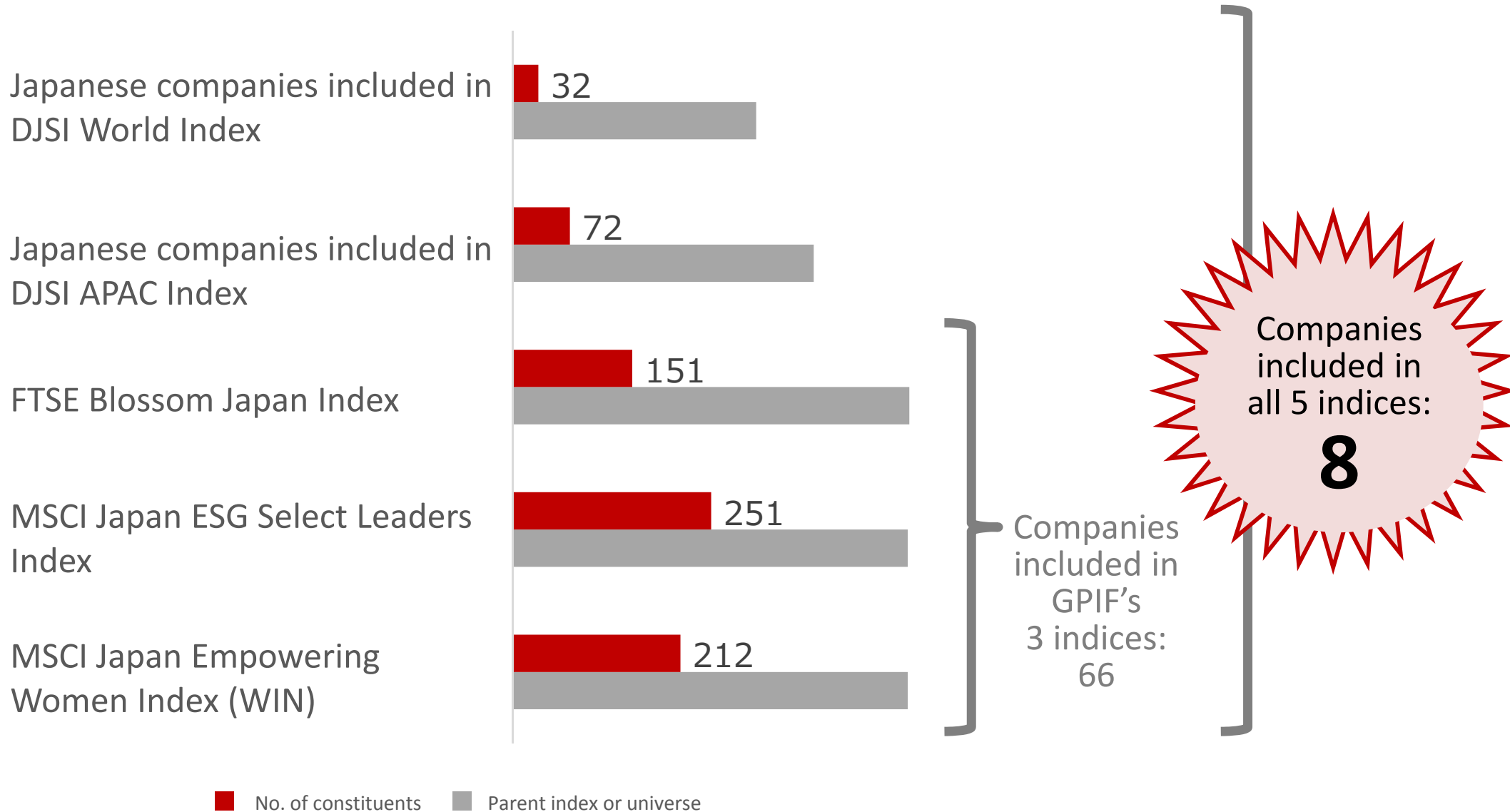
The number of outside directors of the Board was increased to two in FY2016 to fully comply with the Corporate Governance Code of Japan. DOCOMO will promote measures to further strengthen governance, adapting to the changes in the external environment and nature of business.

	2000					2010 onwards					
Separation of supervision and business execution (No. of board members)	28	27	25	13	12	13	14	15	14	15	
	From 2005: Introduced executive officer system and simultaneously reduced the size of Board of Directors by more than half as stipulated in the Articles of Association										
Outside director system	From 2002: Appointed outside director (One person from NTT Group)										
								From 2013: Independent outside director (1 person)		From 2016: 2 independent outside directors	
Outside Audit & Supervisory Board system	From 2003: Outside members account for majority of Audit & Supervisory Board, exceeding the requirements set forth in Companies Act of Japan										
	From 2011: Appointment of Independent Outside Audit & Supervisory Board members (2)										
Management of Board of Directors meetings	2016: Started effectiveness evaluation										
	From 2013: Enrichment of information provided to outside directors*										
Executive compensation	2005: Introduced Executive Stock Ownership Program for full-time Board members and executive officers (to reflect Company's mid-to-long term performance in their remuneration)										
	2006: Abolished retirement bonuses for Directors										
Integrated reports, etc.	Annual report										
	From 2016: Compiled as Integrated Report										
	CSR Report							From 2014: Sustainability Report			

* All agenda items of Board of Directors meeting are explained in person to the Outside Directors in advance (In principle, 2 business days prior to Board meeting)

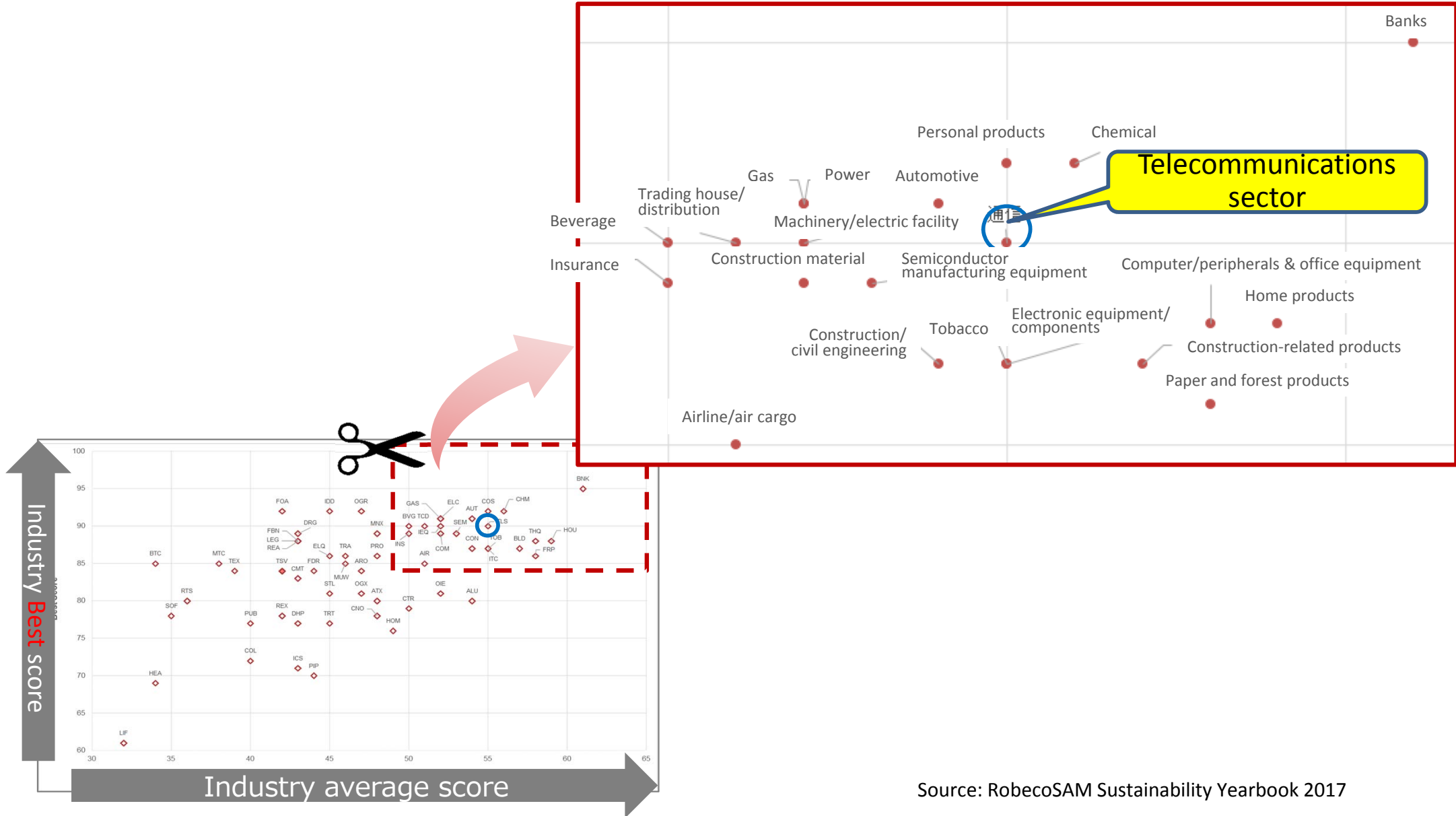
1-5. Evaluation on DOCOMO's ESG Activities

DOCOMO's ESG activities have won high evaluations in external **evaluation**. Only 8 Japanese companies are adopted as constituents of all 3 indices selected by GPIF (Government Pension Investment Fund) as well as DJSI World/APAC indices.



1-6. Level of ESG Activities of Telecom Sector

The level of ESG activities of telecommunications businesses is very high, making it one of the most competitive sectors



Enhancing Enterprise Value and ESG Risks/Opportunities

**Institutional Investors' Expectations for
Telecommunications Industry**

-DOCOMO's Responsibility and Actions-

(1) Information security

(2) Reliable network

Sustainability Focuses

- Information security measures
<Priority item>

- Ensure stability and reliability of communication services
<Priority item>

Mid-term goals and related SDGs

Protect customer information assets by addressing increasingly sophisticated and serious security risks

Provide stable communication services and promptly resume operations in the event of a disaster or other emergencies



9. INDUSTRY, INNOVATION AND INFRASTRUCTURE



9. INDUSTRY, INNOVATION AND INFRASTRUCTURE

(3) Diversity/ Workstyle Reform

(4) Reduction of CO2 emission to society

Sustainability Focuses

- Respect human rights and diversity
<Priority item>
- Promote safety, health and welfare
<Priority item>

- Contribute to society and environment through ICT
<Priority item>
- Address climate change and effectively use resources
<Priority item>

Mid-term goals and related SDGs

- Respect the human rights of all stakeholders across all aspects of business activities
- Promote employee safety and wellness to maintain vigorous business operations

- Provide ICT services that contribute to resolving social issues
- Steadily implement Green Action Plan 2030 and pursue the most advanced environmental management



Governance

Established Information Management Committee (chaired by SEVP who concurrently serves as “CISO: Chief Information Security Officer” and “CPO: Chief Privacy Officer) and assigned persons responsible for information management in each business unit. Also established Cyber Security Group under Information Security Dept. to handle emergency response.

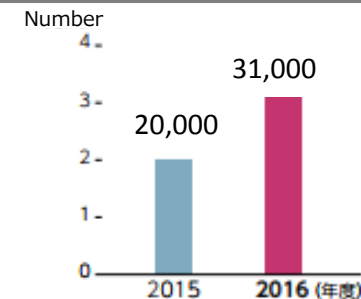
KPIs 2020 targets

- Number of information security incidents: 0
- Conduct information security training for all employees at least once a year
- Monitor information security management carried out by subcontractors

Examples of action

A. Educate information security experts

Promoting human resource development of technical staff required for business execution in compliance with NTT Group’s security staff development policy, while implementing measures aimed at raising awareness on the necessity of security talent development throughout the entire organization.



*Number of NTT Group’s security personnel

B. Education and training

■ Education and training
All employees (including temp staff) and officers receive training and stratified WEB-based training at least once a year.
At docomo Shops, training specifically focused on information security is held at least once a year. The “Security News” handbook, which contains cases of security-related incidents that could potentially happen at shop fronts, is published to support the education program.

■ Drill:
To avoid risks and prevent theft of confidential information, a drill of “targeted email attack” covering the entire workforce of DOCOMO group has been conducted on an annual basis since 2016.

Governance

Network Division constructs an integrated network service infrastructure encompassing devices and applications, establishes network operation procedures and operates and manages our network 24x7.

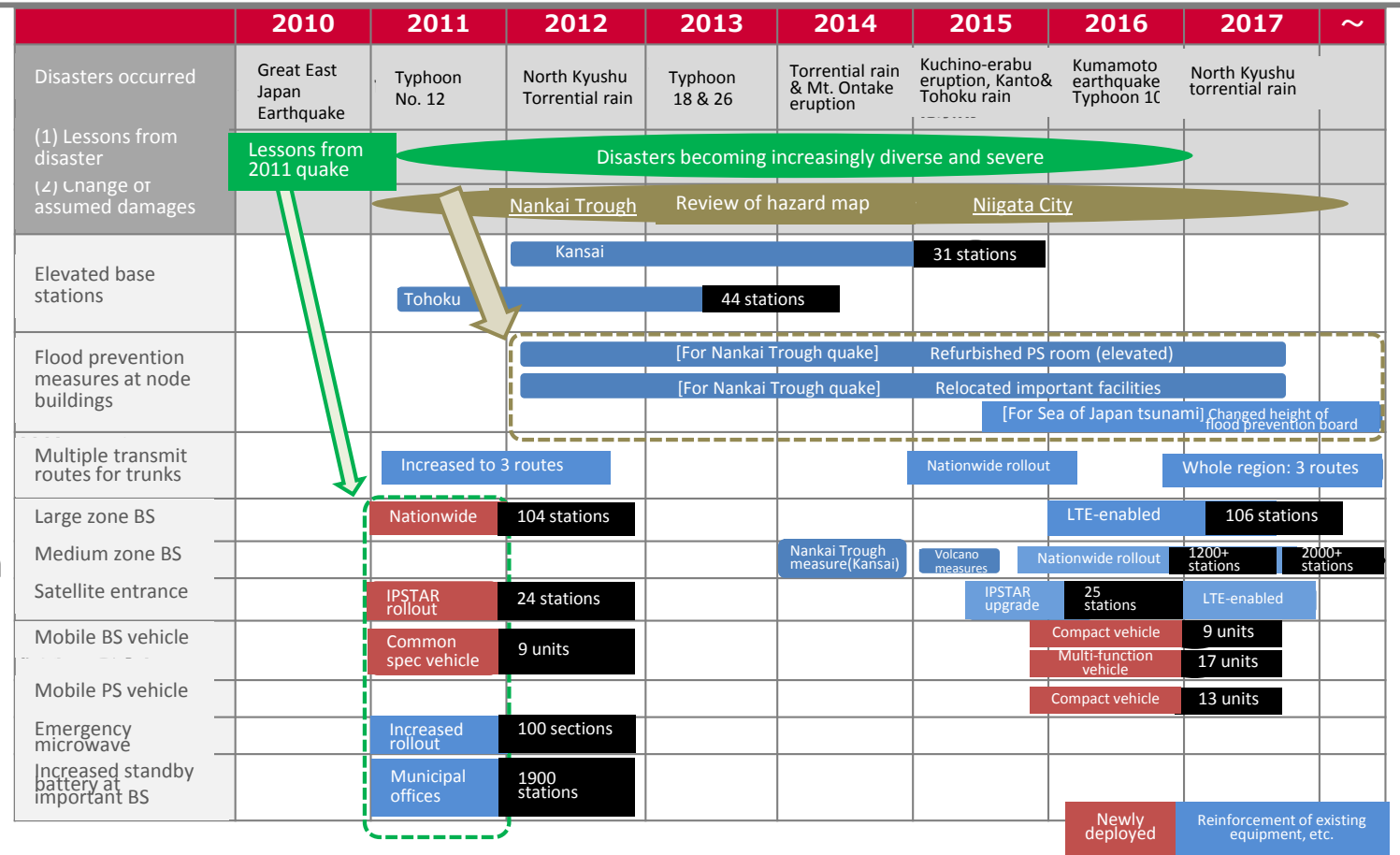
KPIs 2020 targets

- Stable service provision rate: 100%
- No. of major accidents : 0 cases
- Higher percentage of population covered by LTE than in the previous year
- Large-zone base station coverage of prefectural capital cities: 100%

Examples of action

A. Stepped up disaster preparedness measures

Reinforced disaster preparedness by adding new measures after 2011 Great East Japan Earthquake



Activities at Disaster Sites

2016/Apr. Kumamoto Earthquake

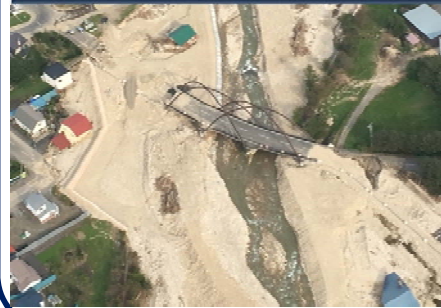
2 consecutive strikes of intensity-7 earthquakes (epicenter directly underneath)



All-out efforts for recovery and assistance

2016/Oct. Typhoon No. 10

Large-scale landslides in Iwate & Hokkaido



Recovery & assistance through various means

2017/Jul. Northern Kyushu Torrential Rain

Severed roads due to landslide



Recovery & assistance through various means

2017/Sept. Typhoon No. 18

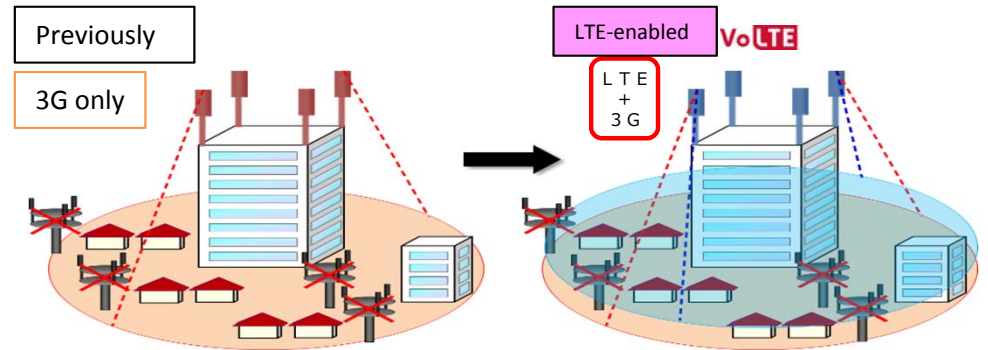
Large typhoon passing through Japan



Power restoration using generators

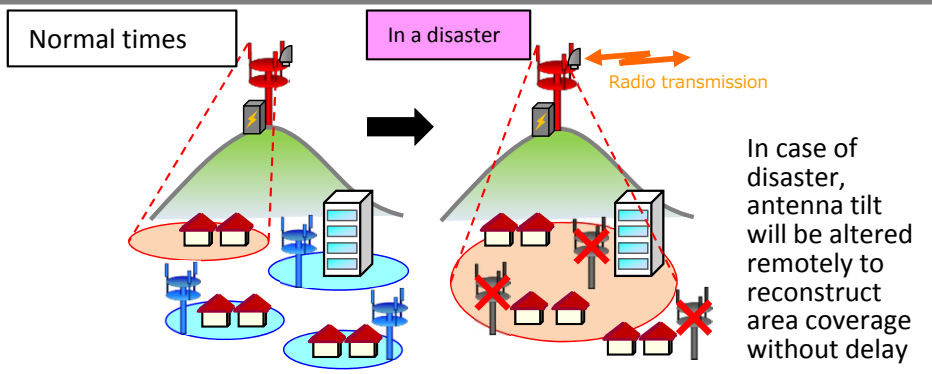
B.
LTE-enabled
large-zone
base stations

Convert all 106 large-zone
base station into LTE-enabled
- Approx. 3-times capacity increase



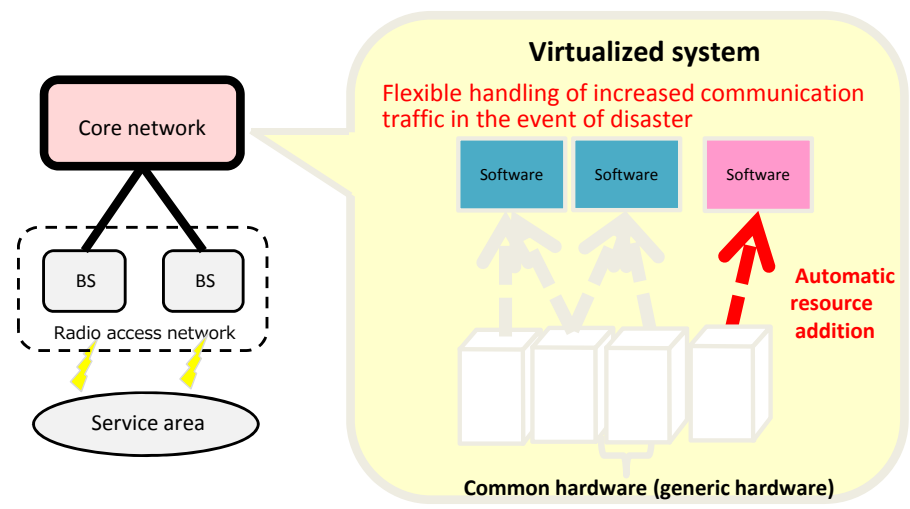
C.
Expansion of
medium-zone
base stations

Nationwide rollout of medium-zone
base stations
(From 1,282 stations as of Mar. 31, 2017
⇒ To over 2,000 stations)



D.
Core network
virtualization

Virtualization of core network enables
automatic switching/resource allocation
in the event of disaster, providing
improved connectivity

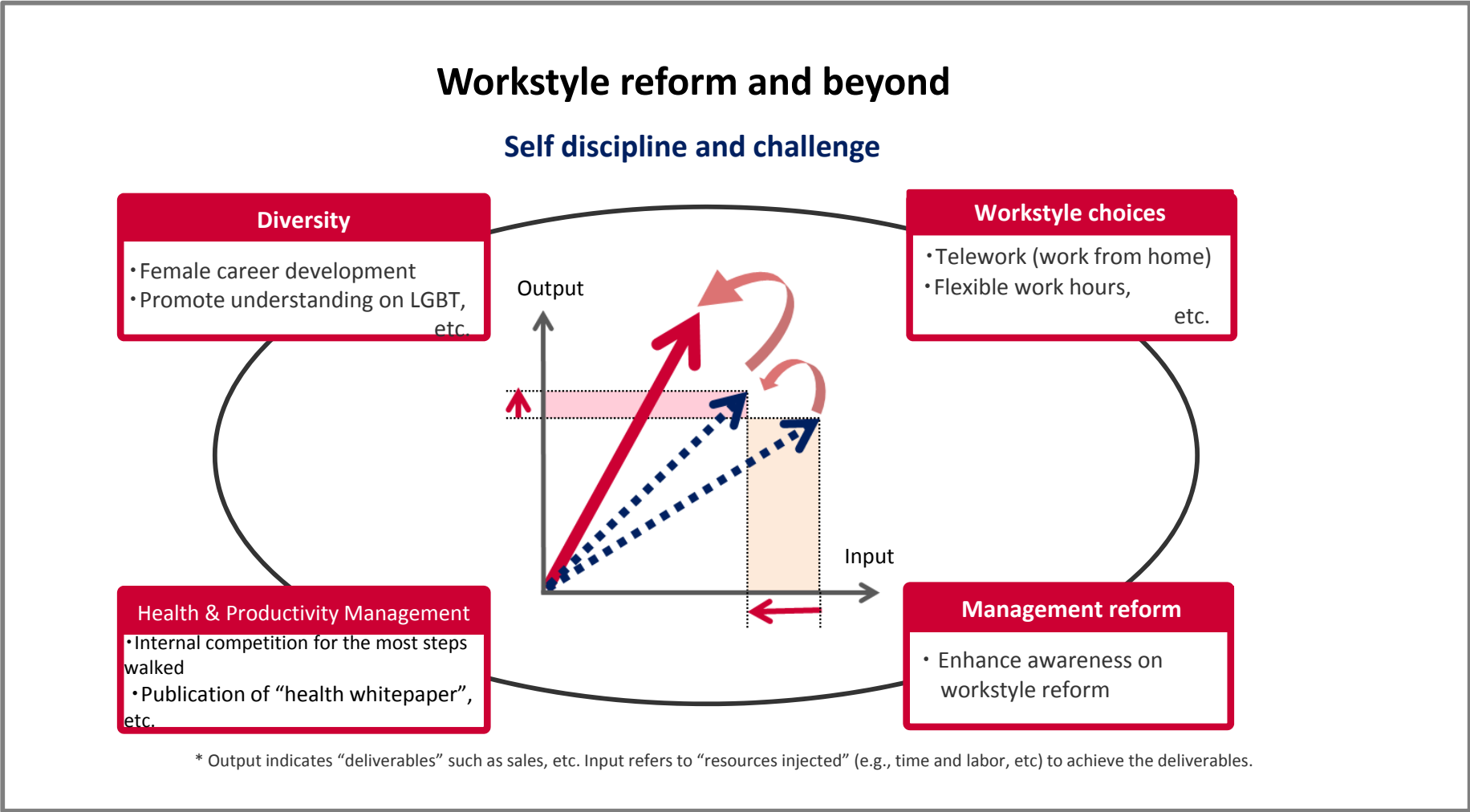


Governance	Established “Diversity Development Office” as a dedicated organization under the headquarters. Assigned “Diversity Promotion Managers (dedicated or concurrent position)” in each branch/group companies, to promote diversity in a united manner as the whole group.
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KPIs 2020 targets	<ul style="list-style-type: none"> • Diversity management: Increase ratio of female managers to 7.5% and employees with disabilities to 2.2% • Workstyle choices: Total annual work hours (1,800 hours range) ⇒ Improve productivity
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Examples of action

A.
Workstyle reform



Diversity management

■ Diversity promotion working group

- Consists of employee volunteers
- Engaged in activities aimed at promoting diversity (disabled, parents, foreign nationals, LGBT, etc)

■ Telework promotion

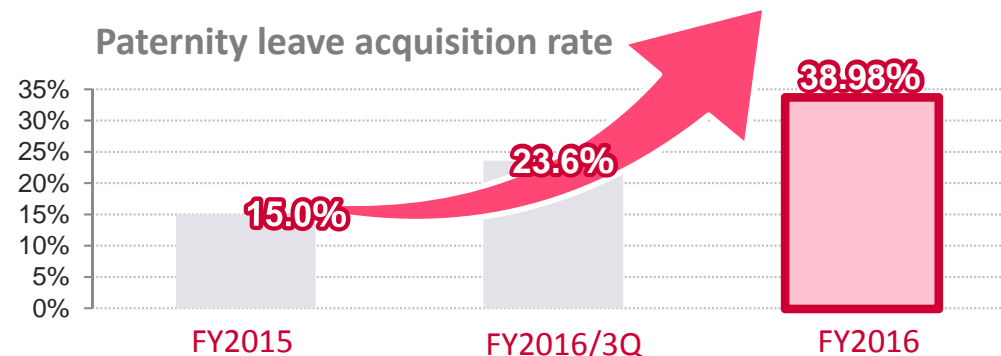
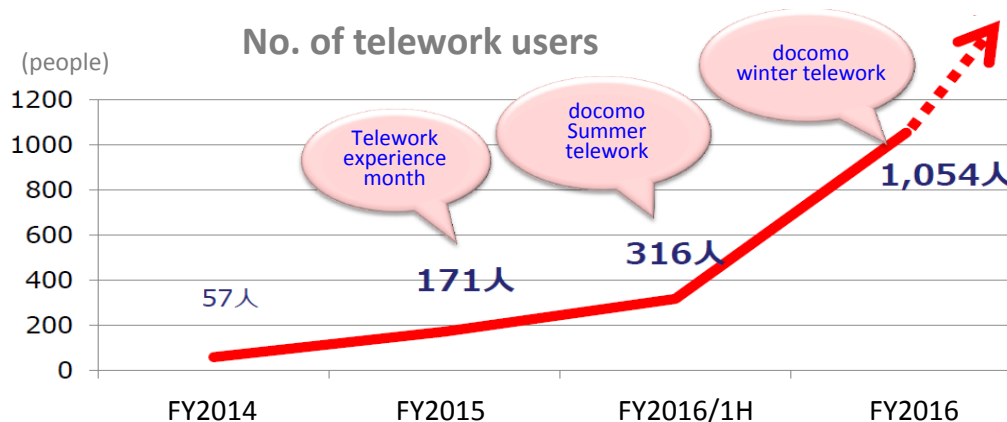
- Productivity/efficiency improvement
- Develop culture for promoting diversity
- Workstyle proposals

■ Promotion of female career development

- Vitalization of Win-d (Women's Innovation Network at DOCOMO: a program for promoting the careers of women managers) activities
- Cross-industry exchange training
- Promotion of male employees' participation in home affairs/child raising

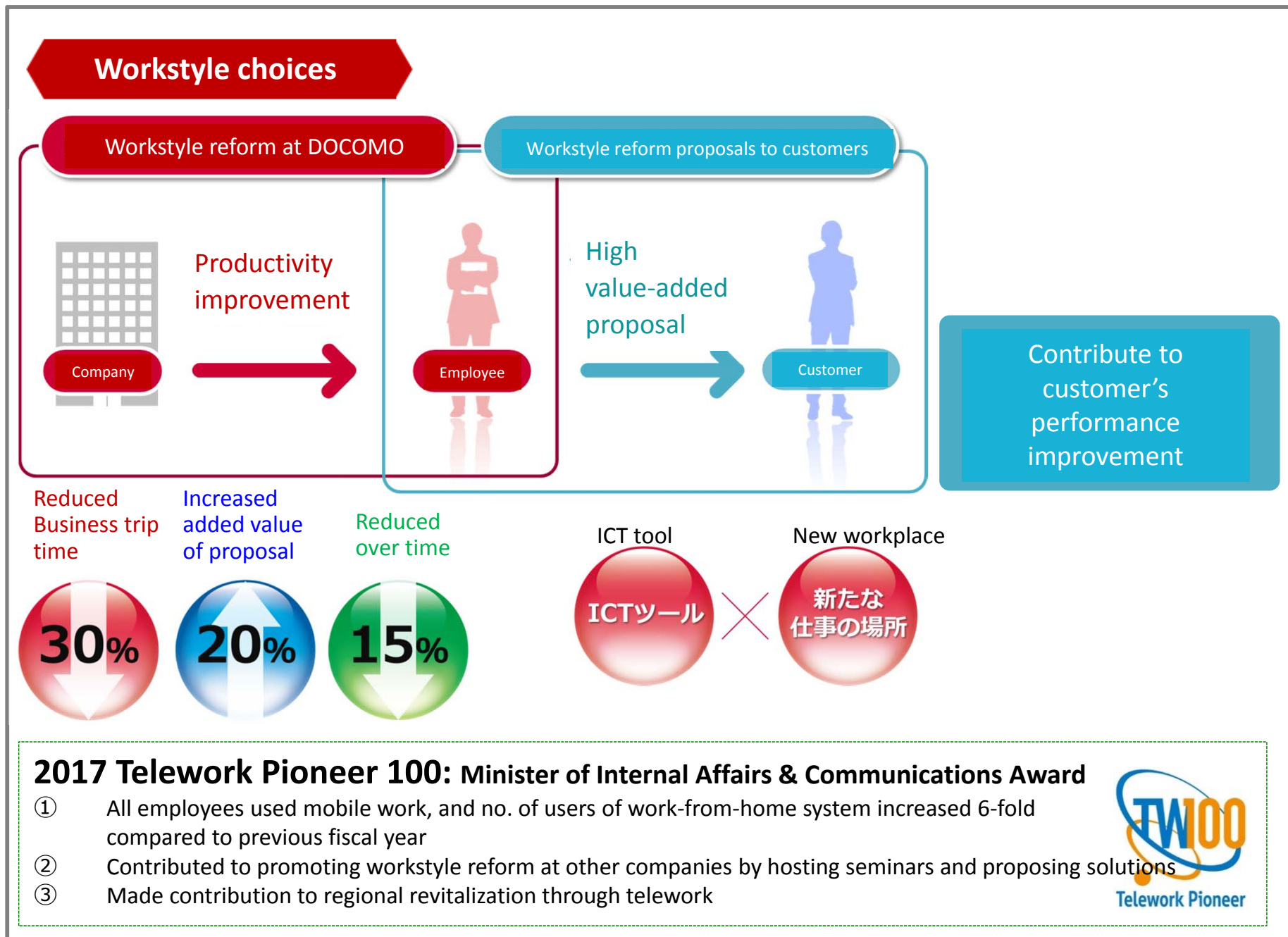


Diversity Promotion Working Group



B.
Diversity
management

C. Workstyle reform



Governance

Established “ECO Activity Committee” that consist of Sustainability Management Committee members (CEO= chairperson, SEVPs, members of the Board/Audit & Supervisory Board, and heads of relevant departments) as well as expert subcommittees responsible for planning and management of initiatives for realizing environmental targets. Also appointed group’s chief of environmental management (=General Manager of CSR Dept.)

KPIs 2030 targets

- 2030 target is to contribute to reducing CO2 emissions across society through provision of services/technologies:
Over 40 million tons (Target for 2020: 38 million tons)
- Power efficiency of telecommunications business: Over 10-fold improvement (compared to FY2013)

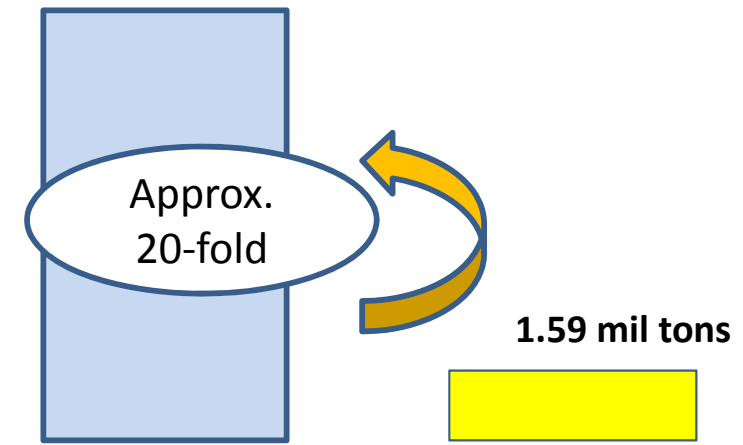
Examples of action

A.
Development and provision of services/ technology that help reduce CO2 emissions

Set 2030 environment targets (2016) → Study improvement measures based on 2020 track record (2021) → Study improvement measures based on 2025 track record (2026) → Green Action Plan 2030

- Provision of ICT services/leading technologies
Improve energy efficiency, make production and consumption of goods more efficient and reduce transport of people and goods, etc. by expanding the adoption of LTE, 5G and other ICT services and solutions.
- Next-generation green base stations:
Deployment of “green base stations” that adopt solar panels or large-capacity storage battery in existing base stations for the purpose of reducing CO2 emissions caused by power consumption at base stations.
(Over 50 green base stations are in operation as of Mar. 31, 2017)


FY2016 Track Record



32.70 mil tons
Approx. 20-fold
1.59 mil tons

Contribution to reduction of CO2 emissions across society* CO2 emissions from DOCOMO Group

*Contribution to reduction of CO2 emissions across society indicates the energy-saving effects of ICT services, etc., represented in CO2 amount

<p>Governance</p>	<p>Assigned dedicated personnel in our Research Laboratories and Network Department for the purpose of research/technical standards development, and provision of information to stakeholders, respectively.</p>
<p><u>Examples of action</u></p> <p>A. R&D and Participation in Standard Development</p>	<ul style="list-style-type: none"> • Playing a leadership role through contribution to investigation/research activities, etc. on safety of radio waves emitted from mobile devices conducted by the Electromagnetic Environment Committee of the Association of Radio Industries and Businesses (ARIB). • DOCOMO has conducted verifications on radio wave safety through experiments using human-derived cells, and has shared its insights. • DOCOMO has made proactive contributions to developing international technical standards concerning the evaluation of signal strengths for radio radiation protection. 
<p>B. Provision of Information to stakeholders</p>	<p><u>Information provided via DOCOMO web page, mobile phone instruction manuals and catalogues, etc.</u></p> <ul style="list-style-type: none"> • Views of international institutions and Ministry of Internal Affairs and Communication concerning radio wave safety, radio radiation protection guidelines, explanation and DOCOMO's view on radio-related laws and regulations. • Statement declaring that strength of radio signals emitted from base stations and mobile devices comply with the relevant radio-related laws and regulations and satisfy the standard values set forth in the radio radiation protection guidelines. • Examples of calculation and measurements of radio signals from base stations. • Localized SAR* of each mobile device <p>*Localized SAR: Energy absorbed locally by human body as a result of exposure to electromagnetic field.</p> <ul style="list-style-type: none"> • Safety precautions concerning the use of mobile devices, such as impact on electronic equipment, etc.

Initiatives for New Value Creation

CSR Medium-Term Target and beyond

In April 2017, DOCOMO announced its new medium-term strategy “Declaration beyond” which we began to implement from FY2017. Looking ahead to the year 2020 and beyond, DOCOMO will deliver “value and excitement to customers” and realize “value co-creation with partners” leveraging 5G.

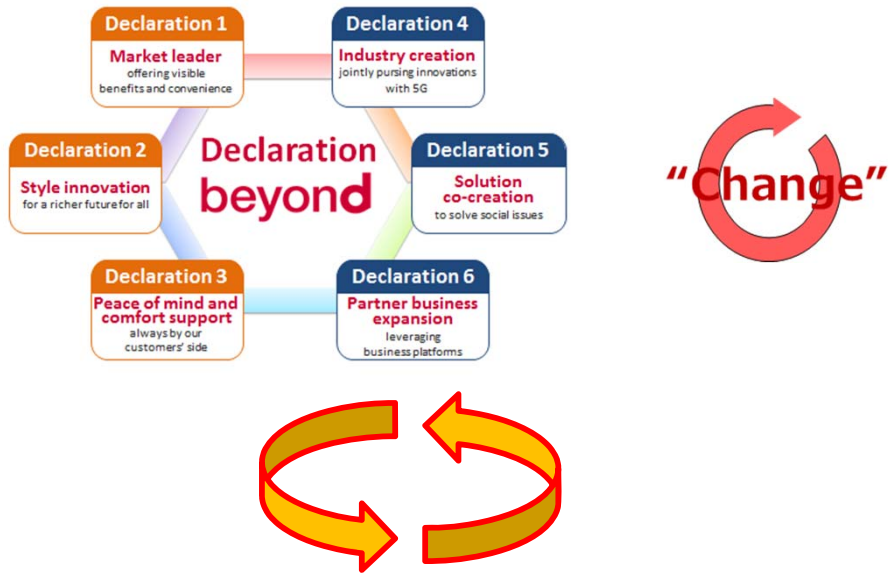
Medium-term strategy 2020 “ Declaration beyond”



Six “beyond” declarations



In light of “Declaration beyond”, CSR Mid-Term Target was developed to realize “a society in which people can live with security, safety, comfort and affluence,” a goal stated in the DOCOMO Group’s CSR Policy, identifying eight sustainability focuses.



Eight Sustainability focuses

1. Contribute to society and environment through ICT
2. Information security measures
3. Strengthen corporate governance
4. Ensure stability and reliability of communication services
5. Enhance customer satisfaction and protect children
6. Promote safety, health and welfare
7. Respect human rights and diversity
8. Address climate change and effectively use resources

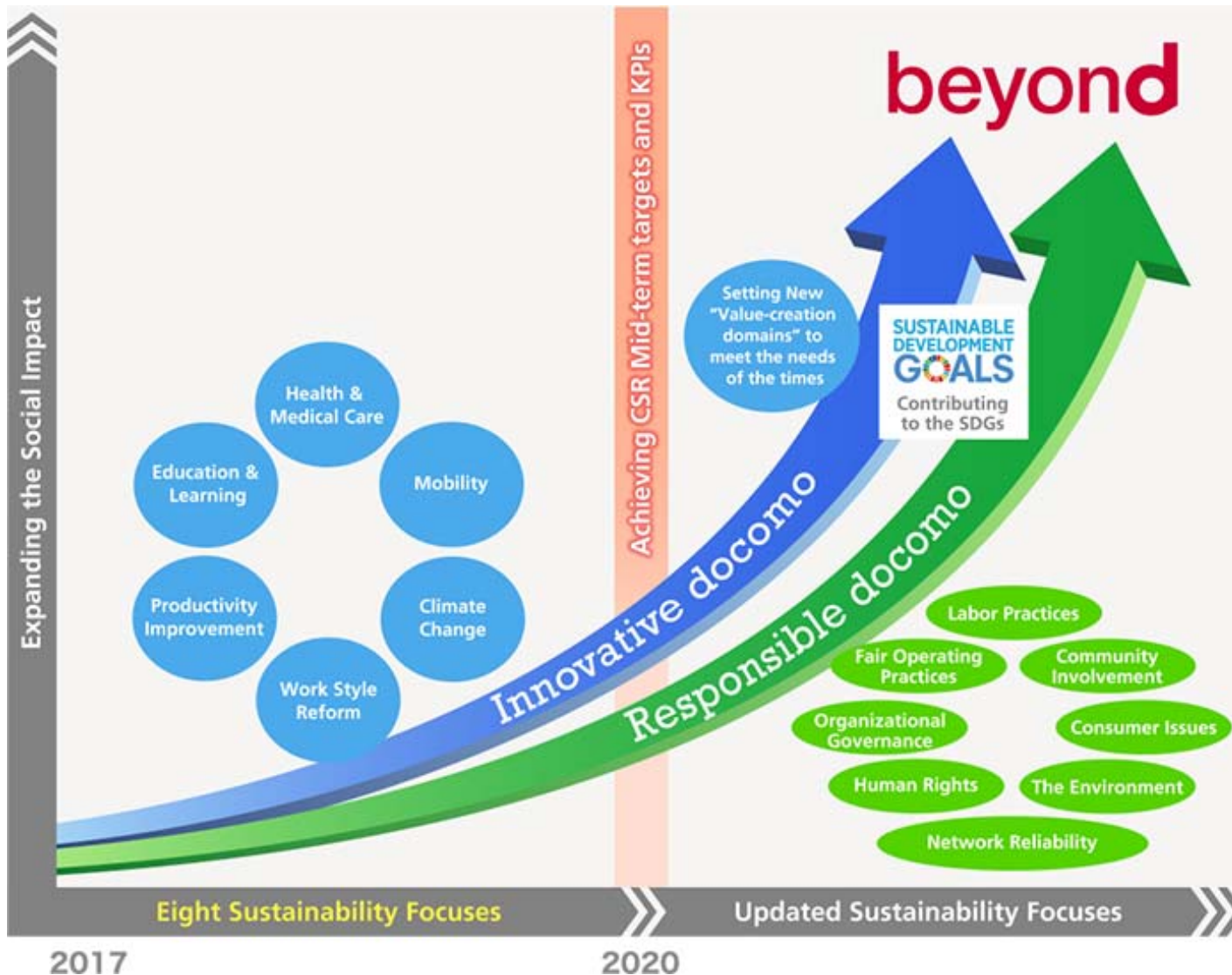
SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	 : DOCOMO's action		

3-3. Roadmap for CSR Mid-Term Target and beyond

In fiscal 2020, the final year of CSR Mid-Term Target, we will verify the progress and results of our activities addressing the Eight Sustainability Focuses, to derive our new sustainability focuses for FY2021 and beyond



The value creation domains of the “**Innovative DOCOMO**” initiative will be reviewed as required to meet the needs of the times, while at the same time we will take on the challenge of creating new value toward developing a sustainable society, referencing global targets (including SDGs).

The seven core issues and our aspiration to achieve “network reliability” laid out to guide us in our “**Responsible DOCOMO**,” through which we aim to become a reliable company will be continually pursued beyond 2020 to expand our social impact.

3-4. 【Reference】 Actions to Deliver Value & Excitement to Customers (1) ^{NTT}docomo

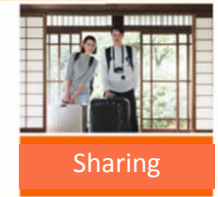
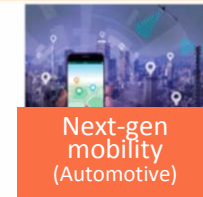
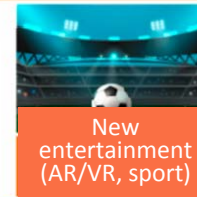
Through the provision of sharing mobility services, DOCOMO contributes to improving the convenience of customers and reducing the environmental impacts of the whole society

Declaration 2

Style innovation

empower+d challenge

Experience innovation



Related sustainability focus

- Contribute to society and environment through ICT
- Address climate change and effectively use resources.

Related SDGs



- 9. Industry innovation & infrastructure
- 11. Sustainable cities & communities
- 13. Climate action
- 17. Partnership for the goals

Carrier-agnostic provision of sharing mobility

Example



Launched April 2011
No. of bicycles: 6,000
Membership: 250,000



d car share

Car sharing

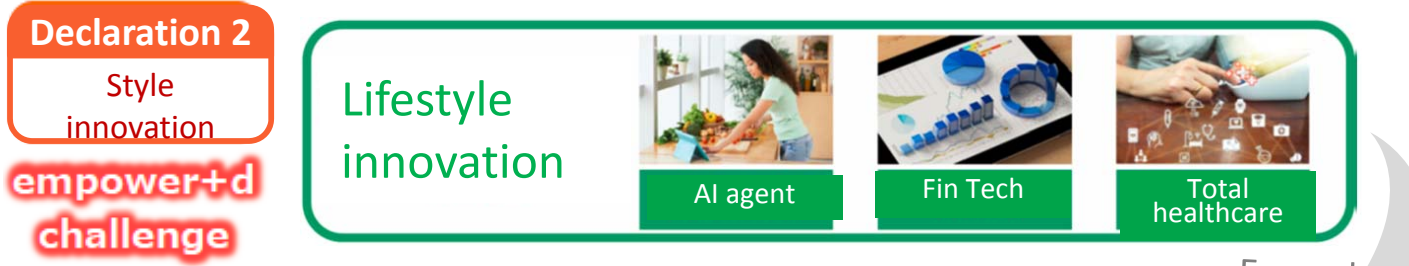
Car rental

My car sharing



3-5. 【Reference】 Actions to Deliver Value & Excitement to Customers (2) ^{NTT}docomo

To realize “lifestyle innovation”, DOCOMO will tackle the challenge of creating healthy society where people can live with a peace of mind, through the provision of a healthcare cloud connectible with various services and devices.



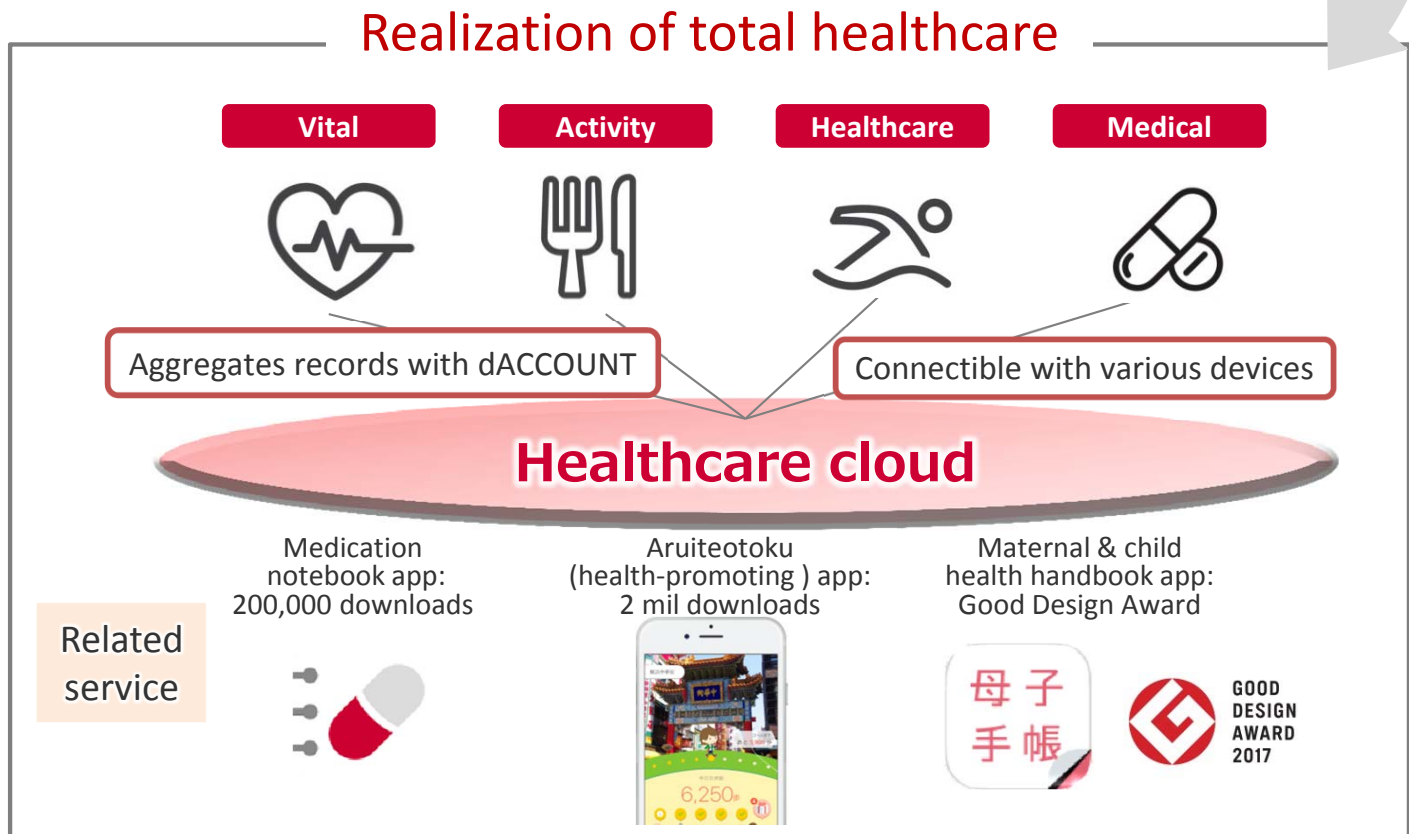
Related sustainability focus

- Contribute to society and environment through ICT

Related SDGs



- 3. Good health & well-being
- 17. Partnership for the goals




Example

3-6. 【Reference】 Actions to Deliver Value & Excitement to Customers (3) ^{NTT} docomo


Toward the goal of realizing “workstyle innovation”, DOCOMO as a mobile ICT provider contributes to workstyle reform of external companies by making solution proposals and hosting seminars

Declaration 2
Style innovation
empower+d challenge


Workstyle innovation



Drone robotics



Work innovation



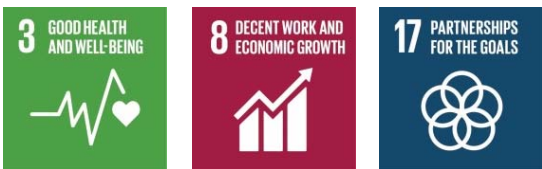
Work matching

Examples

Related sustainability focus

- Contribute to society and environment through ICT

Related SDGs



- 3. Good health & well-being
- 8. Decent work & economic growth
- 17. Partnership for the goals

Provision of DOCOMO's solutions & know-how

Know-how

Use of internal systems

Work at home
Flexible work hours,
etc.

Establishment of operation methods

Internal rules,
Info. security, etc.

ICT tools

Examples of principal “workstyle reform” services






Workplace

Share office






Workstyle innovation package

“Telework Pioneer 100”

Minister of Internal Affairs and Communications Award

DOCOMO will accelerate new value “co-creation” by facilitating collaboration with external partners. The solution of Japan’s various social issues is the primary aim of our “+d” activities.

Declaration 5

Solution
co-creation

Example

Fishery +d

A “+d” initiative tackling the challenge of making the vast sea “visible”

“Fishery ICT” underpinned by our robust mobile network to transform Japan’s fishery into a resilient and attractive business

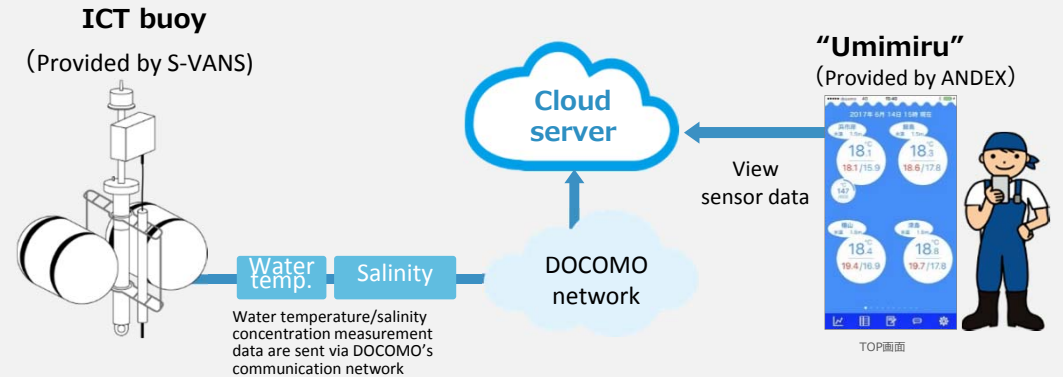
Related sustainability focus

- Contribute to society and environment through ICT
- Address climate change and effectively use resources.

Related SDGs



- 9. Industry innovation & infrastructure
- 14. Life below water
- 17. Partnership for the goals



Function screens (conceptual)



Mobile Gyuonkei is a calving monitoring system that helps reduce the workload of cattle producers by eliminating the need for round-the-clock supervision and lowers the risks of calving accidents by monitoring the body temperature of mother cow using a temperature sensor.

Declaration 5

Solution
co-creation

Example

Stock breeding



Animal husbandry management service based on body temperature monitoring and mail notification

Related sustainability focus

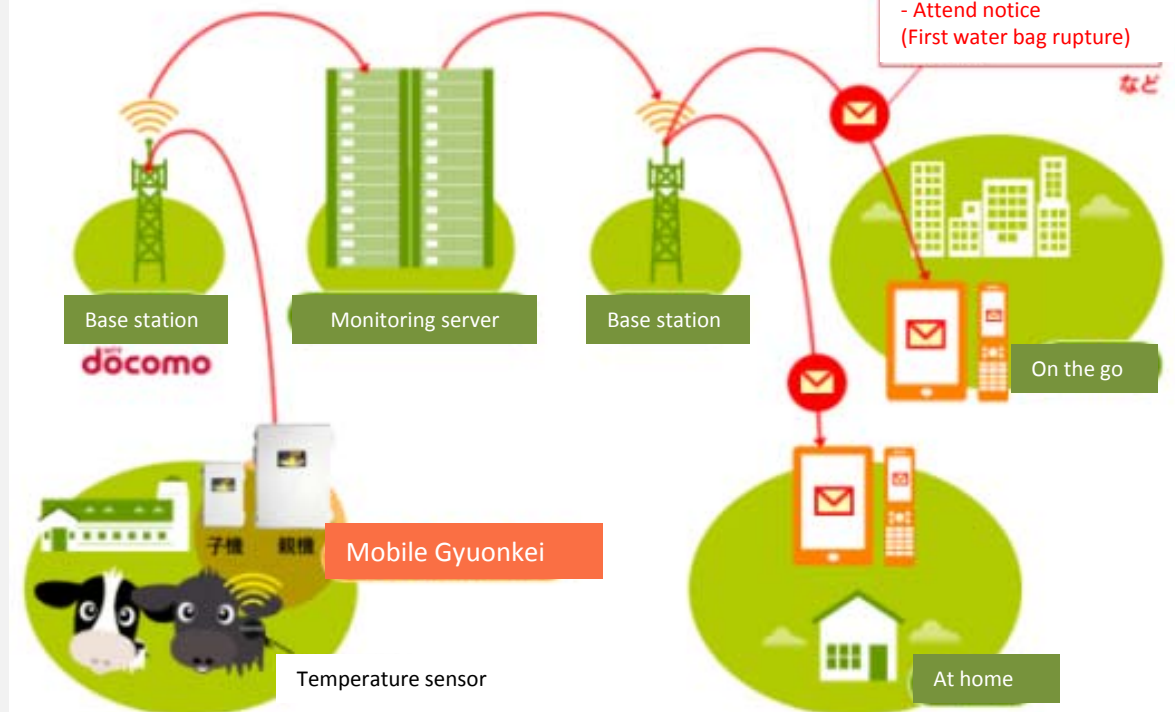
- Contribute to society and environment through ICT

Related SDGs



- 9. Industry innovation & infrastructure
- 17. Partnership for the goals

System conceptual diagram



“Cloud-based farmland management system” helps reduce the workload in farming, by enabling producers to confirm the status of farmland anytime and anywhere via the sensors installed in rice paddies, fields and orchards, etc.

Declaration 5 Example
Solution co-creation

Agriculture
A cloud-based farmland management system

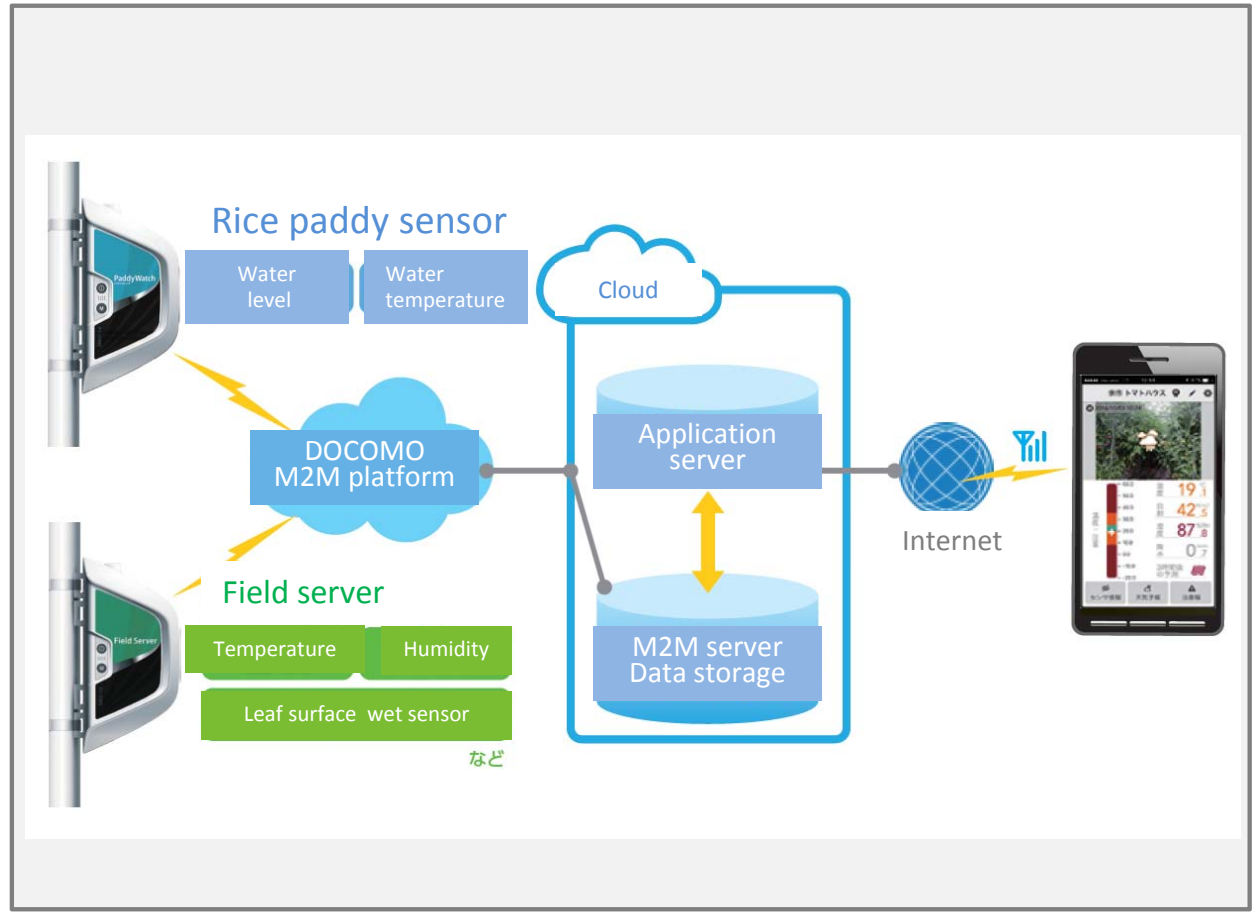
Related sustainability focus

- Contribute to society and environment through ICT

Related SDGs



- 9. Industry innovation & infrastructure
- 15. Life on land
- 17. Partnership for the goals



Use of 5G enables real-time tracking of construction site conditions from a remote office, and contributes to reducing required manpower on the field.

Declaration 4

Industry creation

Example

Verification of real-time, interactive transmission of multiple high-resolution streams from construction equipment and control signals to construction equipment

Related sustainability focus

- Contribute to society and environment through ICT

Related SDGs

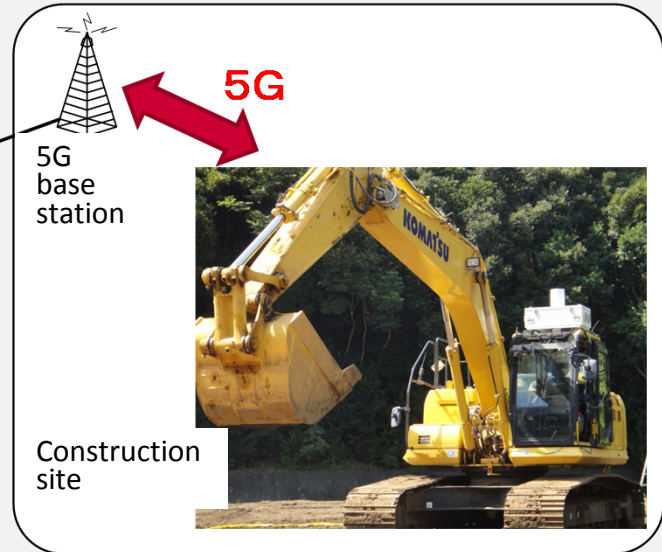
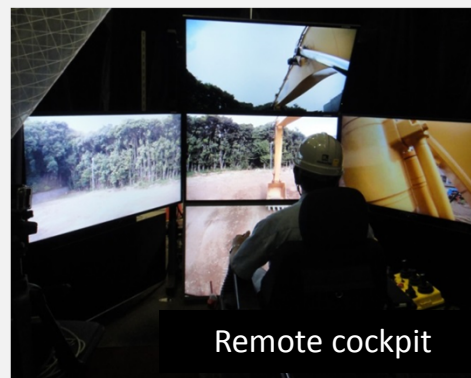


- 9. Industry innovation & infrastructure
- 17. Partnership for the goals

NTT docomo

×

KOMATSU



We offer a new online education service, “gacco” together with our affiliate, DOCOMO gacco, Inc. and JMOOC (Japan Massive Open Online Education Promotion Council) as part of our contribution to society through ICT.

Declaration 2

Style innovation

Example

Related sustainability focus

- Contribute to society and environment through ICT
- Promote safety, health and welfare

Related SDGs



3. Good health & well-being
4. Quality education

gacco

Online service that offers full-fledged lectures by university professors free of charge to anyone

⇒ Membership topped 380,000



New styles of learning provided by gacco

Online lectures

Learn on the go, using spare time

Mutual scoring

Face-to-face learning

Meet up



Free smartphone and mobile phone safety classes provided throughout Japan represent one of our efforts to provide safe and secure services. In these classes, users are instructed on how to manage the risks and problems related to the use of smartphones and mobile phones in order to prevent their occurrence.

Declaration 3

Peace-of-mind & comfort support

Example

Related sustainability focus

- Enhance customer satisfaction and protect children

Related SDGs



4. Quality education

Smartphone and Mobile Phone Safety Class



FY2016 track record:

No. of sessions: Approx. 7,900

Participants: Approx. 1.26 mil

Cumulative participants:

Topped 10 million in July 2017

Measured and valued the social impact generated by the initiative and published the results in a report

NTT DOCOMO
Impact Valuation Report

Driver-Pressure-Status-Impact-Response
Social Benefits of NTT Docomo's Select Services

Established DOCOMO PlusHearty, Inc. to actively promote employment of people with disabilities as part of our “diversity management” initiatives, which aims to create new values by maximizing the potential of our diverse human resources.



Employment of people with disabilities at DOCOMO Group

Learning support



Tips on bodily function enhancement



Related sustainability focus

- Respect human rights and diversity

Related SDGs



- 5. Gender equality
- 10. Reduced inequalities.

High stability of workforce

Joined date	No. of staff	Retention rate
2012/Oct	6	100%
2013/Jul	8	100%
2015/Apr	2	100%
2016/Apr	21	100%
2016/Sept	6	100%

As an initiative toward realizing a sustainable society, DOCOMO has been promoting recycling of used mobile phones/devices over the years. DOCOMO currently participates in a project to produce medals for the Tokyo 2020 Olympic and Paralympic Games by “recycling” used handsets, etc.

Create medals for Tokyo 2020 Olympic and Paralympic Games by “recycling” used mobile phones, etc.



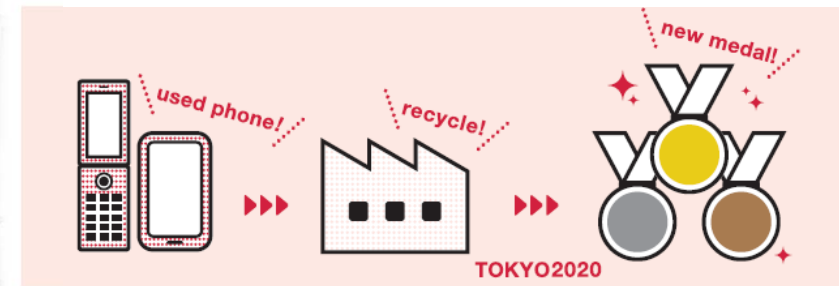
Related sustainability focus

- Address climate change and effectively use resources.

Related SDGs



- 12. Responsible consumption & production
- 13. Climate action



Sponsor: Tokyo 2020 Organising Committee
 Co-sponsors: NTT DOCOMO, Japan Environmental Sanitation Center, Ministry of the Environment, Tokyo Metropolitan Government

◆ For details of “Tokyo 2020 Medal Project,” please refer to the home page of Tokyo 2020 Organising Committee (<https://tokyo2020.jp/en/games/medals/project/>)

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