

Sustainability Management

Sustainability Management KPI

In accordance with the NTT Group Sustainability Charter, the NTT Group aims to achieve sustainable growth by addressing social issues.

The NTT Group Sustainability Charter comprises a "Sustainability Message" that conveys the Group's approach and four "Sustainability Themes" that describe specific priority initiatives. Additionally, we have established Key Performance Indicators (KPI) for the implementation of sustainability management, and we manage and report on their progress.

	KPI	Goal	Target year	Actual results			
				2019	2020	2021	2022
Contributing to society through ICT and data utilization	B2B2X Project Revenue (Billion yen)	600 billion yen	2023	-	440	550	820
Environment *	Greenhouse gas emissions (Scope1+2) (10,000 tons of CO2)	carbon neutral	2040	461	399	290	253
	Percentage of newly appointed female managers	Continued at 30% annually	-	-	-	29.1%	29.7%
Personnel	Ratio of female managers	10% or more	2025	6.3%	7.0%	8.7%	10.4%
	Employment rate for persons with disabilities	2.3%	-	2.70%	2.69%	2.70%	
	Employee satisfaction	More than the previous year	2021	3.79	3.90	4.26	—
	Training rate for human rights	More than the previous year	-	97.3	97.2	99.4%	57%
	Number of human rights violations identified	Achieved zero human rights violations each year	-	29	33	32	
Information Security	Number of telecommunications service outages due to external cyber attacks	Achieve zero outages of telecommunications services due to external cyber attacks each year	2021	0 cases	0 cases	0 cases	1 [*]
	Number of personal data breaches associated with external cyber attacks	Achieved zero personal data breaches due to external cyber attacks each year	2021	1	1	1	2 cases

Supply Chain Management

[Promotion Structure]

The NTT Group's efforts to advance sustainable supply chain management are presented to the **Sustainability Committee** and the Group Sustainability Committee (comprising Vice presidents and similar leadership from major group companies). These committees, chaired by the President and Representative Director under the Board of Directors, engage in discussion, decisions, and advancement of the fundamental strategy, the progress in activity implementation, and the disclosure of information related to supply chain management of across the Group.

[Correction of business practices and business practices]

The NTT Group promotes collaboration, coexistence, and prosperity with its suppliers and business partners who aim to create value. To achieve this, the NTT Group has established the NTT Group Supply Chain Sustainability Guidelines, which outline principles such as respect for human rights, reduction of environmental impact, and adherence to compliance. To prevent potential violations of supplier guidelines due to purchasing practices, the NTT Group diligently implemented necessary internal mechanisms and procedures to avoid making improper demands

(such as low prices and short-term delivery) of suppliers.

[Supplier Selection]

The NTT Group offers certain preferential treatment in the selection of suppliers to those suppliers with excellent ESG performance as part of its efforts to promote sustainable supply chains. Specifically, based on green procurement standards, we prioritize procurement from suppliers who are implementing initiatives to reduce greenhouse gases. In addition, each group company has gradually introduced the "Internal Carbon Pricing System", a mechanism that converts CO2 emissions into virtual costs to encourage the reduction of environmental impact. In procurement, CO2 emission costs are calculated using internal carbon pricing and evaluated by adding them to the proposed product price.

[Identification of Important Suppliers]

The NTT Group identifies significant suppliers based on the following factors, including procurement value, importance of parts, and potential substitutes.

high-volume supplier	Suppliers accounting for the largest portion of NTT Group procurement (approximately 90% or more of all procurement)
Suppliers of critical parts	Suppliers of key parts in key businesses
irreplaceable supplier	Suppliers with products that have no alternatives on the market
Risky suppliers for environmental, social and governance	High-risk suppliers identified based on country-specific, industry-specific, product-specific, and firm-specific risk analyses.

[*]

[Supplier Capacity Development]

As an effort to realize a "sustainable society," the NTT Group conduct explanatory sessions on NTT Group Supply Chain Sustainability Promotion Guidelines to explain requirements, processes, and initiatives to suppliers. We request our suppliers to respond to the sustainability assessment service, Eco Vadis which allows them to compare their sustainability performance with that of their companies in the same industry and receive support including providing advisory assistance and other support as we implement corrective measures. In the future, we plan to use a common SAQ (Supplier Assessment Questionnaire) in collaboration with three telecommunication companies to check the efforts of our suppliers and provide feedback on the results, and working together with our suppliers for further improvement.

[Supplier Screening KPIs]

supplier screening	FY 2022
1.1 Total Number of Primary Suppliers	Approx. 45,000 [*]
1.2 Total number of critical primary suppliers	126 [*]
1.3 Percentage of Expenditure to Key Primary Suppliers in Total Expenditure (%)	90%
1.4 Total number of critical secondary and subsequent suppliers	0 [*]
1.5 Total number of critical suppliers (primary and secondary and later)	126

Supplier Assessment and Development KPIs

■Supplier Evaluation Program Coverage and Progress

supplier evaluation	FY 2022	Targets for Fiscal 2022
1.1 Total number of suppliers assessed by desk/on-site assessment	117 companies [*]	Percentage of critical suppliers (%) 100%
1.2 Percentage of significant suppliers evaluated	92.9% [*]	
1.3 Number of suppliers assessed as having significant actual/potential negative impacts	0	
1.4 Percentage of Suppliers Evaluated with Significant Actual/Potential Negative Impact, among which Agreed Corrective Measures/Improvement Plans are Implemented (%)	100%	
1.5 Number of Suppliers Evaluated with Significant Actual/Potential Negative Impact, among which Resulted in Contract Termination	0	

■Scope and progress of suppliers with corrective action plans

Support for corrective action plans	FY 2022	Targets for Fiscal 2022
2.1 Total number of suppliers who aided in implementing the corrective action plan	0	Percentage of critical suppliers (%) 100%
2.2 Percentage of suppliers assessed as having significant actual/potential negative impacts that aided in implementing the corrective action plan	100%	

■Coverage and progress of suppliers participating in capacity building programs

supplier evaluation	FY 2022	Targets for Fiscal 2022
3.1 Total number of suppliers participating in the capacity building program	126	Percentage of critical suppliers (%) 100%
3.2 Percentage of significant suppliers participating in capacity building programs	100%	

Performance Data

Environmental data

Indicator	Unit	Actual results			
		2019 *	2020 *	2021 *	2022 *
Direct GHG Emissions (Scope 1) ¹	t-CO2	245,000	238,000	140,000	170,000
Indirect GHG Emissions (Scope 2) ¹ Market Base	t-CO2	4,540,000	4,240,000	2,760,000	2,370,000
Indirect GHG Emissions (Scope 3) ¹	t-CO2	23,500,000	22,500,000	20,820,000	19,040,000
Total non-renewable energy consumption ¹	MWh	8,980,000	10,800,000	9,640,000	8,027,000
Total renewable energy consumption ¹	MWh	71,000	1,270,000	1,780,000	2,605,000
Total water consumption	1 million m3	11.0	9.9	9.3	8.9

Waste * 2 [*]	Total amount of recycled and recycled waste	metric ton [*]	716,000	453,000	457,000	489,000
	Total waste disposal volume	metric ton	28,000	16,000	19,000	20,970
	Amount of waste disposed of in landfills	metric ton	8,000	6,000	10,000	8,840
	Amount of waste incinerated with energy recovery	metric ton	19,000	9,000	8,000	11,700
	Amount of waste incinerated without energy recovery	metric ton	1,000	1,000	1,000	430
	Amount of waste treated by other methods	metric ton	0	0	0	0
Average Power Efficiency in Data Centers (PUE) * 3		-	1.68	1.65	1.67	1.87
Total energy consumption in the data center (MWh) * 3		MWh	3,200,000	3,500,000	3,580,000	4,780,000
Renewable energy as a percentage of total energy use in data centers * 3		%	30.6	28.5	34.6	34.2

*(i) Overseas

(2) The scope of calculation of "amount of waste incinerated with energy recovery" was changed from FY 2022. The changes in the figures for "total waste recycled/recycled," "total waste disposal," and "amount of waste incinerated with energy recovery" between FY 2019 and FY 2021 are due to the change in the scope of calculation, and the total amount of waste generated, which is the sum of "total waste recycled/recycled" and "total waste disposal," has not been changed. []

*3 Aggregate value of some data centers in Japan and overseas

Number of violations

	Indicator	Actual results
		2022
Number of violations	Corruption or bribery	0 cases
	Discrimination or harassment	44 cases
	Customer privacy information	0 cases
	Conflict of interest	0 cases
	Money laundering or insider trading	1

Diversity and Inclusion

	Indicator	Actual results			
		2019	2020	2021	2022
Diversity	Percentage of female employees	19.5%	19.3%	19.6%	13.5%
	Percentage of women in management positions, including junior, middle, and senior (% of all management positions)	-	-	8% (Target: 15%) FY 2025)	10.1% (Target: 15%) FY 2025)
	Percentage of women in entry-level managers (junior management position, or practice supervisor) (% of all entry-level managers)	-	-	29% (Target: Continue to achieve 30% annually)	29.7% (Target: Continue to achieve 30% annually)
	Senior management (Top management position, that is, no more than two positions under the CEO or equivalent position)	-	-	30% (Target: 30%) FY 2022)	21% (Target 25~30%) FY 2025)
	Percentage of women in management positions within profit center departments (e.g., sales, as a proportion of all women in management positions (excluding support departments such as HR, IT, and legal)	-	-	39.4%	43.9%
	Share of women in STEM-related jobs (% of all STEM jobs)	-	-	21%	37.9%
	Employee ratio (under 30)	-	-	8.8%	

	Ratio of employees (30 to 50)	-	-	65.2%	
	Ratio of employees (50 years or older)	-	-	26.0%	

Confirmation of Base Salary and Remuneration per Employee by Gender

	Female: Male	
	Basic salary	Total compensation
Management position	1:1.02	1:1.03
General employment	1:1.17	1:1.17

*The same salary system is applied for men and women. The difference depends on age structure, grade structure, etc. See page 12 for third-party warranties. For General Service, the ratio of both the median and the average.

Labor union membership rate

	Indicator	Actual results			
		2019	2020	2021	2022
Labor union membership rate	Labor union membership rate	79.4%	79.6%	78.1%	76.1%

Efforts to Mitigate and Rescue Human Rights

	Indicator	FY 2021
		<ul style="list-style-type: none"> ① Established supervisors and contact points at 6 major companies and 6 locations. ② Conducting SAQ and on-site interviews ③ Confirmed 4-5 locations this year (including overseas). At present, no cases of human rights violations have occurred (zero). ④ Implementing an escalation process if there are concern about human rights violations ⑤ Sharing the NTT Group Supply Chain Sustainability Promotion Guidelines and the NTT Group Human Rights Policy, and requesting contractors and suppliers to compliance with these guidelines. Additionally, enhancing work environments that respect human rights.
Mitigation and relief efforts	Human rights risk mitigation process	
	Number of sites with mitigation plans	263 bases
	Type of relief efforts undertaken	Establishment of the NTT Group Supply Chain Sustainability Promotion Guidelines, establishment of response points, SAQ, and on-site interviews

Recruitment

	Indicator	FY 2021	FY 2022
		hiring	Total number of new employees hired
	Percentage of vacant positions filled by internal candidates (e.g., through internal recruitment)	100%	100%
	Regular staff (full-time)/average recruitment cost per person	1,922,977 Yen	1,923,076 Yen

Employee Turnover

	Indicator	Actual results			
		2019	2020	2021	2022
Turnover (including)	Total employee turnover	9.9%	7.1%	6.4%	5.7

mandatory retirement)	voluntary turnover	3.7%	2.8%	3.6%	2.6
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Education and Career Development Input

	Indicator	Actual results			
		2018	2019	2020	2022
Education and career development	Average hours of education and career development per r employee (full-time equivalent (FTE))	26	24	34	101
	Average cost of education and career development per r employee (full-time equivalent (FTE)) (in millions)	8.6	4.9	8.6	9.6

Results of Donations

		Actual results			
		2019	2020	2021	2022
Record of donations	A lobbyist or representative or similar person or organization of interests	0	0	0	0
	A local or regional or national political movement or organization or candidate	17 million yen	22 million yen	17.75 million yen	20,000,000
	Trade association or tax-exempt organization	898,647,909	836,636,910	838,876,137	910,969,977
	Other	0	0	0	0
	Total contributions and other expenditures	915,647,909	858,639,910	856,626,137	930,969,977
	Data coverage	64%	69%	73%	100% [*]

*NTT does not make political contributions in accordance with the Political Contributions Regulation Law (as described in the Sustainability Report).

Some Group companies make political donations at the discretion of each company in accordance with relevant laws and regulations and the ethical regulations of each company.
(The above is the sum of NTT DOCOMO, NTT DATA and NTT Urban Development.)

Where and how much to spend on large donations

		Actual results
		2022
Record of large donations	Telecommunications Carriers Association	6,000,000 [*]
	European Telecommunications Standards Institute	18,052,548 [*]
	Multimedia Promotion Center The Foundation for MultiMedia Communications	24,000,000 [*]

Occupational safety and health

Health, Safety and Wellbeing Initiatives

Flextime system	Flexible working hours
Telecommuting system	Work from home and mobile work (which allows employee working anywhere)
Childcare facilities and allowances	<ul style="list-style-type: none"> • Payment of alimony • Life support such as babysitting assistance • Establishment of a daycare center in the workplace
Paid maternity and paternity leave above the legal limit for mothers	Childcare Leave System, Childcare Shorter Working System (above the legal limit), Individual Shift Work for Childcare, Recruitment System for Employees Retired for Childcare, Life Plan Leave which can be used by accumulating expired annual leave, etc.
Paid maternity and paternity leave above the legal limit for fathers	Childcare Leave System, Childcare Shorter Working System (above the legal limit), Individual Shift Work for Childcare, Recruitment System for Employees Retired for Childcare, Life Plan Leave which can be used by accumulating expired annual leave, etc.
Other	The NTT Group has introduced a comprehensive welfare system (cafeteria plan). This system includes health-related benefit such as medical checkups and access to health IT equipment, cafeteria menus such as fortune building support are provided. Each employee can freely choose the menu by using the points given to him/her. In addition, as a core menu that employees can use without using points, a complete medical checkup is conducted for early detection of diseases such as lifestyle-related diseases and cancers, which increase in risk with age. In addition, it offers a fitness club and a health activity promotion menu using a smartphone app (d healthcare), which can be freely used at any time.

CEO to employee wage ratio

CEO compensation	Total CEO Compensation
Total annual CEO compensation: Total compensation includes fixed and variable compensation as well as all wages that should be included in the total disclosure under the national accounting standards.	121 million yen

Average employee wage	9,717,213 yen
Ratio of average employee wages to annual CEO compensation	12.45:1

Median employee wage	6,881,004 yen
Ratio of median employee wages to annual CEO compensation	17.58:1

Policies and processes for determining executive compensation

In order to ensure objectivity and transparency, our company has established a Compensation Committee consisting of five (5) Directors, including three (3) Independent Outside Directors, and the Board of Directors decides on the policy and composition and level of compensation for Directors. The Board of Directors delegates the percentage of remuneration, the calculation method, and the amount of remuneration for each individual to the Committee for determination. The reason why these authorities are delegated to the Compensation Committee is that the Committee is composed of two Representative Directors and three Outside Directors, and we believe that it is possible to make appropriate decisions by taking into account the outside perspective while overseeing the performance of our company as a whole. The remuneration for each individual director (excluding outside directors) consists of monthly remuneration (basic remuneration) and bonuses (short-term performance-linked remuneration), as well as share acquisition and stock remuneration (medium- to long-term performance-linked remuneration) through the Board of Directors. The standard compensation composition ratio is approximately "Fixed compensation: Short-term performance-linked compensation: Medium- to long-term performance-linked compensation =50%: 30%: 20%" for standard performance. From fiscal 2023, bonuses for managers will be calculated using the same performance indicators as those for executives. [*]

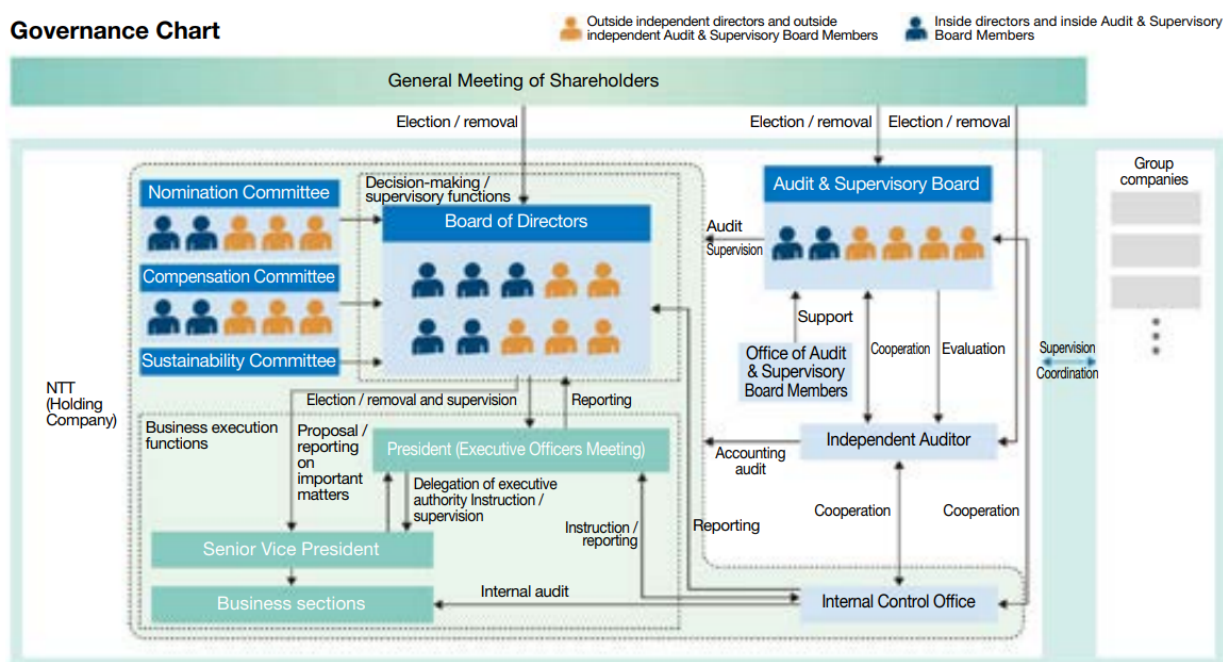
Performance Indicators for Bonuses (FY 2023) [*]

Category	Performance Indicators	Evaluation Weighting	Evaluation Method
Financial Indicators	EBITDA	25%	Year on Year improvement
	EPS (earnings per share)	10%	
Sustainability Indicators	Engagement rate	2.5%	

Category	Performance Indicators	Evaluation Weighting	Evaluation Method
Financial Indicators	EBITDA	25%	Achievement level of plan
	Operating Profit	10%	
	Overseas Operating Profit Margin	10%	
	ROIC (return on invested capital) in existing areas	5%	
Sustainability Indicators	Greenhouse gas emissions	5%	
	New female manager promotion rate	5%	
	B2B2X revenues	2.5%	

- Notes: 1. The scope of aggregation for engagement rate is approximately 100 domestic Group companies (in the future, we plan to expand the scope to include overseas Group companies).
2. The scope of aggregation for overseas operating profit margin is NTT DATA consolidated. Calculation excludes temporary expenses, such as M&A-related amortization of intangible fixed assets.
3. Existing areas refer to NTT DOCOMO's consumer telecommunications businesses, NTT East and NTT West.
4. GHG emissions are for GHG protocol Scope 1 + 2.
5. The scope of aggregation for new female manager promotion rate is six major domestic Group companies (NTT, NTT DOCOMO, NTT Communications, NTT East, NTT West, and NTT DATA).
6. The scope of aggregation for B2B2X revenues is the Integrated ICT Business Segment, the Regional Communications Business Segment, and the Global Solutions Business Segment.

Governance Chart



Develop the following policies to strengthen governance

- ① Increase the number of directors from the current 8 to 10 (with the aim of having 5 independent directors, making up more than half).
- ② Strengthen the audit committee by having a majority of 4 out of 5 as external audit committee members.
- ③ Implement a policy to increase the ratio of female representation of 30% or more among directors, corporate auditors, and executive officers.
- ④ Review the Internal Control Office and restructure it into the internal audit department directly reporting to the President

Emerging risk

We consider the following two points as emerging risks and address them.

[The impact of geopolitical risks on overseas operations, business expansion in Japan, supply chains, business continuity, etc.]

Explanation

The international situation is rapidly deteriorating due to Russia's invasion of Ukraine. The possibility of an emergency in Taiwan and the risk of North Korea's missile attack cannot be ruled out. The global economy and supply chains have also been affected by the rising energy prices.

Even if the current conflict is resolved, resources such as oil and coal, and rare metals such as cobalt and palladium, will be used in cars, mobile phones, personal computers, etc. The fragmentation of the world will limit production activities unless other sources of imports and alternative resources are found. In fact, not only related companies but also countries are seeking alternative suppliers. Delays could hinder production activities, hamper the economy, and adversely affect international competition.

Based on the above, changes in the global geopolitical environment must be viewed as long-term risks and addressed.

(d) Effect

As the NTT Group operates both in Japan and overseas, international issues such as terrorism, armed acts, and regional conflicts can threaten the safety of employees, damage buildings and equipment, and affect local business development, supply chain,

financing and more.. Such disruptions can hinder business operations and create operational challenges. Depending on the situation, these problems may not be limited to the country or region in question and may affect global business continuity. Consequently, there is a possibility that employees may suffer direct damage, that it may take a long time to restore networks and systems, or that we may not be able to stably provide services due to difficulty in procuring fuel and equipment. This could result in a decrease in income and a large amount of repair costs. Depending on the circumstances, the NTT Group may be liable for such damages. In addition, these factors could reduce the credibility and corporate image of the NTT Group.

The inability of the NTT Group, Japan's largest telecommunications carrier, to consistently provide services could result in the country's infrastructure. Such instability would profoundly impact on our company's business, which supports the foundation of the country's infrastructure. There is also the risk of significant data loss in our company's data centers, which would have a significant impact on global economic development and affect NTT's corporate value.

○ Mitigation measures

The NTT Group is strengthening information management methods both in Japan and overseas, conducting regular training to confirm the safety of employees, ensuring security of important equipment such as communication buildings, designing redundant transmission routes, and strengthening emergency power sources for communication buildings and base stations in the event of long-term power outages. In addition, the NTT Group has released the NTT Group Guidelines for Promoting Sustainability in the Supply Chain. The NTT Group requests suppliers to develop business continuity plans to minimize the impact on the supply chain in case of situations that have a significant impact on business continuity, such as rising prices of raw materials, logistics disruptions, and difficulty in obtaining raw materials and parts, due to international problems, etc., and will cooperate with relevant suppliers to implement measures to minimize the impact on the business if such situations occur. As described above, the NTT Group has taken various measures to ensure the safe and stable operation of systems and networks necessary for business continuity.

[Risks Affected by Advanced and Diverse Cyber Attacks]

Explanation

The NTT Group operates in Japan and overseas and provides several services, including communications networks and information systems, essential as a lifeline to support society and economic activities and to protect the safety of people's lives, as well as financial and settlement services that support the foundations of daily life. Threats related to information security are becoming more sophisticated and diverse, with incidents such as damage from cyber attacks and information leaks becoming social problems. In addition to changes in the internal environment, such as the promotion of remote work and the increase in the amount of information handled in the business, cyber attacks using various methods, such as ransomware, have occurred in recent years, and there is a possibility that in the years ahead, we will be subject to new cyber attacks that are more sophisticated and diverse than today. In addition, the amount of traffic and the amount of data handled is expected to increase in the future, and the impact of a cyber attack will be even greater in the future.

(d) Effect

- We report on the potential impact of emerging risks² on our business. Write a description of the impact in the text box below.
Risk related to system failure, network failure, service failure, etc.

Our company plays a key role in the nation's telecommunications infrastructure, and if our company's infrastructure suffers system, network, or service failures due to external cyber attacks, this could lead to a situation where the nation as a whole cannot continue to provide safe and secure infrastructure. In addition, our group's data centers handle large amounts of customer data, and new cyberattacks risk significant data loss. For the NTT Group, which is the largest telecommunications carrier responsible for domestic telecommunications infrastructure, this will have a significant impact on its business operations and may even cause it to lose confidence in the market as an infrastructure provider.

○ Mitigation measures

Based on the concept of "Cyber Incidents Always Happen, Minimizing Damage Is Important" we are actively engaged in risk-based information security measures. These initiatives such as the development and review of regulations to be followed by the entire Group, the transition to a zero-trust IT system that enables remote work, introducing the latest technology for

early detection and rapid response, emergency response exercises, and basic operational training for all employees.

Specifically, in accordance with the NTT Group Information Security Policy, we are implementing the following measures:

1. systematization of information security
2. Enhancing service security
3. NTT Group Global Collaboration
4. Participation and Contribution to the Global Community
5. Information Security Training
6. Research and Development Initiatives

We are also working to reduce risks by considering decentralizing the functions of the head office and establishing a decentralized organization.

Anti-harassment provision

Harassment Prevention Regulations shall be established as follows.

(Purpose)

The purpose of these regulations is to provide for measures to be taken to prevent workplace harassment based on the NTT Group Human Rights Policy.

(Basic Policy)

Harassment in the workplace unfairly damages the dignity of an employee, etc. (Including Professional Employees, Senior Staff, Senior Specialists, Career Staff, Temporary Employees, Full-time Commissioned Employees, Fellows, Senior Special Researchers, Staffers, Employees of Business Partners, etc., and Job Seekers such as Students Looking for Employment, etc.) as an individual, deteriorates the working environment of the employee, etc., and inhibits the employee from exercising his/her abilities.

In addition, it is a serious problem for the efficient operation of companies, such as reducing the motivation to work in the workplace and hindering the smooth execution of business. Such behavior should be prohibited.

(Prohibited Matters) The following forms of harassment in the workplace should be prohibited:

1. Prohibition of Sexual Harassment in the Workplace

Sexual harassment in the workplace means that an employee, etc. is disadvantaged in terms of his/her working conditions due to his/her response to sexual words and behavior in the workplace, or that his/her working environment is harmed due to his/her sexual words and behavior.

Regardless of the sexual orientation or gender identity of the aggrieved employee, sexual behavior constitutes sexual harassment.

Specifically, the following types of sexual harassment shall not be carried out:

① Sexual harassment comes at price

It is prohibited to make sexual advances and reflect this in personnel evaluations and personnel decisions regarding the employment, salary, promotion, promotion, transfer, etc. of the employee, etc. based on the employee's acceptance or rejection.

② Environmental sexual harassment

It is prohibited to engage in sexual behavior that aggravates the employee's work environment through physical contact, words, or gestures.

[Sexual Harassment]

(a) Remarks (Sexual jokes/teasing, persistent invitations to eat/date, intentionally spreading sexual rumors, telling/listening to personal sexual experiences, etc.)

(a) Actions (Coercion of sexual relations, unnecessary physical contact, forced obscenity, etc.)

(c) Vision (Distribution and display of nude posters and obscene books)

2. Prohibition of Harassment Related to Pregnancy, Childbirth, Childcare, Nursing Care, etc

Harassment in the work place related to pregnancy, childbirth, childcare, and nursing care in the workplace means that the work environment of employees, etc. is harmed by words and actions related to pregnancy and childbirth (including negative words and actions related to infertility treatment) and the use of childcare and nursing care related systems from supervisors and co-workers, etc. in the workplace.

Specifically, the following types of harassment shall not be carried out.

Harassment in the workplace related to pregnancy, childbirth, childcare, and nursing care refers to situations where the work environment of employees is negatively affected by words and actions related to pregnancy and childbirth (including derogatory remarks and behaviors concerning infertility treatments) and the utilization of childcare and nursing care systems by supervisors and co-workers.

Specifically, the following types of harassment are prohibited.

① Harassment of using the system, etc.

(a) Words and actions suggesting dismissal or other disadvantageous treatment in relation to pregnancy, childbirth, use of childcare and care-related systems, etc.

- (a) Words and actions that impede the use of systems related to pregnancy, childbirth, childcare, and nursing care.
- (c) Harassment due to pregnancy, childbirth, childcare and nursing related systems

② Verbal harassment

- (a) Words and actions suggesting dismissal or other adverse treatment on grounds of pregnancy, childbirth, etc.
- (a) Harassment of pregnancy, childbirth, etc.

3. Prohibition of Power Harassment in the Workplace

Power harassment in the workplace is defined as (1) words and actions based on a superior relationship, (2) beyond what is necessary and reasonable in the course of business, (3) harming the working environment of employees, etc., and satisfying all of the factors (1) through (3).

Specifically, the following types of power harassment shall not be conducted:

① Physical attack (assault or injury)

- (a) Beating or kicking
- (a) hitting an object against an opponent, etc.

② Psychological attacks (threats, defamation, insults, severe verbal abuse)

- (a) Engaging in disparaging behavior or insulting behavior related to the sexual orientation or gender identity of the other party
- (a) Repeatedly reprimanding a person for a longer period of time than necessary for the performance of his/her duties.
- © Repeated loud and intimidating reprimands in the presence of other employees, etc.
- (d) Sending emails, etc. that deny the ability of the other party and abuse the other party to multiple employees, etc., including the other party.

③ Separation from relationships (isolation, disaffiliation, neglect)

- (a) Removing employees, etc. who do not comply with their own wishes from work, isolating them in a separate room for a long period of time, or having them train at home
- (a) A group of coworkers ignoring a single employee, etc. and isolating them in the workplace, etc.

④ Excessive demands (Forcing or obstructing work that is clearly unnecessary or unworkable)

- (A) To order work not directly related to long periods of service in harmful environments which cause physical pain.
- (b) Imposing performance targets at levels that cannot possibly be met without the necessary education and severely reprimanding those who fail to achieve them.
- (c) Forcing members, etc. to handle private chores unrelated to business

⑤ under demand

- (a) To order work that is not reasonable in the course of business and is far from competence or experience.
- (a) Refusal to give work to employees, etc. whom he/she does not like for the purpose of harassment.

⑥ individual infringement (excessive intrusion into private matters)

- (a) Continuous monitoring of employees, etc. outside the workplace and taking photographs of personal items.
- (a) Disclosure of sensitive personal information, such as a member's sexual orientation or gender identity, medical history, or infertility treatment, to other members, etc. without the understanding of the member, etc.

4. Prohibition of Other Harassment in the Workplace

Notwithstanding the provisions of the preceding paragraphs (1), (2), and (3), it is prohibited to use words or actions that harm the dignity or character of the other party.

(Consultation and Declaration)

Employees, etc. who believe that they are being harassed may report to their supervisors or the consultation and reporting desk (Harassment Hotline, Corporate Ethics Helpline, etc.) (including cases where they believe that they are being harassed by employees, etc. of business partners).

This offer can be made not only by the direct victim of harassment, but also by employees who feel uncomfortable with harassment of other employees, etc.

(Response to Consultation and Declaration, etc.)

The supervisor or the person in charge of the consultation/reporting desk who has received a consultation/report concerning harassment shall promptly and impartially investigate the fact.

If necessary, not only the parties but also other parties concerned shall be questioned (If the offender is a member, etc. employed by another employer, the offender may request the cooperation of the other employer to confirm the facts as necessary).

In addition, when other employers request necessary cooperation (fact-checking, etc.) regarding harassment, the Company will respond in good faith.

(Sanctions against Perpetrators)

If the fact of an employee, etc. who is alleged to be a harasser of harassment is confirmed by an impartial investigation, etc., the employee, etc. may be disciplined pursuant to separate provisions.

(Protection of Consultants and Filers)

When conducting investigations, etc., the protection of privacy should be fully taken into consideration, and persons who have provided consultation/declarations and members, etc. who have provided testimony, etc. should not be treated unfavorably on the grounds of such protection.

(Prevention of Recurrence)

When the fact of harassment is confirmed by investigation, etc., appropriate measures should be taken as necessary after considering prevention and recurrence prevention measures.

Scenario Analysis

The NTT Group formulated the medium-term management plan “Your Value Partner 2025” to resolve social issues by advancing digital transformation through the Group’s business activities. Under the keywords “Your Value Partner,” we are working to achieve this plan by utilizing the Group’s management resources and capabilities, such as R&D, ICT infrastructure, and personnel as well as collaborating with partners. In accordance with TCFD recommendations, we used two scenarios to identify risks and opportunities involved in the Group’s operations based on climate change: the first scenario limiting the increase in average temperatures at below 2°C from before the industrial revolution (2°C Scenario); and the second scenario where temperatures will increase by almost 4°C with measures to combat global warming maintained at existing levels (4°C Scenario).

Applying NTT Group’s selection process for identifying key issues to the 2°C scenario revealed transition risks associated with policies, regulations, and social demand aimed at transitioning to a decarbonized society. The 4°C scenario is also likely to bring about physical risks including those required for responding to frequent or more intense heavy rain and flooding, as well as increasing electricity costs due to severe temperature increases. In contrast, increased demand for cutting greenhouse gas emissions and switching to renewable energy sources as society as a whole moves toward decarbonization is thought to present an opportunity for the NTT Group as it will be able to provide a range of ICT services that help achieve carbon neutrality. Details of each risk and the degree of impact they may have, as well as the results of analysis and assessment of the growth opportunities arising from addressing each of these risks are outlined below.

Scenario Definitions

Scenario	Overview	Methodology for Scenario
Transition Risk Scenario	Scenario in which the decarbonization of society is achieved rapidlya future in which the target increase of below 2°C (1.5°C) has been attained	IEA World Energy Outlook 2022
Physical Risk Scenario	Scenario in which physical risks materializea future in which the average temperature has risen by 4°C	IPCC Sixth Assessment Report, Summary for Policymakers (SPM): Climate Change 2022, 2022

Migration scenarios IEA NZE 2050 and IEA STEPS [*]

Physical Scenario RCP 2.6 and RCP 8.5

Third-party guarantee