# **Value Creation Process**

# **KDDI's Surrounding Business Environment**

### Political (Government / Legislation)

Expectations for realizing Society 5.0 for SDGs

#### **Economic**

- Worries due to the impact of COVID-19
- Expansion of cashless settlement

### Social (Society / Culture)

Declining birth rate and aging population / Shrinking population

### **Technological**

 Technological advancements, such as 5G/IoT, Al, and big data

### **Customers (Market / Clients)**

Expansion of smartphone-centric services

### Competition

- Popularization of budget smartphones
- Entrance of a fourth telecommunications operator

### **INPUT**

#### Building resilient infrastructure for communications and working to swiftly recover from disasters

- 4G LTE population coverage over 99.9% (FY2022.3)
- Take measures to make routes more resilient Achieve zero major accidents

#### Realizing peace of mind and safety, including for security and privacy

- Achieve zero data security incidents
- Conduct data security training for all employees (at least once per year)

#### Solving community issues and building livable cities

- Provide 5G commercial services in all prefectures (FY2022.3)
- 60 regional revitalization projects (initiatives to co-create solutions for issues with regions using IoT and ICT) (cumulative total FY2020.3-FY2022.3)

### Promoting diversity and inclusion in society

- Promote 200 women to line manager positions (FY2021.3 target)
- Percentage of female new graduate hires: 30% (FY2021.3 target)

#### Promoting sustainable procurement and respecting workers' rights

- · Zero violations related to human rights
- 100% attendance rate for KDDI Philosophy study groups

#### Improving energy efficiency and achieving zero emissions

• Reduce CO<sub>2</sub> emissions by 7% compared with the fiscal 2013 level at KDDI (in Japan, non-consolidated basis)

### **KDDI Sustainable Action**

Connecting and protecting lives







Conserving the





Improving living standards in developing



Improving energy efficiency and achieving zero emissions

countries and spurring economic developmen

Building the infrastructure

Partnership

**Medium-Term** 

Corporate

### Main Risks, Issues, and Opportunities

Material Sustainability Issues		Main Risks and Issues	Opportunities
01	Safer and more resilient connected world	Resilience to extreme weather events Risk management	Maintenance of lifelines and building of the foundations for a safe and secure information society     Telecommunications services that are resilient to natural disasters
02	Cyber security and privacy protection	ŭ ŭ ,	Protection of telecommunications privacy and customer information     Sophisticated cyber security
03	Fulfilled life brought through ICTs	Contribution to economic growth through robust information communication infrastructure     Improvement of access to education, medicine and other public services through ICTs	Solutions to social issues through the "integration of telecommunications and life design" in the 5G/loT era

KDDI formulated KDDI Sustainable Action—KDDI's initiatives for the SDGs aimed at 2030 with a determination to continue working to solve various social issues through business going forward. By connecting and protecting lives, connecting day-to-day lives, and connecting hearts and minds while using 5G, IoT and other technologies, the Company will continue aiming to help solve social issues through business with its partners, achieve sustainable growth with society, and further enhance corporate value.



1.
The company the customer can feel closest to



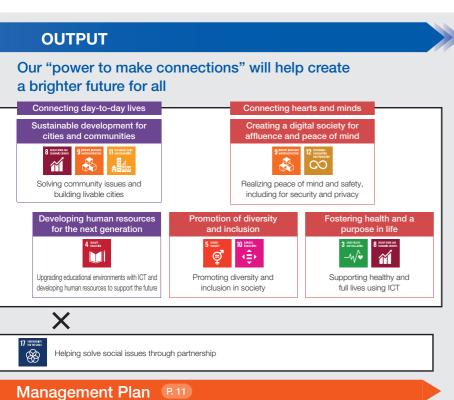
Governance P. 34-

2.
A company that continues to produce excitement



3.
Contributing to the sustainable growth of society





# **OUTCOME** Material Sustainability Issues Safer and more resilient connected world Cyber security and privacy protection Fulfilled life brought through ICTs Rewarding workplaces for 04 diverse talents Respect for human rights and 05 fairness in business An energy-efficient, circular economy

Material Sustainability Issues		Main Risks and Issues	Opportunities
04	Rewarding workplaces for diverse talents	Promotion of diversity and inclusion     Human resource development and career development	Maximization of human resources value and enhancement of corporate competitiveness
05	Respect for human rights and fairness in business	Pursuit of sustainable procurement Respect for workers' rights	Initiatives in the KDDI Supply Chain CSR Promotion Guidelines with our partners
06	An energy-efficient, circular economy	Energy efficiency improvement and utilization of clean energy     Zero emissions and 3Rs	Promotion of the shift toward renewable energy and achievement of zero CO <sub>2</sub> emissions by 2050