

AU KDDI embeds long-term thinking to drive sustainable success

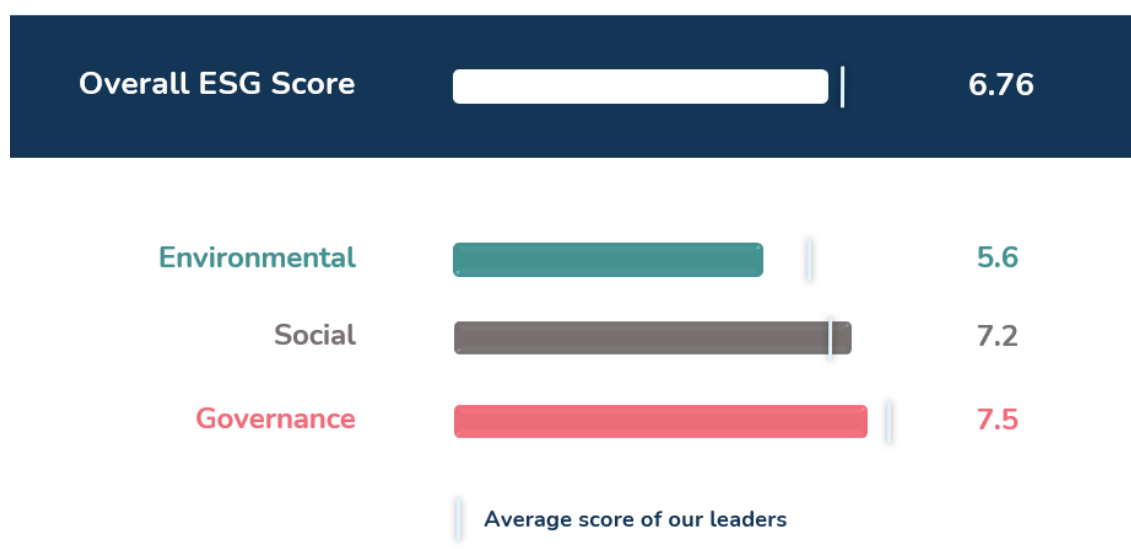
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KDDI believes people are its most important resource. We are working to transform into a company that puts human resources first by placing training at the base of management with the three pillars of 'introducing KDDI Version Job Style Personnel System,' 'Declaration of KDDI New Work Styles,' and 'Internal DX.'

Makoto Takahashi,
President, KDDI Corp

AU KDDI is rejuvenated, taking an added interest in ESG as it aligns its sustainability goals alongside its CAPEX and non-financial capital for greater ESG success. From recycling mobile phones for precious metals to creating diverse work styles and supporting ethical business practices, AU KDDI has a plethora of ways to achieve sustainable growth.

Exhibit 1
ESG score according to the twimbit framework



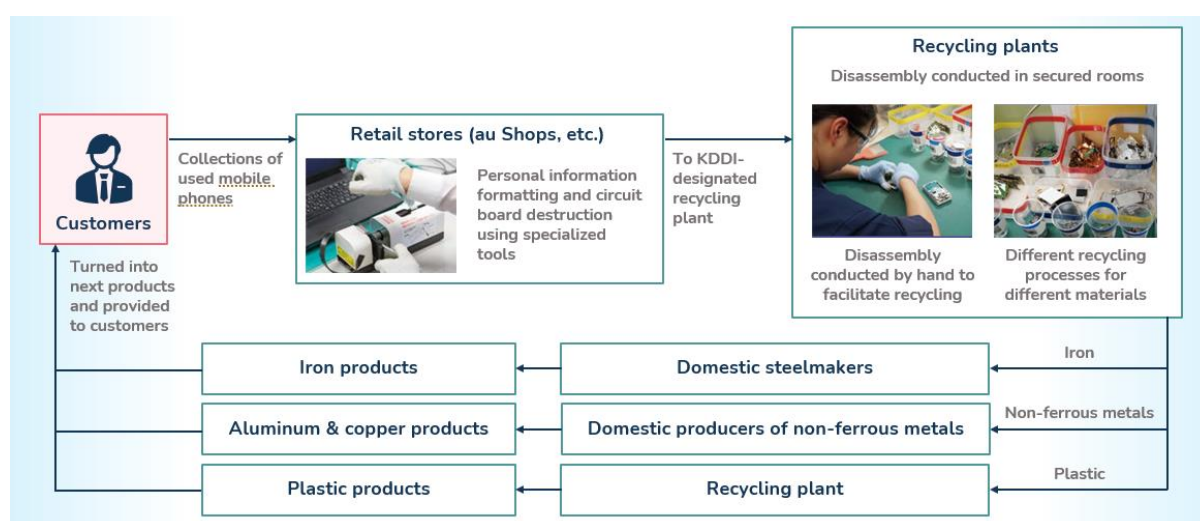
Environment: Recycling mobile phone materials

As more mobile phones use gold, silver, copper, palladium and other precious metals, AU KDDI has emphasised its use of recyclable materials such as metals, addressing its concerns about the depletion of natural resources. For instance, its stores manually disassemble used mobile phone handsets to prevent the waste of recyclable resources.

The collected devices are disassembled unit by unit to separate substrates, displays, cameras, screws, iron, motors, and other items.

- Substrates — Sent to refining companies to extract gold, silver, copper, palladium, and other resources
- Screws and antennas — Dispatched to iron and steel manufacturers for use in steel products
- Plastics — Recycled into clothes hangers and other items

Exhibit 2
Flow for Recycling of Mobile Phones



Social: Diverse work styles to match employee needs

Childbirth, family care and parenting are a few aspects of an employee's work-life balance. Thus, in favour of diverse work styles to fit every employee's need, AU KDDI has established a support system that surpasses legal standards, enabling 100% of its employees to work in their preferred environments. The programs they

provide range from the following:

a. Work-shift interval rule program

AU KDDI encouraged its employees to have at least 9 hours of rest between work shifts, with overtime work in consideration. The company also provides consultation and health management in case the employees exceed a certain number of days when they cannot take 11 hours of rest.

b. Telework program (Working at home)

Flexible work hours and the ability to schedule work around social and familial responsibilities have boosted the employees' overall work efficiency. Because of this, AU KDDI ranked as a Telework Pioneer 100 certified by Japan's Ministry of Internal Affairs and Communications in April 2016!

c. Variable working hours system

Employees can change their prescribed working hours every month or every three months according to their work volume. This system is also available monthly to employees requiring shortened working hours due to childcare or family care responsibilities.

d. Discretionary work system

AU KDDI has begun to encourage a discretionary work system among its workforce, encouraging higher performance results under shorter times.

e. Shorter working hours system for caregivers and parents

Employees can now decide their daily working hours to support a good work-life balance, ranging between 5-7 hours daily. Now, employees can flexibly attune their working hours each month according to factors such as the child's growth, summer vacation, etc. This system is also available monthly to employees using the variable working hours system.

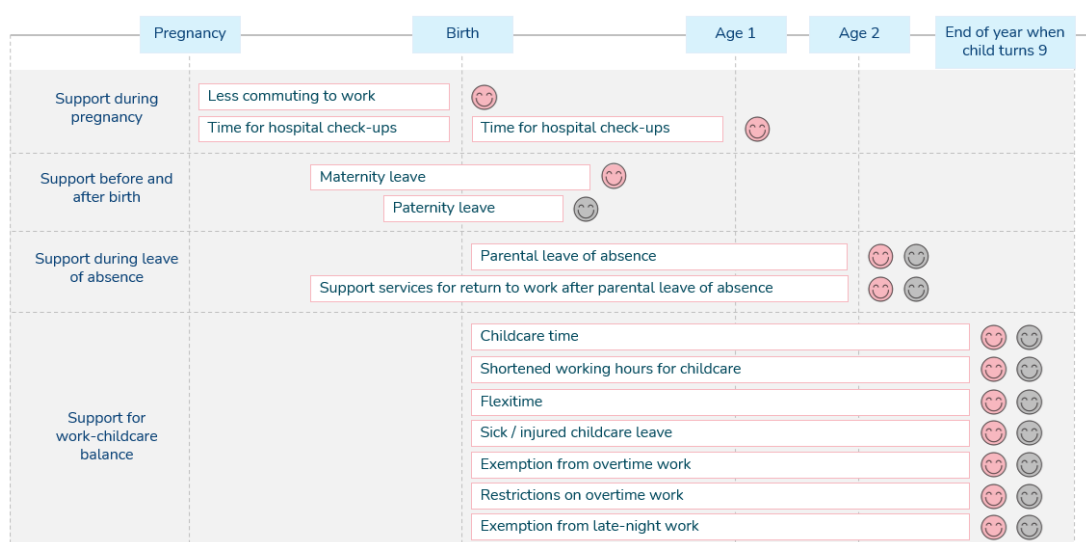
f. Career-track employment with restricted work area (L course)

AU KDDI has successfully managed significant career paths by adopting the L-course, empowering its employees to choose their preferred work area location. This system enables the company to retain career-track workers who have difficulty relocating due to a changing home environment.

g. Spouse accompaniments leave programs

The system allows a maximum of three-year leave of absence to employees who accompany a spouse overseas to live together. The program also applies to employees whose spouses are not KDDI employees.

Exhibit 3
au (KDDI) program for Work-Childcare Balance



Governance: Supporting ethical business practices

Ethical behaviour and a compliant mindset are necessary for a healthy work environment to flourish and grow. Thus, KDDI AU created a KDDI Code of Business Conduct.

The company established KDDI Group Business Ethics Committee as a decision-making body for its compliance-related issues and to cement the business conduct. Its policies centre on raising awareness and discussing countermeasures in the case of compliance violations. It is also responsible for the disclosure of information and the prevention of recurrence.

The committee prioritises privacy when investigating and reporting issues to ensure a safe and secure environment. Then, the committee members, management team and the Audit and Supervisory Board members review the report, discuss corrective actions and act along with measures to prevent the issues from recurring.

Exhibit 4
Strong compliance and enforcement framework

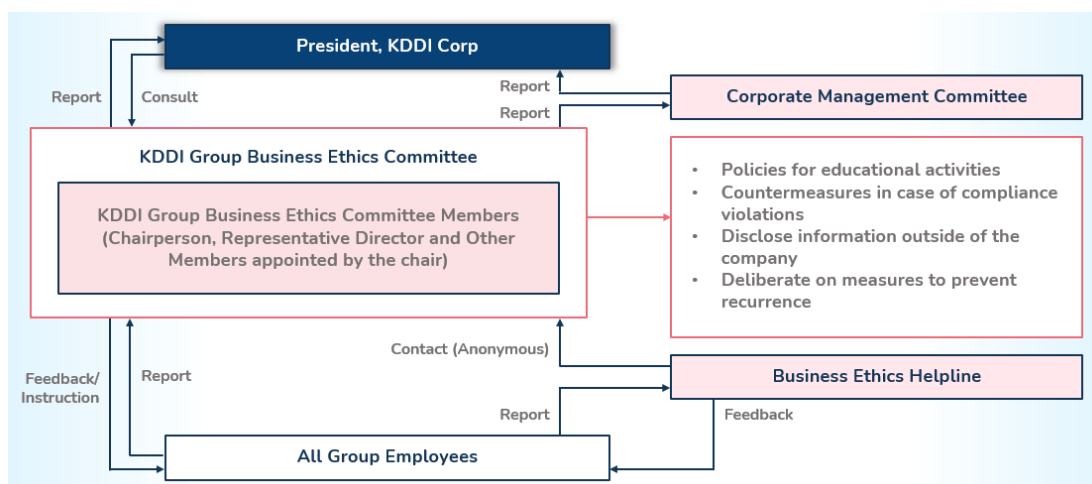


Exhibit 5
Milestones achieved by the framework

Examples of Initiatives in FY20

Compliance Education, Training and Awareness Raising	Target: All KDDI employees	Promotion of the KDDI Group Philosophy
	Target: Managers, Group leaders	Harassment-prevention seminars
	Target: Group company executives	Risk management in operations, legal, and labor management

Compliance Consultations Received in the Last Two Years

Consultations	FY19	FY20
Compliance Consultations	469	↑ 671
Breakdown: harassments	173	↑ 220
Breakdown: other compliance violations	296	↑ 451

Build strong internal compliance systems to ensure ethical operations

AU KDDI incorporates long-term and social value perspectives into management strategies to achieve sustainable growth. The telco strives to enhance its economic, social and environmental value to increase corporate value and contribute to society's development.

- Achieve waste reduction targets and lower raw material costs by mobile recycling
- Ensure employee welfare before investing in social welfare
- Provide tailored compliance training and reporting mechanisms for redressals