

Briefing on ESG

NEC's Efforts to Achieve Carbon Neutrality and Business Deployment

NEC

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An age in which businesses are required to commit to environmental targets and disclose information

Low-carbon society that the world aims to achieve

Keep the average temperature rise below 1.5°C to 2°C from pre-industrial levels by 2050

Commitment to environmental targets

Reduction requested by customers /
Reduction requests incorporated in procurement requirements



RE 100

BUSINESS AMBITION FOR 1.5°C 

Disclosure of environment-related information

Disclosure of environment-related information demanded by the financial sector and EU



2021 MSCI ESG Leaders Indexes Constituent

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History of NEC's efforts

2000

2010

2017

2021



Environmental Management Vision 2010

CO₂ emissions from business activities



Reduce the level of CO₂ emissions from customers and society

Achieved in 2009

Environmental Management Action Plan 2020

Reduce the level of CO₂ emissions from customers and society that is five times the total volume of CO₂ emissions from the entire supply chain

Achieved in 2019

Course of Action for Climate Change

Reduce CO₂ emissions from NEC's business activities to net zero by 2050

Updated in 2021

2025 Mid-term Management Plan

Turn the carbon neutral businesses into growth businesses

Purpose

NEC 2030VISION

Environment

Living harmoniously with
the earth to secure the future

Society

Nurturing prosperous cities with inclusive and harmonious societies
Creating sustainable societies by shaping new industries and workstyles
Sharing hopes that transcend time, space, and generational boundaries

Life

Bringing people together and filling
each day with inspiration

**Carbon neutrality of
NEC and its supply chain**

**Carbon neutrality of
customers and society**

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New commitments for FY2021

Recertified in
May 2021



NEC increased the stringency from the “well below 2°C” level to the “1.5°C” level.

Joined in
May 2021



NEC is committed to 100% conversion to renewable energy by 2050 at all our operations in Japan and overseas.

Signed in
October 2021

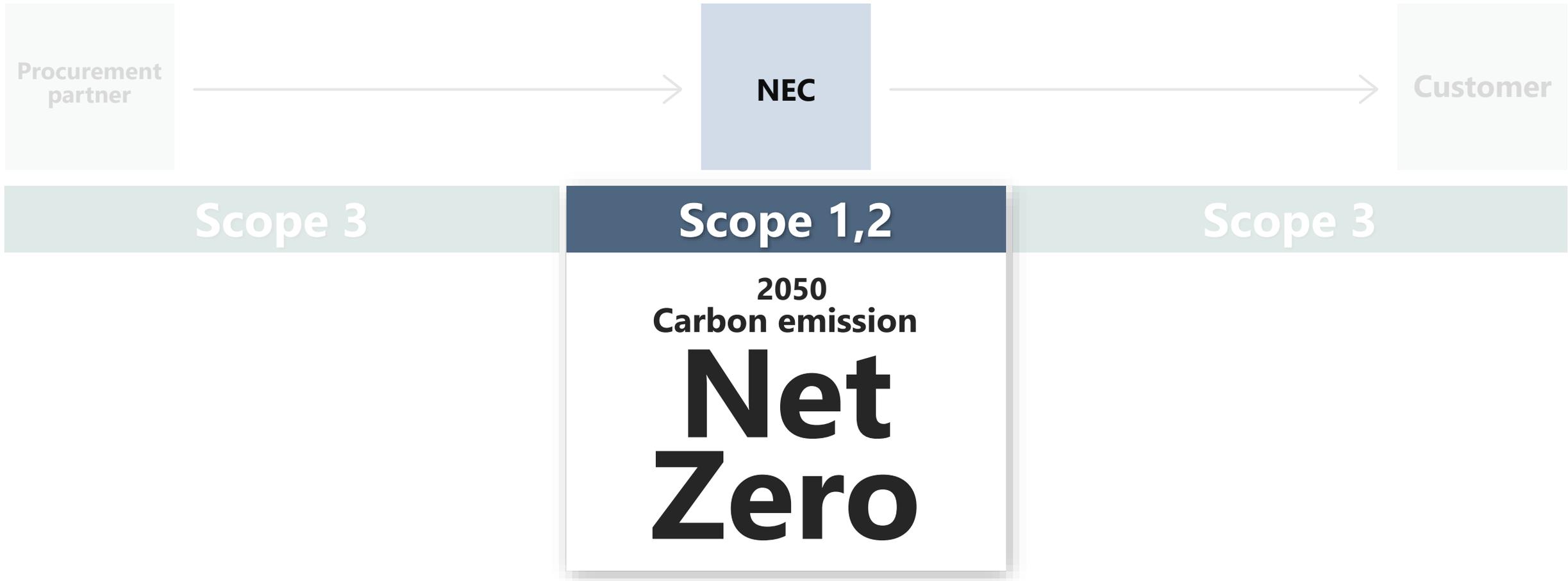


NEC is committed to reducing the GHG emissions to net zero across the entire supply chain.

— 2017-2020 target

Scope 1: Direct greenhouse gas emissions from sources owned or managed by the business operator
Scope 2: Indirect greenhouse gas emissions from the use of electricity, vapor, and heat
Scope 3: Indirect greenhouse gas emissions from the entire corporate group (supply chain) excluding those of Scopes 1 and 2

Reduce CO₂ emissions from NEC's business activities to net zero



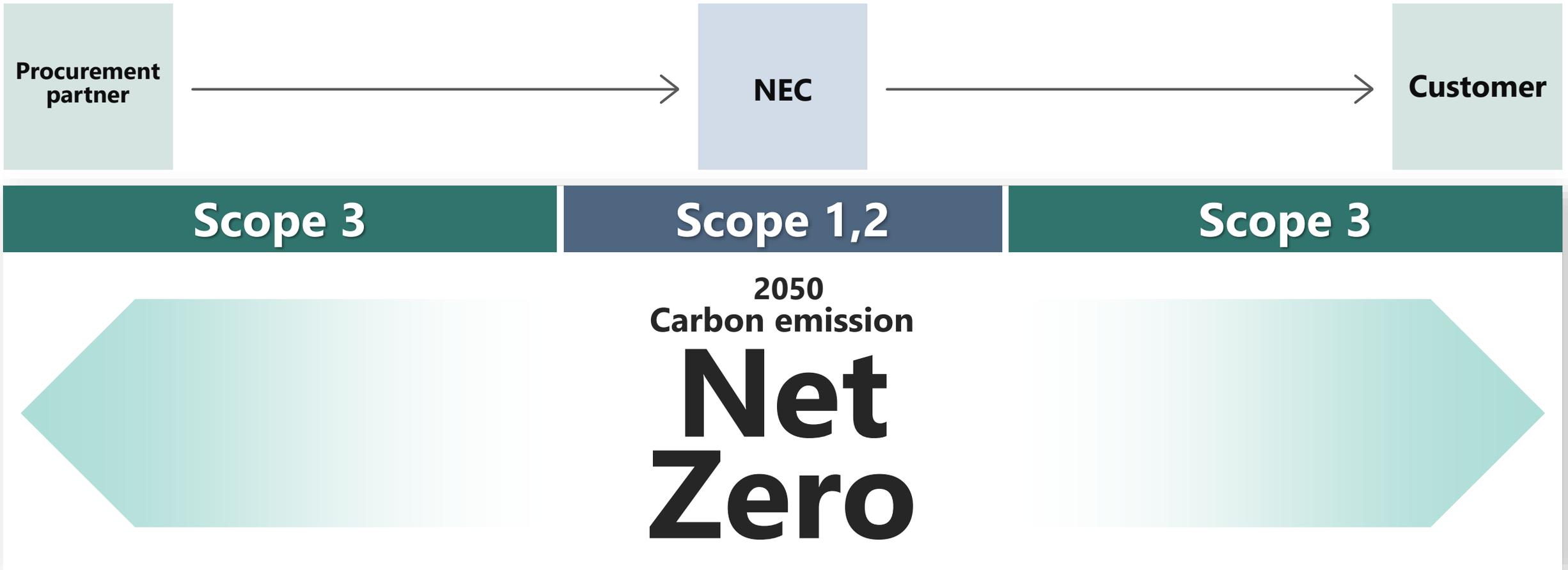
— 2021 target

Scope 1: Direct greenhouse gas emissions from sources owned or managed by the business operator

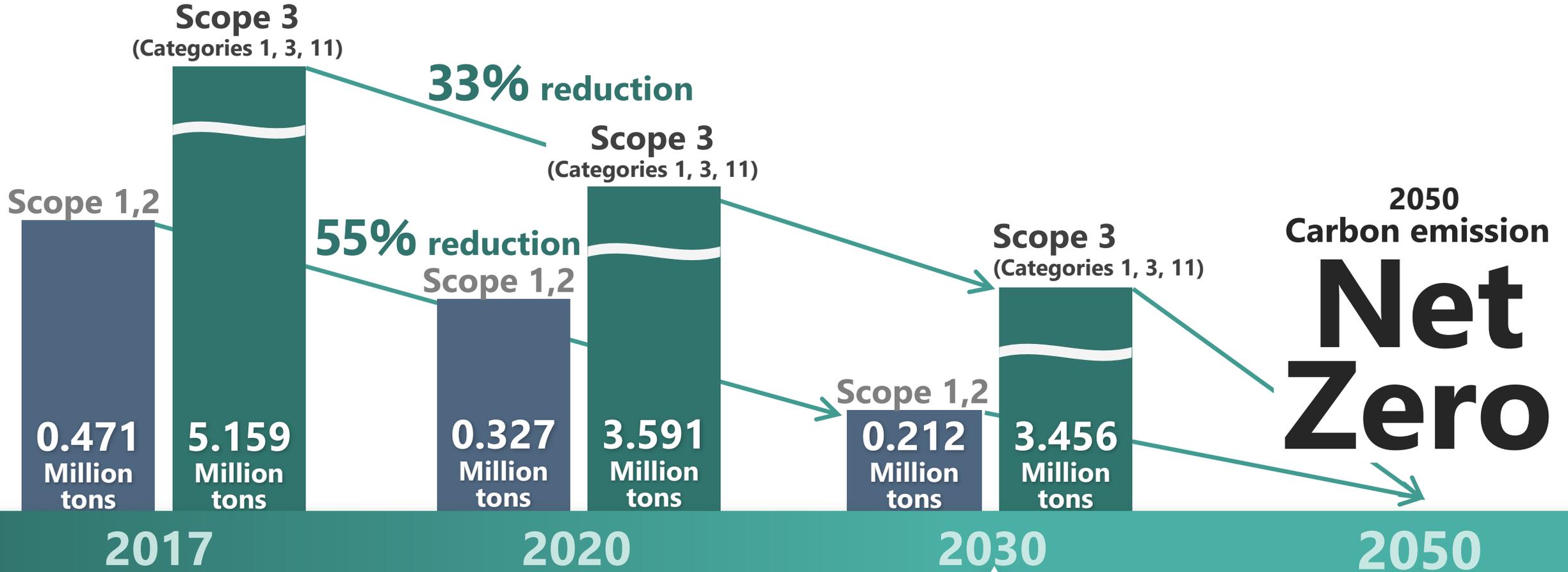
Scope 2: Indirect greenhouse gas emissions from the use of electricity, vapor, and heat

Scope 3: Indirect greenhouse gas emissions from the entire corporate group (supply chain) excluding those of Scopes 1 and 2

Reduce CO₂ emissions from the entire supply chain to net zero



Milestones

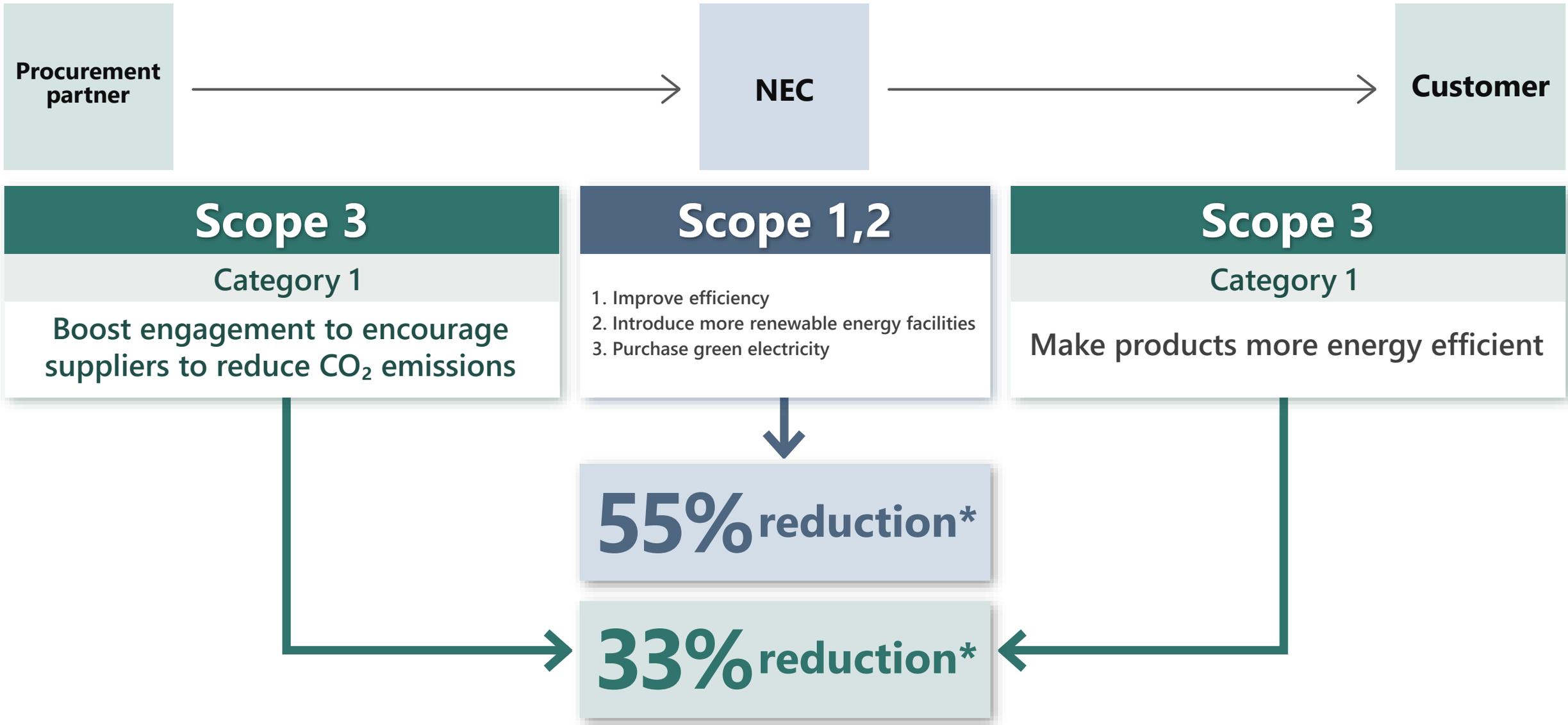


SBT1.5°C certification



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Efforts to achieve SBT 1.5°C in 2030



* From FY 2017 levels

— Scopes 1 and 2 : Introducing more renewable energy facilities

Introduce solar power generation at domestic plants by FY2023

● : 1 MW or more
 ■ : 10 kW or more
 1 MW is equivalent to power for approx. 400 households

Japan

NECPF Nasu Plant

0.3-MW solar power plant planned to be put into operation in FY 2021

NEC Fuchu Plant

1.0-MW solar power plant planned to be introduced in FY 2023

NECPF Otsuki Plant

0.5-MW solar power plant planned to be introduced in FY 2023

NECPF Kofu Plant

1.2-MW solar power plant put into operation in August 2021

NECPF Kakegawa Plant

0.7-MW solar power plant planned to be introduced in FY 2022
 0.3-MW solar power plant planned to be introduced in FY 2023

NEC Sagamihara Plant

0.4-MW solar power plant planned to be introduced in FY2023

NEC Abiko Plant

Total ⇒ 4.1MW

1.2-MW solar power plant put into operation in FY 2019
 0.3-MW solar power plant put into operation in FY 2020
 1.8-MW solar power plant planned to be put into operation in FY 2021
 0.8-MW solar power plant planned to be introduced in FY 2022



Solar panels installed at the Abiko Plant

Overseas

NECPF Thailand

1.4-MW solar power plant put into operation in Sept. 2019



* NECPF = NEC Platforms

— Scopes 1 and 2 : Purchasing green electricity

Use 100% renewable energy at the head office building and NEC Cloud IaaS data centers from FY 2022

Head office building



NEC Cloud IaaS data centers

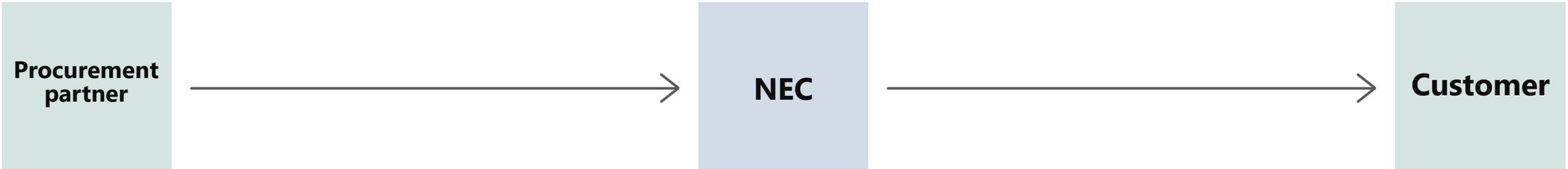


NEC Kanagawa Data Center



NEC Kobe Data Center

Scope 3 : Efforts to reduce CO₂ emissions from the supply chain



Scope 3

Category 1: Purchased products and services

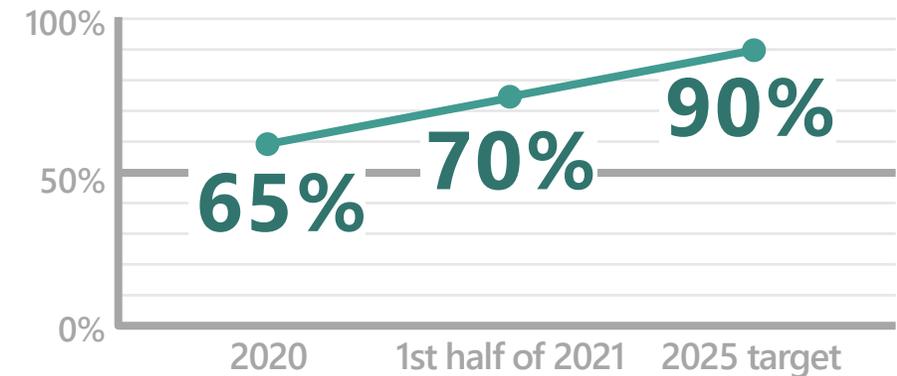
Boost engagement to encourage suppliers to reduce CO₂ emissions

- Make NEC's action policy known to all suppliers
- Supplier awards system
- Seminars and workshops
- Case study presentations and provision of know-how
- Introduction to services for reducing CO₂ emissions

Scope 3

Category 11: Use of sold products

Rate of energy efficiency improvement from FY 2013 levels



Aim to achieve 90% in FY 2025

— Awarded top rating from external evaluator

NEC has received an A List rating three consecutive years in a row in the global environmental disclosure system run by the CDP.

2019



2020



2021



* Supplier Engagement Leader of FY 2021 yet to be named

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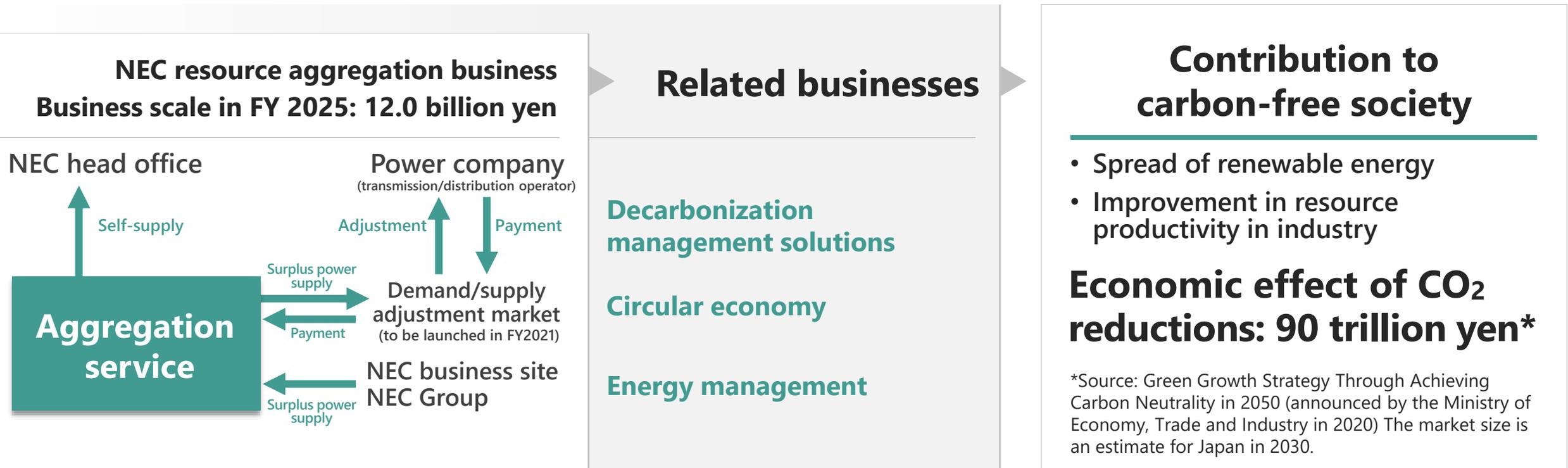
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Living harmoniously with the earth to secure the future

Future Growth Aimed at Social Value Creation: Carbon-Neutrality-Related Business

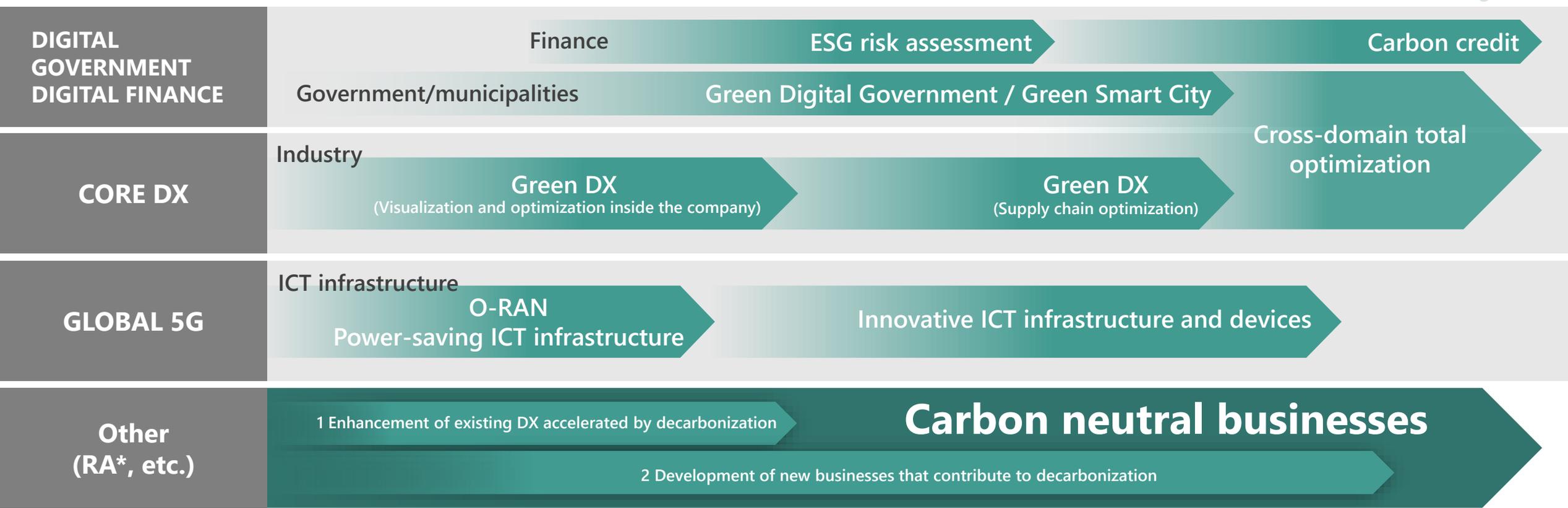
Foreseen expansion in power demands due to uptake of EV/all-electric housing towards achieving carbon neutrality;
Realize efficiency and optimization by market-matching of surplus power generated from renewable energy



— Value creation through mid- and long-term environmental impact reductions

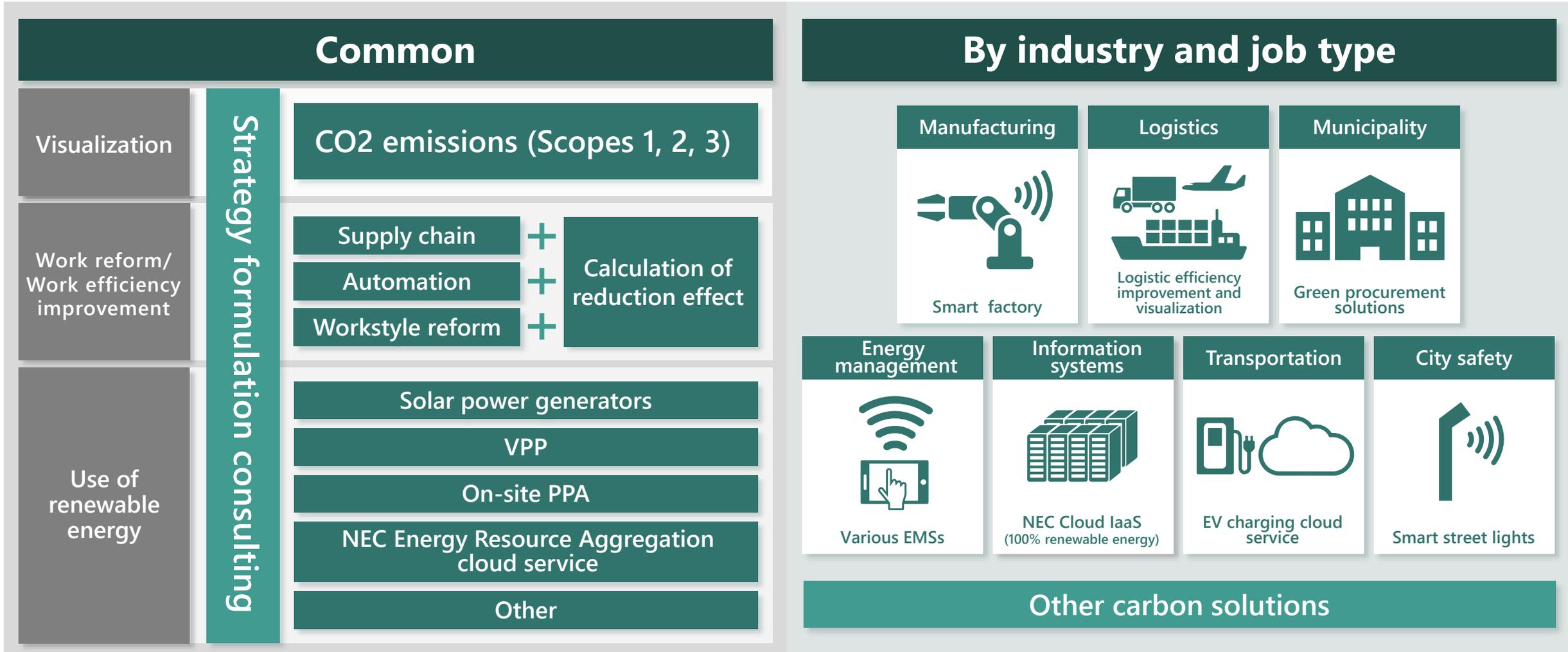
Making our core businesses green

Strengthen and expand carbon neutral businesses

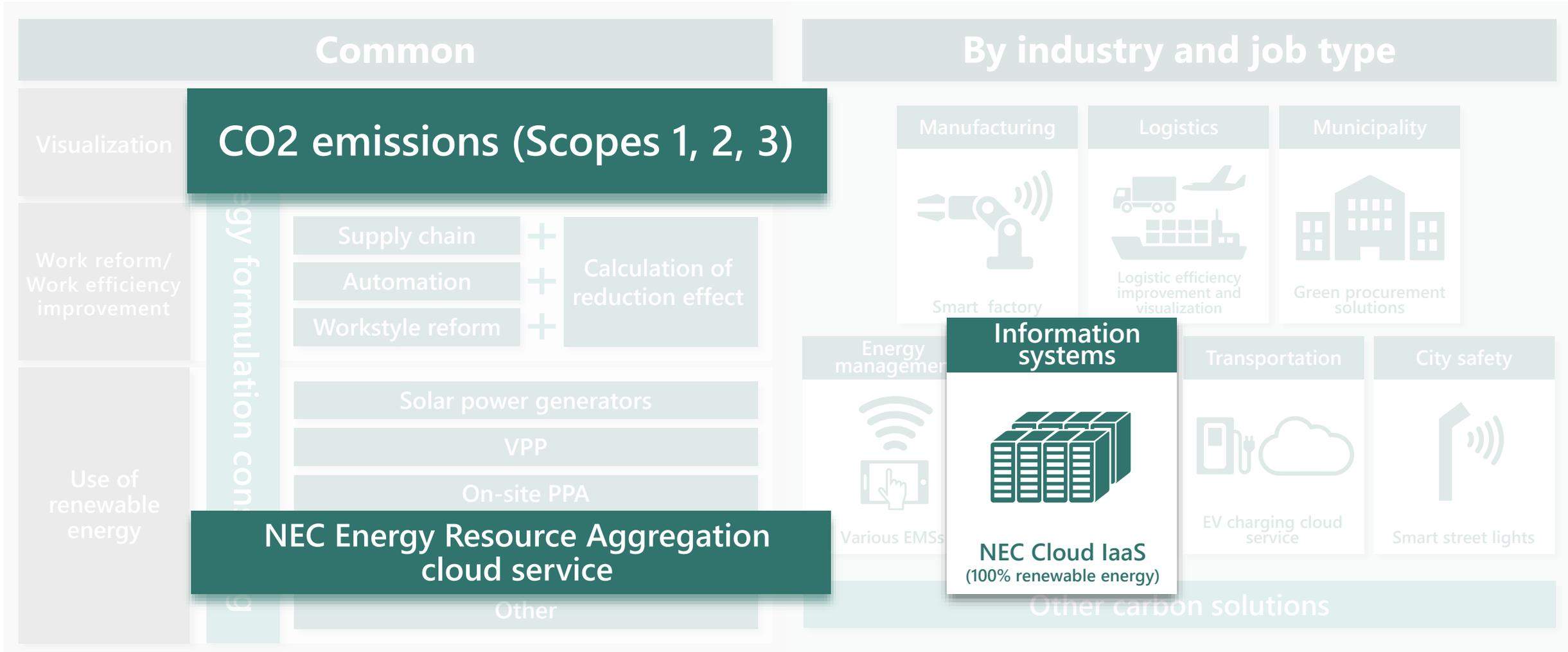


* RA: Resource Aggregation

NEC's carbon solutions



NEC's carbon solutions



Visualize CO₂ emissions from the customer's entire supply chain



GreenGlobeX

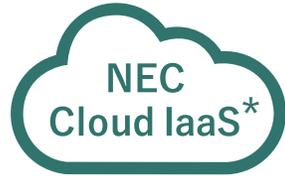
Collect and analyze environmental data (energy usage, GHG emissions, water usage, drainage volume, etc.)

Enhance the report creation function for ESG surveys



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Help customers decarbonize



Customer

Use 100% renewable energy



NEC Kanagawa Data Center



NEC Kobe Data Center

Scope 3

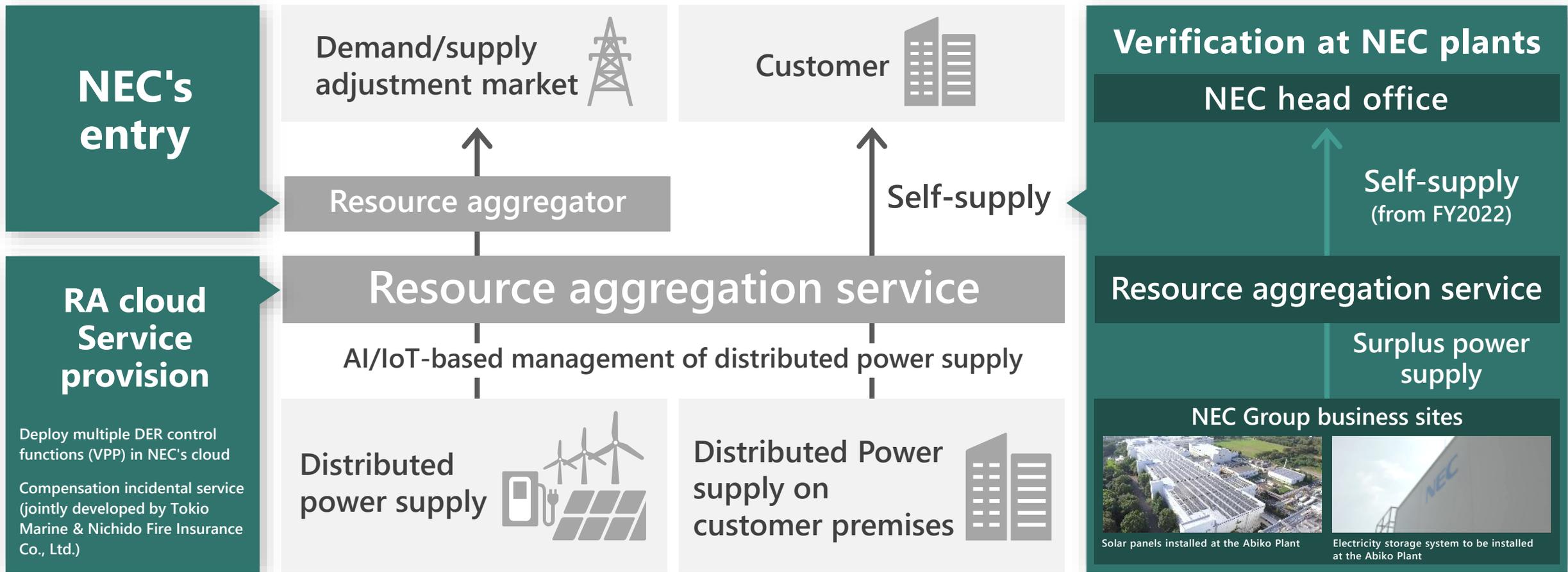
Prevent CO₂ emissions from the customer's supply chain from increasing

Scope 2

Save energy by using the cloud

* Cloud platform service that supports the customer's business by linking the housing area and on-premise environment

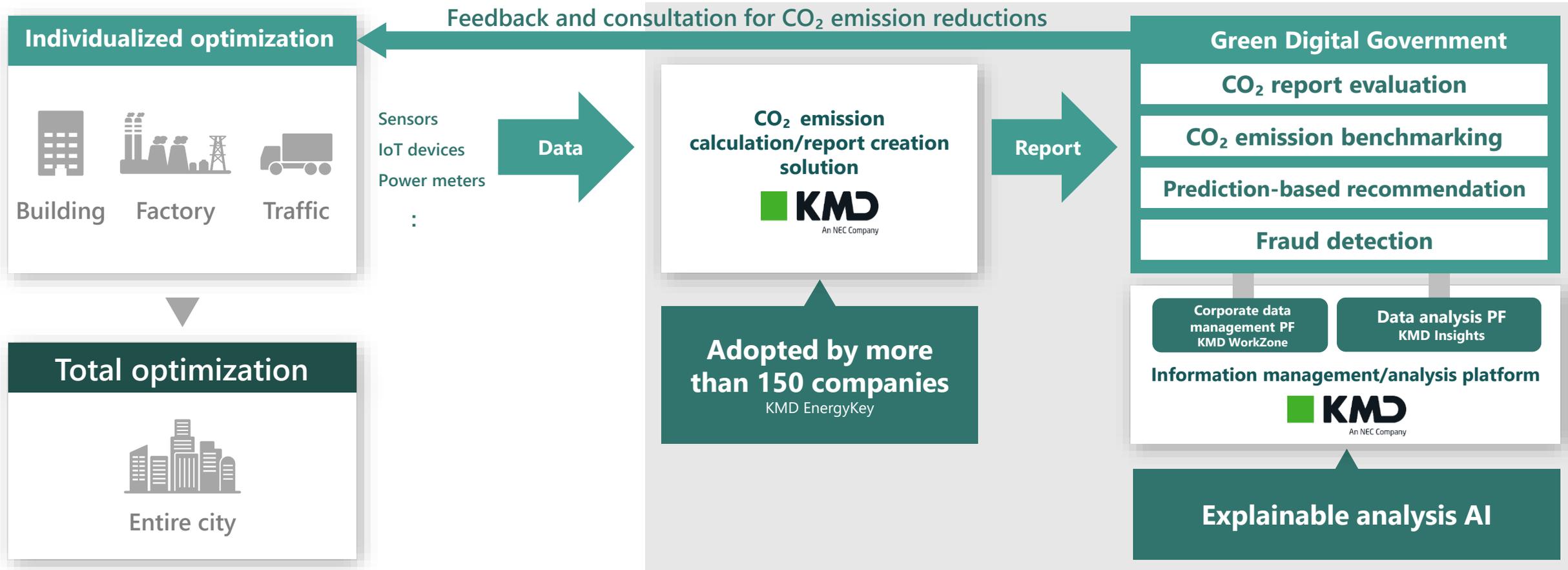
Accelerate efforts to make society carbon neutral by streamlining and optimizing energy management



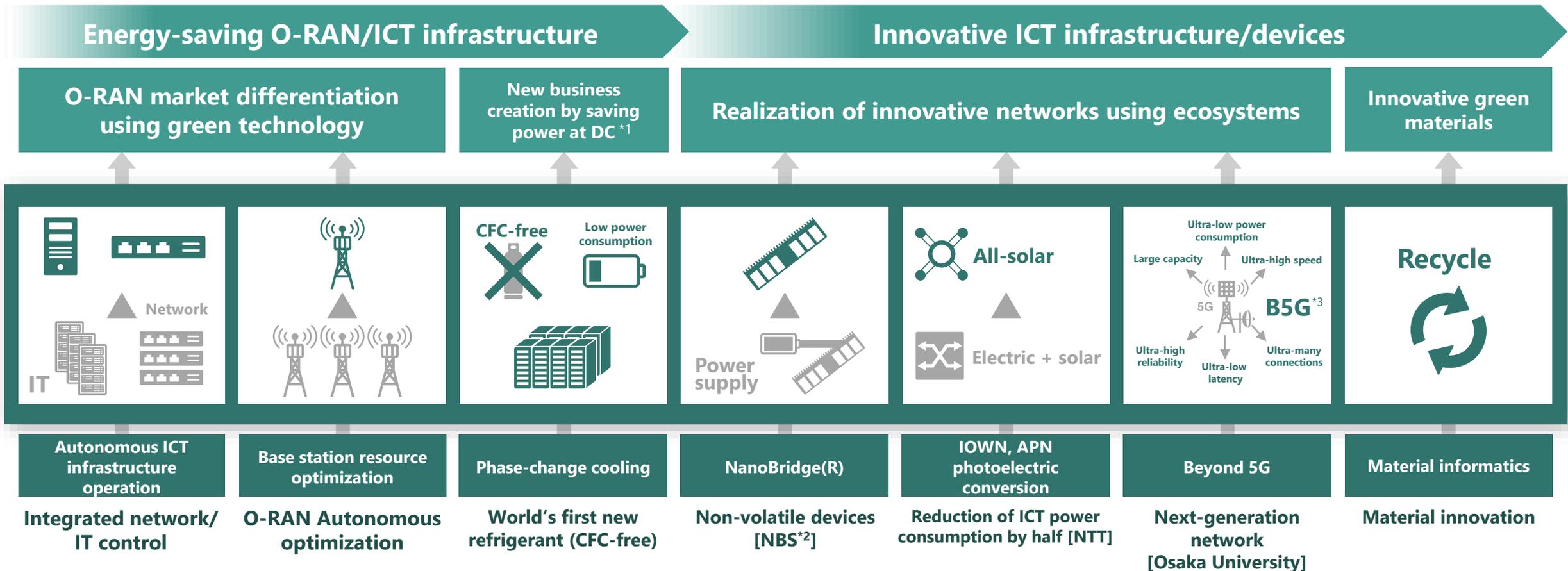
Green Digital Government business launched in Europe by Denmark's KMD

Realize decarbonization process management at municipal and national levels and deploy it worldwide

- Explainable analysis AI-based platform adopted by more than 150 companies -



Realize innovative green ICT infrastructure



*1 Data center / *2 NanoBridge Semiconductor, Inc. / *3 Beyond 5G

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A background image of a city skyline at sunset, with buildings silhouetted against a warm, orange and yellow sky. The text is overlaid on this background.

Development of robust financial and non-financial measurement methodologies

Efforts to achieve carbon neutrality

**To fulfill our Purpose,
NEC will continue to work toward
enhancing our corporate value**