

# Initiatives Supporting Sustainable Management

NEC is advancing initiatives targeting ESG (Environment, Society, Governance), which is fundamental to sustainable management.

Aiming for the sustainable development of society and the NEC Group, NEC has defined essential themes that prioritize ESG initiatives while also aiming to improve management from a non-financial standpoint. However, it is essential to establish specific themes and targets for the ESG initiatives, to tie these more closely to management, and to promote sustainable management that maximizes the value NEC provides to society through its businesses as a Social Value Innovator. From the fiscal year under review, NEC has again outlined its ESG strengths and challenges, launching initiatives aimed at reestablishing the materiality of how these contribute to its selectivity and concentration in management resource allocation. Based on the information gained through dialogue with a diverse set of stakeholders, NEC will define its materiality by measuring the degree of impact it has on society.



## Environment

In 1970, NEC launched an organization dedicated exclusively to responding to environmental problems, and has been proactively addressing a range of issues ever since. Leveraging the skills and expertise gained in the process has proven useful in resolving client and society issues. This is why NEC promotes programs designed to integrate this knowledge within its businesses. Among the issues addressed, climate change is seen as an area in which NEC's businesses have a high degree of impact on society. For this reason, NEC announced that it will prioritize initiatives outlined in the "Environmental Management Action Plan 2020/2030," a long-term action plan for environmental activities that seeks both to mitigate and adapt to climate change.

## Society

NEC recognizes human rights as one of the most significant themes for society. Together with concern for the human rights of employees and suppliers, NEC is putting systems and mechanisms in place to protect the privacy of citizens when delivering services through ICT. NEC is also promoting the creation of diverse human resources. Fostering an environment from which diverse perspectives and ideas can emerge and foster innovation is an important management strategy. Furthermore, in order to put NEC's most treasured value since its founding in 1899, "Better Products, Better Services," into practice, it is prioritizing efforts to deliver even more improvement in customer satisfaction, quality and safety as a company responsible for social infrastructure delivered through ICT.



## Governance

In addition to enhancing management transparency, soundness and promptness, NEC is strengthening its corporate governance by clarifying its accountability and careful consideration of fairness in information disclosure. This is all in an effort to continuously create social value and maximize corporate value. In particular, NEC recognizes that compliance is indispensable to the promotion of sustainable management, and is striving for even more rigorous governance in order to infuse and embed compliance as the first priority into its corporate culture.