

The Reinvention of NEC as a “Social Value Innovator” - Contributing to solving social issues through business activities -

For the company of tomorrow, it is vital to grasp the challenge of solving diverse social issues arising on a global scale as a business, and through their solution, give birth to innovation, sharpen our competitive edge through the creation of new business models, and enhance corporate value. In NEC’s basic policy for CSR management formulated in 2004, we declared our commitment to “Contributing to solving social issues through business activities.” In 2007, we outlined 4 initiatives for “Solving issues faced by society and addressing people’s needs through business activities” that prioritize social issues and needs to be addressed through our CSR-driven business activities, and have aggressively tackled each. In this special issue, we would like to introduce the reader to concrete examples of our endeavors. In order to set the scene for the heart of this special issue, we would like to begin by providing an overview of NEC’s approach to CSR management and the various social issues and needs that we aim to address through our business activities.

MORIZANE Naoko

Senior Manager
CSR and Environmental Management Promotion Division

1. Introduction

Everywhere on our planet, we are facing a variety of social issues. One example is how the rapid growth of the global population has given rise to a host of social issues including the pressure placed on limited resources such as food, water and energy; the advance of global warming; the disappearance of biodiversity as a result of ecosystem destruction; and the decreasing labor force and rising health and medical care burden in advanced nations that have accompanied the Aging Society.

In the case of many of these social issues, the impact of business activities is considered a major cause. Accordingly, companies not only have a social responsibility to proactively contribute to the solution of these same issues, but also are demanded by society and their stakeholders to meet this challenge. At the same time, the solution of these social issues can also be seen as a business opportunity. For the companies of the future, it will be vital to approach and solve the diverse social issues occurring around the globe as a business, and through this process hone their competitive edge of innovation, create new business models and enhance corporate value.

Even until recently, this way of thinking that positions CSR (= contribution to solving social issues through business

activities) as an essential part of the pursuit of the corporate core business has been commonly held by only a portion of those engaged in its realization. However, in 2011, when Michael Porter (Bishop William Lawrence University Professor at Harvard University) wrote the article entitled “Creating Shared Value” (the generation of economic value in a way that also produces social value by addressing the solution of social needs and issues), the importance of CSR-driven business took center stage in the corporate consciousness.¹⁾

NEC also reflected this renewed understanding in our Mid-term Management Plan, in which we announced our commitment to focus our management resources on “solutions for society” with the aim of enriching the lives of people around the world. By leveraging our long record of achievement in innovating social infrastructure essential to daily life in domains ranging from traffic and transportation management systems to fire/disaster prevention and water management, by raising the efficiency of the ICT infrastructure especially in newly developing regions of the world, by concentrating management resources on advancing business domains and by grasping the solution of energy, safety, security and other social issues as growth opportunities, NEC aims at transforming itself into a “Social Value Innovator.”

In this article, we will follow our introduction of NEC's CSR management philosophy, which sets the stage for how NEC business activities are contributing to the solution of social issues, with an explanation of four themes that comprise the social issues and needs to be solved and met by business activities - the starting point of our transformation into "Social Value Innovator."

2. CSR Management in NEC

2.1 Our Basic Approach

At NEC, we consider CSR initiatives to be inseparable from corporate activities. We aim to ensure the sustainable development of society and the NEC Group by implementing The NEC Way (Fig. 1).

Recognizing that enterprises exist within society, we are working to realize "an information society friendly to humans and the earth" which is asserted in the NEC Group Vision 2017 based on NEC's Corporate Philosophy. The critical elements in achieving this include individual employees ensuring full compliance in daily business activities as part of implementing the NEC Group Core Values, and efforts by the NEC Group to contribute to addressing issues that affect both customers and society as a whole. Our important responsibilities also include ensuring full accountability through the active disclosure of information on the results of our CSR initiatives and related

issues, and communicating with stakeholders to improve our corporate activities and build relationships of trust.

Through communication with stakeholders, it is important that we investigate fundamental issues for society and our customers and gain insights to solutions that will lead to the launch of new ventures, expansion of existing businesses, the birth of innovation and the provision of huge value to society and our customers. The creation of value shared by NEC Group, society and our customers through this positive cycle is the keystone that supports the sustainability of NEC Group within society. For NEC Group, management based on this approach is the definition of CSR management.

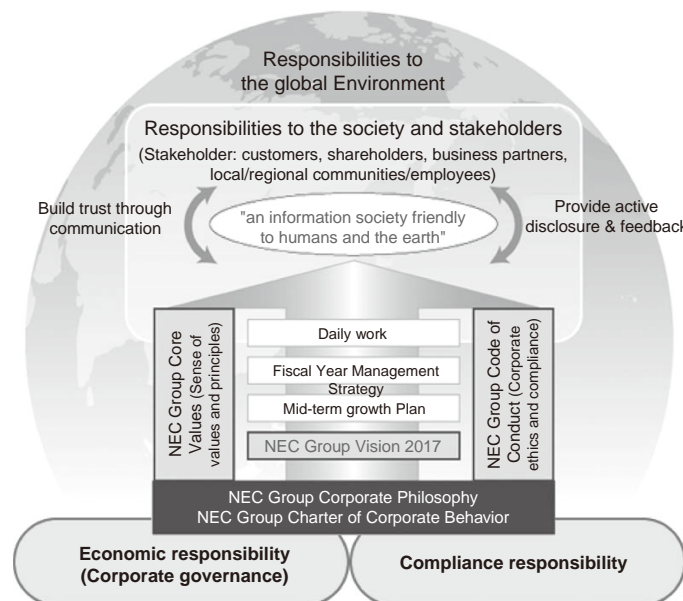
2.2 Basic Policy and Priority

In 2004, NEC set forth the following three basic CSR policies to be addressed by CSR Management:

- (1) Strengthen risk management and enforce compliance.
- (2) Contribute to solving social issues through business activities.
- (3) Promote communications with stakeholders.

Based on these basic policies and in response to views and expectations of stakeholders while taking into consideration a variety of factors including the NEC Group Corporate Philosophy, growth strategies and the impact of business activities on society and the environment, in 2007, NEC has designated seven CSR initiatives considered vital to our corporate busi-

Sustainable development of society and the NEC Group through "The NEC Way".



* The NEC Way is a cohesive framework that organizes the NEC Group's business activities, including the NEC Group Corporate Philosophy, the NEC Group Vision 2017, the NEC Group Core Values, the NEC Group Charter of Corporate Behavior, and the NEC Group Code of Conduct.

Fig. 1 NEC's basic approach to CSR management.

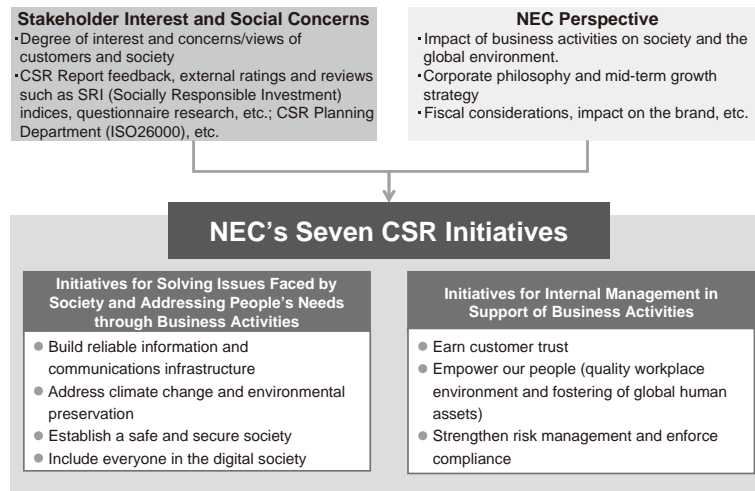


Fig. 2 NEC's seven CSR initiatives.

ness strategy (Fig. 2).

These seven initiatives can be broadly divided into two categories: “Initiatives for Solving Issues Faced by Society and Addressing People’s Needs through Business Activities” and “Initiatives for Internal Management in Support of Business Activities.” In this special issue, we will put the spotlight on the first four initiatives in the first category.

The scope of “business activities” encompasses not only business-focused activities, but also activities that contribute to society. In NEC, activities that contribute to society are those important activities that lead to social value creation through the forging of trust with the local community and understanding their issues and needs.

3. Solving Issues Faced by Society and Addressing People’s Needs through Business Activities

In this section, we would like to introduce the four initiatives in the category of “Solving Issues Faced by Society and Addressing People’s Needs through Business Activities,” which comprise the starting point of our company’s transformation into a Social Value Innovator. We will also touch on some of the main case studies featured in this special issue.

3.1 Build Reliable Information and Communications Infrastructure

NEC aims to solve various social issues including addressing climate change and environmental preservation, establishing a safe and secure society, and including everyone in the digital society. Highly reliable information and communications infrastructure is essential to achieving this goal. NEC seeks to apply innovation to develop highly reliable information and communications infrastructure to support “an infor-

mation society friendly to humans and the earth.”

In the special issue, we will describe how NEC is grappling with this initiative and describe various examples including traffic management system for expressway networks, high-reliability high bandwidth transmission via submarine optical cable system and various network technologies.

3.2 Address Climate Change and Environmental Preservation

Human activities are now recognized worldwide as a cause of climate change in the form of global warming. The significant link between economic activities and CO₂ emissions has become a particularly serious social issue. NEC is not only reducing internal CO₂ emissions, but also working to supply IT-driven solutions that help to lower CO₂ emissions across society. Efforts are also directed at preserving ecosystems and biodiversity, as well as promoting recycling and conservation of resources.

This special issue will introduce the reader to several achievements related to this initiative including SHIZUKA - a Series 1 GCOM (Global Change Observation Mission) satellite that will monitor water cycle and help us better understand global climate change, and our energy-saving server technology.

3.3 Establish a Safe and Secure Society

Global society faces various safety and security issues including addressing natural disasters, responding to burgeoning healthcare and medical needs, enhancing information security and ensuring human security. By harnessing cutting-edge IT and network solutions, NEC aims to help establish a society where people can lead safer and more secure lives.

In our explanation of this initiative in this special issue, we would like to introduce the reader to NEC's many contributions to protecting society such as our disaster prevention administrative radio system, fire prevention, emergency wireless communications system, and data processing technology that protects private information.

3.4 Include Everyone in the Digital Society

The digital society will highlight economic and digital divides that prevent some people from deriving benefits from its realization of convenient, affluent lifestyles. Through the application of information and network technologies, NEC will remain a good corporate citizen by helping to ensure that the benefits of the digital society enhance the lives of all people irrespective of their circumstances, including seniors, people with disabilities and citizens of developing nations.

Our explanation of this initiative in this special issue will give the reader a look at how NEC is using its IT technologies in entry/exit detection solutions to support the safety and security of the elder residing in aged care facilities and remote summary transcription system for those with hearing impairment.

4. Paving the Way for Our Transformation into a Social Value Innovator

In our Mid-term Management Plan 2015 announced in April 2013, we aim to transform NEC into "Social Value Innovator" with a focus on "Solutions for Society." In order to realize this transformation, we believe that we must begin by focusing on the diverse social issues occurring in regions around the planet, identify the businesses that can contribute to their solution and delve into the potential needs of our customers and society.

In this special issue, we look forward to explaining our various approaches to driving our company's transformation into a "Social Value Innovator"; specifically, our explanation will trace our endeavors along the four initiatives in the category of "Solving Issues Faced by Society and Addressing People's Needs through Business Activities."

NEC will redouble its commitment to solving the social issues facing global society through our business activities and to blazing a trail for the sustainable growth of society and the NEC Group.

Reference

- 1) Michael E. Porter, Mark R. Kramer : Creating Shared Value, Harvard Business Review, Jan-Feb 2011

Information about the NEC Technical Journal

Thank you for reading the paper.

If you are interested in the NEC Technical Journal, you can also read other papers on our website.

Link to NEC Technical Journal website

Japanese

English

Vol.8 No.1 Solving Social Issues Through Business Activities

Remarks for Special Issue on Solving Social Issues Through Business Activities

The Reinvention of NEC as a "Social Value Innovator" - Contributing to solving social issues through business activities -

◇ Papers for Special Issue

Build reliable information and communications infrastructure

Features of the Next-Generation Traffic Control System as Seen in an Introductory Example at the Shin-Tomei Expressway

Enabling International Communications

- Technologies for Capacity Increase and Reliability Improvement in Submarine Cable Networks

Component Technologies and Packet-Optical Integrated Transport Systems to Support Core Networks

Development of Technology to Control Radio Signal Interference for LTE Femtocell Base Stations

to Achieve Stable Communications Quality Anywhere

Address climate change and environmental preservation

Regular Observation by Global Change Observation Mission 1st-Water GCOM-W1(SHIZUKU)

Express5800 Server Series and iStorage M Series Storages Contributing to Data Center Power Saving

Possibilities in Thermoelectric Conversion Using a New Principle: "Spin Seebeck Effect"

Establish a safe and secure society

CONNEXIVE Ionizing Radiation Measurement Solution

Disaster Prevention Administrative Radio System in Municipality (Broadcast via PA Systems)

- Achievement of Greater Diversity in Disaster Information Transmissions

Promoting the Digitization of Japanese Fire Prevention/Emergency Wireless Communications Systems

NEC's BC Solutions: HYDRAsTOR - Supporting Business Continuity of Enterprises

Underwater Surveillance System to Counteract Associated Underwater Threats

A Surveillance System Using Small Unmanned Aerial Vehicle (UAV) Related Technologies

A Privacy-Protection Data Processing Solution Based on Cloud Computing

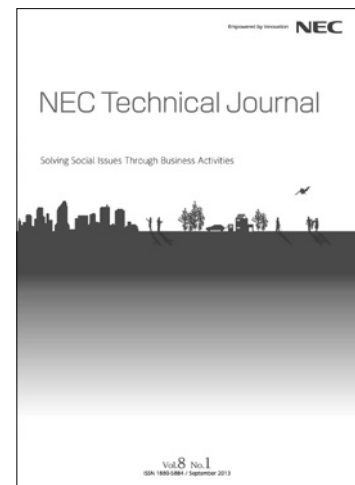
Towards Trustworthy Cloud Storage

Include everyone in the digital society

A Solution to Prevent Wandering by Geriatric Patients - A Validation Test to Ensure Safety in Nursing Care Facilities

Remote Summary Transcription System for the Hearing Impaired

Communication Activation Technology for Suggesting Conversational Topics



Vol.8 No.1

September, 2013

Special Issue TOP