

Environmental Action with a Focus on Climate Change

NEC asked several experts for their opinions on what the Company should do right now to prepare for the future in order to promote environmental management centered on climate change countermeasures.

In giving their opinions and proposals, the experts said that NEC should “visualize” targets for environment-related activities, present a “long-term vision” for the future, focus on other environmental issues outside of climate change, such as circular economies, and that they expected NEC to show leadership in creating new markets. We will refer to their responses in our efforts to improve our activities further going forward.

*This dialogue was held in March 2020.



Importance of Quantitatively Visualizing Activity Targets

After starting with a presentation of the latest trends including the environment by Mr. Pedersen, we held a dialogue about NEC’s climate change countermeasures. NEC aims to contribute to reducing CO₂ emissions by attaining a level of CO₂ reduction that is five times the total volume of CO₂ emissions from its entire supply chain in fiscal 2021.

Ishii In NEC’s case, the amount of CO₂ emissions that it can reduce from customers and society overall through the provision of its technologies far outweighs the amount of CO₂ emissions that it can reduce through operational efficiency gains and the use of sustainable energy and so forth. Therefore, NEC is aiming to take a proactive stance on contributing to climate change countermeasures for society overall through its operations.



Chikara Ishii
Executive Vice President and CDO (Chief Digital Officer)
NEC Corporation

Imamura If the CO₂ emissions reduction through business is larger, then increasing the CO₂ emissions from the company itself through business expansion is not necessarily bad. In disclosures, presenting the portion of the Company’s emissions amount due to business expansion and the portion of efforts to reduce emissions separately and setting up quantitative KPIs*¹ for them will help investors to evaluate them appropriately, while targets and contribution amounts and so forth can also improve the motivation of employees.



Toshiyuki Imamura
Managing Director, Head of Responsible Investment
Nomura Asset Management

Shimizu NEC is conducting activities with various numerical targets, but I think that the Company needs to organize them and make them better. I’d like the Company to make logical, clear indicators through consultation with more people.

Presentation of NEC’s “Long-Term Vision” for the Future

In 2017, NEC announced the Course of Action for Climate Change Towards 2050, and declared that it would make its CO₂ emissions effectively zero by 2050.

Pedersen It is possible that the global middle class population will have increased by 5 billion people in 2050. Consumption and lifestyles will change dramatically from what they have been up to now. On the environmental front, rather than continuing on its current path, NEC should set its future conditions and increase the factors for back-casting from its vision for the future to create business opportunities.



Peter David Pedersen
Co-Founder, Next Leaders’ Initiative for Sustainability (NELIS)

Imamura The reality is that if all people had the same lifestyle as advanced countries, the Earth’s resources would clearly be insufficient. Looking ahead, society needs to become more efficient, and technology is expected to undergo dramatic changes. Companies should look at a wide range of social issues, rather than just climate change, and create businesses that have a social impact from critical issues.



Ayako Sonoda
Representative Director
Cre-en Inc.

Sonoda An increasing number of companies are taking a broader interpretation of the TCFD beyond just climate change and conducting scenario analysis to ensure that they can survive in any kind of society in 2050. Envisaging scenarios has enabled some companies to enact countermeasures to the business impacts of COVID-19 right away. Scenario analysis will also assist in current business activities, and by presenting the purpose of the company in the form of its vision, it can also be effective for gaining empathy among the younger generation.

Countermeasures for the Circular Economy*² Will Also Be Important Going Forward

Imamura In the financial world as well, in addition to climate change, the circular economy (CE) is also recognized as an important issue going forward. The CE will have a very wide-ranging impact.

Sonoda Looking at the strategies of leading companies in Europe, they are taking the initiative and creating systems not only from an environmental perspective, but also from an economic one. NEC could reverse the usual pattern by establishing model businesses overseas in countries where CE businesses are anticipated first and then developing them in Japan.

Pedersen In Europe, the CE is positioned at the very periphery of environmental issues, and is considered to be a broad concept. NEC should also place emphasis on the CE rather than climate change alone, and then, for example, it should expand the concept from DX (digital transformation) to SX (sustainable transformation and social transformation).

Shimizu Up to now, specialist environmental organizations have played the leading role in countermeasures. But now I feel that a higher viewpoint is needed, and that social issues overall need to be addressed, with a wider field of view than the environment only. I would like to make this dialogue about our overall initiatives on social issues, rather than just the environment.



Shigeki Shimizu
Senior Vice President and CSO (Executive officer in charge of the environment)
NEC Corporation

Expectations of Leadership That Can Change Society

Ishii Attempting to take on solving global-scale issues and spreading new systems in the market will certainly require collaboration with diverse companies and organizations, and the establishment of consortiums, for example. Achieving this kind of change needs to be considered on a timeline of 10 or 20 years.

Pedersen Environmental issues are the most salient issues that need to be tackled with a long-term perspective. When working in collaboration, it is good to work not only with for-profit companies, but also to involve NGOs and NPOs and others that work with social issues.

Sonoda NEC should not be restricted by its existing frameworks, and should expand its business into wider areas. For example, using NEC’s comprehensive capabilities, it should be able to operate an entire local government organization. From there, I would expect NEC to demonstrate leadership in building a future society that would set the standards for a new society.

*1 KPI:
Key Performance Indicator. A quantitative indicator that is measured and monitored continuously to gauge the degree of achievement of targets

*2 Circular Economy:
An economic system that circulates resources without producing waste