Policy

NEC has prepared a business continuity plan and is promoting business continuity management so that it can fulfill its social responsibilities by continuing to stably supply customers with products and services in the event of a natural disaster such as an earthquake or typhoon, a global pandemic, war, terrorist attack or other event. Our goal is to be able to continue NEC Corporation’s business as far as possible, and to recover operations quickly if they are interrupted.

Our basic disaster response policies are as follows:
1. Ensure the safety of employees and visitors.
2. Rapidly recover and establish a business environment that enables NEC to fulfill its social responsibilities, including the maintenance and recovery of backbone systems, such as communications, public infrastructure, traffic, defense and finance.
3. Minimize management damage caused by operation disruption.

Promotion Framework

NEC Corporation will continue business proactively and flexibly through the following three functions. The status of activity will be reported regularly to the Board of Directors.

(1) Business Continuity and Disaster Recovery Headquarters
This function is established by the President and comprised of corporate divisions such as the Human Resources and General Affairs Division. The Headquarters maintains top management’s decision-making function and prepares an environment for recovering operations.

(2) Business Unit BCP team
These teams are formed in each Business Unit. They conduct activities for recovery of business (customer response, gathering information of damage to operations, recovery, logistics, and securing materials, etc.)

(3) Workplace BCP team (Research labs and branches)
These teams are formed at the workplace level. They secure the safety of the workplace, confirm the safety of employees, quickly recover worksite infrastructure, support employees’ lives, assist those who wish to return home, and coordinate with the community.

In addition, overseas we have formulated BCPs in response to each country’s risk under the global system of five regional headquarters, along with information escalation rules in the case of emergencies.

Main Activities and Results for Fiscal 2020

Initiatives for Raising Awareness of Disaster Preparedness (Disaster Prevention Survey)
To develop employees’ ability to act proactively during a disaster, NEC Corporation and 12 affiliated companies in Japan started conducting the “Disaster Prevention Survey” in fiscal 2020 to survey employees’ awareness of disaster preparedness. The survey assigns scores for “understanding of disaster risk,” “implementing countermeasures,” and “understanding social rules,” as indicators. The survey results are disclosed to all employees, and issues are identified for each indicator. These will be used in proposing and executing disaster countermeasures going forward.

Exercises and Training on Disaster Prevention and Business Continuity
In order for each employee to think about disaster and business continuity as a personal matter and to act proactively when disasters occur, NEC Corporation and affiliated companies in Japan conduct Group-wide exercises and training every year based on various scenarios. On February 20, 2020, all employees of NEC Corporation and affiliated companies in Japan engaged in telework together, and we also conducted an employee safety confirmation drill using a smartphone app, envisioning the initial stage of a BCP in the event of a typhoon or pandemic. In addition, on the same day, the management-level personnel of NEC Corporation examined the information gathering and decision-making process during a disaster, and conducted a drill designed to increase their awareness of crisis management. Furthermore, in February 2020, we conducted online exercises designed to ensure familiarity with action guidelines during disasters.

We conducted escalation exercises for all overseas subsidiaries in September 2019, and we are prepared to quickly resume businesses by minimizing the damage in a disaster.

Enhancing the Degree of Completion of BCPs
Since 2016, NEC has introduced systems for visualizing the business continuity status for each company and division by using indices such as “organizational state in regular time and at the time of disaster,” “leadership,” “disaster prevention and business continuity plan,” “support status,” “effective operation,” and “evaluation and improvement.”
We will use these results to refine the system to cement a business continuity mindset as part of our organizational culture and make improvements across the entire NEC Group to enable each division and worker to think and act autonomously during disasters.

Responding to the Risk of Storm and Flood Damage
NEC Corporation has constructed a system in which the Company’s internal disaster information sharing system automatically receives disaster information from the Japan Meteorological Agency and displays the range of impact on a map. This allows us to understand at a glance information regarding the Company’s sites, customers, and suppliers and others located in that range.
In addition, since 2018 NEC Corporation has had a teleworking system and environment ready for all employees to use, and is promoting teleworking.

In 2019, Typhoon Faxai caused large-scale suspension of operations in public transportation systems in the Kanto and other regions. However, around 14,000 employees of NEC Corporation and affiliated companies in Japan commuting mainly in the Kanto area used telework to continue business without a major disruption. In addition, when Typhoon Hagibis struck, NEC Corporation’s Saitama Office suffered a power failure (now restored) due to water damage to certain roof-top distribution equipment. In this case, we used an alternative office, telework, and other means right after the disaster to minimize the impact on and continue our operations.
In our preparations for such disasters, we have reevaluated the storm and flood damage risk for each business site based on the latest hazard maps. In addition, for facilities that take time to recover, we have adopted a policy of prioritizing countermeasures such as periphery flood barriers, taking into account the severity of impact during a disaster and the cost balance.
Response to the Novel Coronavirus (COVID-19)

In response to the pandemic caused by a novel coronavirus (COVID-19) in 2020, NEC Corporation and affiliated companies implemented countermeasures to prevent infection. These included rigorously implementing temperature checks of all employees each morning, enforcing handwashing and mouth rinsing, staggering shifts and encouraging teleworking, utilizing web conferencing, and ensuring that people did not come to work when feeling unwell. Furthermore, to prevent infection clusters occurring in the Company, we rigorously applied reporting rules when employees were feeling unwell and quickly developed systems for infection prevention measures as a company.

During the emergency declaration by the Japanese government in April and May 2020, NEC Corporation and affiliated companies in Japan worked from home whenever possible and promoted the use of telework even further in line with the government’s request to reduce personal contact by 80%. As a result, the ratio of people working in NEC Corporation’s major business locations (Head Office and main business sites and buildings) during the emergency declaration was at an average of around 20% compared to usual times. Even now that the emergency declaration has been lifted, we continue to promote telework, and we are conducting our operations with minimum attendance in the office.

Meanwhile, in production plants and certain development projects that require people to be on site to continue, we are ensuring that people avoid the “three C’s” (Closed spaces, Crowded places, and Close-contact settings) and take countermeasures.

Specifically, we have taken the following countermeasures.
- Staggered shifts (changing replacement shifts, etc.)
- Staggered seating arrangements (avoid face-to-face seating)
- Use of plastic curtains
- Enforcing use of masks
- Enforcing rules for cafeteria use (Washing hands before use, avoiding face-to-face seating, avoiding conversation, etc.)
- Enforcing rules around using employee break room (Spacing out usage, etc.)

COVID-19 is expected to have a prolonged impact. However, NEC Corporation will continue to fulfill its responsibilities to society as required while prioritizing employees’ lives and safety through these countermeasures to the spread of infection.

ISO 22301 Certification Acquisition

NEC has acquired ISO 22301 certification, mainly in its system maintenance divisions and datacenter operation divisions. ISO 22301 is an international standard for Business Continuity Management Systems (BCMS). We have put in place efficient and effective countermeasures to prepare for potential threats to business continuity, including natural disasters such as earthquakes, floods, and typhoons, system faults, pandemics, power outages, and fires.

Social Contribution Using Emergency Food Supplies

Since fiscal 2011, NEC has provided and sold emergency food supplies that have come within 6 months of their expiry date at its in-house cafeterias and stores. Part of the proceeds from these sales is used to support employee participation in community contribution activities to support the school feeding programs run by the United Nations World Food Programme. This activity is designed to value food and to contribute to society by reducing the negative environmental impact of food disposal. NEC will continue the activity going forward.