ESG-related Objectives, Achievements and Progress, and Degree of Completion

• Major non-financial indicators related to "materiality"

• Listed in accordance with the contents page of the report.

• 2020 medium-term goals refer to the period from FY2019 to FY2021.

 \bigcirc : Achieved \bigcirc : Achievement rate of 80% or more \triangle : Achievement rate of 50% or more \times : No progress -: Not evaluated in the fiscal year under review

Sustainability Management	2020 Medium-term Goals	FY2021 Goals	FY2021 Achievements and Progress	Degree of Completion	2025 Medium-term Goals	FY2022 Goals
Priority Management Themes from an ESG Perspective—Materiality P.8	Major non-financial goals related t	o materiality for FY2021	0	 Major non-financial goals related to materiality under the Mid-term Management Plan 2025 For details, please refer to pages 8–10. 		
Respecting Human Rights	Promote understanding of officers	• For officers: Hold unconscious bias training on the theme of promoting women's active participation	 Conducted unconscious bias training for officers and general managers to improve management capabilities over a diverse set of human resources Conducted an online seminar for employees entitled "Utilizing Visual Content That Incorporates Diversity" 	0	Promote employee understanding of the latest developments in global human rights Promote due diligence in regard to human rights to ensure that opinions can be expressed without fear of discrimination regardless of age, career, or job title	 For employees: Continue to hold online training on "Companies and Human Rights," and maintain a 90% completion rate
	and employees on global human rights issues	• For employees: Hold online training on "Companies and Human Rights," aiming for a 90% completion rate	 Held online training on "Companies and Human Rights" for employees with a 91% completion rate Conducted seminar entitled "The Latest Trends Regarding Companies and Human Rights," aimed at Human Rights Hotline staff and other employees in charge of human rights issues 			
		 Identify prominent human rights issues and propose plans for addressing them 	 Conducted third-party interviews with division general managers from 22 divisions concerning their respective division's risks and initiatives 	0	"Companies and Human Pights" and	Promote human rights impact assessments and human rights initiatives
	Formulate Companywide framework pertaining to the implementation of human rights due diligence	 Promote creation of a corporate culture that respects human rights, and examine corrective measures when human rights violations are discovered 	 Conducted seminar entitled "The Latest Trends Regarding Companies and Human Rights," led by a lecturer from the International Labour Organization (ILO) and aimed at Human Rights Hotline staff and other employees in charge of human rights issues 			
		 Conduct awareness-raising seminars and dialogues for management and divisions 	 Conducted dialogues with international NPOs and organizations, as well as legal experts, regarding the progress of initiatives being implemented at the officer and supervisor level 			

Environment	ment 2020 Medium-term Goals	Indicators	FY2021 Achievements and Progress		Degree of	FY2026 Goals	FY2022 Goals
Environment			Goals	Results	Completion	F12020 G0als	F12022 Guais
Response to Climate Change	M M : Contribute to climate change countermeasures for the benefit of customers and society by providing IT solutions and reducing greenhouse gas emissions throughout the supply chain	Reduce CO ₂ emissions in society as a whole with IT solutions	23 megatons	26.55 megatons	0	_	_
P.39		Rate of contribution to CO2 emissions reductions across the whole supply chain	5.0 times	7.7 times	0	_	_
		Scope 3 Category 1 Rate of CO: emissions reduction from purchased goods and services (compared with FY2018)	_	_	_	-6.0%	-2.0%
		Scope 3 Category 11 Percentage of improved energy efficiency for sold products (compared with FY2014 products)	65.0%	65.0%	0	90.0%	70.0%
		Reduction rate of CO ₂ emissions (absolute value) due to efficiency improvement (compared with FY2018)	-8.0%	-18.0%	0	-33.6%	-16.8%
		Expand use of renewable energy (Amount of electric power used from renewable energy)	28,600 MWh	63,381 MWh	0	78,000 MWh	71,000 MWh

Social	2020 Medium-term Goals	FY2021 Goals	FY2021 Achievements and Progress	Degree of Completion	2025 Medium-term Goals	FY2022 Goals
Inclusion and Diversity	Promotion of women's active participation (Ratio of female managers in department manager or higher positions: 5% by FY2021)	Ratio of female managers in department manager or higher positions: Continue to reach 5% (As of April 1, 2021)	• Ratio of female managers in department manager or higher positions: 5.5% (as of April 1, 2021)	0	 ✓: Ensure diverse leadership Achieve ratios of 30% for female employees, 20% for female or foreign officers, and 20% for female manag- ers by FY2026 	 Introduce Steering Committee and strengthen system for promoting Inclusion and Diversity (I&D) Manage pipeline to officer and management executive positions
P.53		 Continue monitoring the ratio of female managers; identify issues and discuss and implement measures 	• Continued efforts to monitor KPI related to the ratio of women in managerial positions and to build a pipeline for promoting women to leadership roles			
	Employment of people with disabilities (Ratio of people with disabilities employed: 2.3% as of April 2021)	 Study and carry out measures for continuing to achieve the statutory employment rate of 2.3% 	• Ratio of people with disabilities employed: 2.38% (as of June 1, 2020)	0	Recruit and employ people with disabilities • Continue to maintain statutory employment rate (including special subsidiaries companies)	Develop special subsidiaries and enter new occupational areas Strengthen recruitment with new graduate internships • Utilize fee-based job placement agencies
		 Increase awareness through internal and external communications and actively partici- pate in events 	 Exhibited at "RAINBOW CROSSING 2020," one of the largest career conferences in Japan, notable for promoting I&D, including LGBTQ initiatives 			
	Support for sexual minorities (LGBTQ)	Encourage use of systems	 Posted information on using LGBTQ-related systems on the Company personnel online portal in addition to an explanation of these systems and posting job locations during orientations for new and mid-career hires 	0	Ensure that opinions can be expressed without fear of discrimination regardless of gender, age, career path, or job title	Employee Resource Groups Hold in-house awareness-building events to further advance and entrench I&D culture
		Acquire PRIDE*1 designation	 Awarded the "Gold" PRIDE designation, the highest designation granted by the voluntary organization "work with Pride" 			
Human Resource Development and Training		 Achieve a 30% rate of "Strongly agree" or "Agree" responses to realizing a true sense of change regarding matters not achieved in FY2020, by carrying out the following measures in this section 	• The combined rate of "Strongly agree" or "Agree" responses was 29%, compared with 25.3% in FY2020. Although the results were slightly below target, the number of respondents increased by a factor of 1.5.	0	O Enhance the mindset and skills that form the basis for stronger teams	
P.58	M : Develop sustainable and socially literate human resources	Carry out a new management practical support program based on the HR Policy and Code of Values	Management training conducted for 20% of managers			
		 Further educate affiliated companies (15 companies) regarding the approach to evaluation and training reforms, and continue to conduct training; expand evaluation, development, and reform at local and international subsidiaries 	 Evaluation and training reforms and system development are underway for affiliated companies (15 companies) and international subsidiaries 			
		Increase awareness of the NEC Way	 New targets were established for spreading awareness and enhancing understanding of, and gaining agreement with, the NEC Way in conjunction with the revision of the NEC Way in FY2021, which is positioned as a common value system and launching point for action for the NEC Group, as well as the means for achieving social value creation targets. As a result, awareness was rated at 98% (Top 1*), understanding and agreement were rated at 94% (Top 2*), and implementation was rated at 88% (Top 3*). 			
	Enhance the training of next-genera-	Strengthen talent management for next- generation leaders	• Expanded talent management globally and identified high-potential human resources in the global market	. 0	Cultivate leadership and strengthen management capabilities in order to continue success in the global market	Strengthen succession planning pipeline (Diversify human resources
	tion business leaders, including international personnel	Strengthen succession planning to ensure appointment of the best, diverse personnel to key positions from within Japan and internationally	 Appointed diverse human resources from the global market to key positions Appointed one global CFO from outside the Company Acquired Indian CEO from the local market (NEC Technologies India) 			and cultivate global leaders)
	Enhance the training of advanced professional human resources	Define the roles and skills of personnel responsible for digital transformation (DX) and establish a development system	Defined the roles and skills for human resources involved with DX Established a human resource development system that creates new social value by increasing worker competency and helping employees realize the significance of their role Completed 149 training sessions focusing on thought and behavior patterns Completed 17,438 training sessions focusing on digital technology	0	Professional development to foster a successful business transformation	Training to enhance human resources involved with DX (Train 16,000 human resources involved with DX by FY2026)
Creating a Diverse Workstyle Environment P.61	Reduce total work hours	Further promote autonomous design of workstyles and fully leverage effects of flexible systems to reduce overtime	 Introduced remote working where possible to curb the spread of the COVID-19 pandemic, increasing flexibility by increasing options in terms of workplace, among other variable Shared positive examples of effective workflows and team communication during implementation of teleworking Average amount of overtime was 19.9 hours per month in FY2021, on par with the 19.0 hours per month in FY2020 The annual rate of taking paid leave decreased to 55.8% in FY2021 from 67.6% in FY2020, partly due to increased flexibility in workstyles 	0	Utilize motivation-building model to generate real-world effects in workers	Increase motivation • Achieve yearly 5% increase on pulse survey score – Engagement score – Productivity score – Condition score

*1 A designation by the voluntary organization "work with Pride" that evaluates initiatives for sexual minorities such as LGBTQ *2 Based on the number of "Strongly agree" and "Agree" responses

*3 Based on the number of "Strongly agree," "Agree," and "Somewhat agree" responses

Social	2020 Medium-term Goals	FY2021 Goals	FY2021 Achievements and Progress	Degree of Completion	2025 Medium-term Goals	FY2022 Goals
Creating a Diverse Workstyle Environment	Deploy workstyle reforms intended to improve productivity	In line with the changing work environment, such as the rapid spread of telework, study workstyles that will increase productivity and promote these practices in the workplace	 Improved pulse survey score on the level of degree of "Smart Work implementation" from 48 points in October 2019 to 65 in October 2020 Implemented several initiatives to improve productivity amid the COVID-19 pandemic, such as utilizing IT to automate tasks and increase efficiency and switching to remote work for software engineering (SE) projects traditionally conducted on-site, while trying to apply this method to non-SE projects 	0	Establish conditions that provide the optimal place and the optimal time in striving to elicit optimum performance • Provide the experience necessary for employees to facilitate their own growth • Implement office reforms that foster trust and co-creation • Provide a workplace that allows for seamless execution of duties that	Promote self-determination of an ideal workplace and time to support well-being Establish a variety of workspaces that utilize digital mechanisms such as congestion detection and other systems, as well as spaces for interaction with people outside the Company Introduce rules for working from remote locations
	Expand work–life balance support measures	Expand the options available for the cafeteria- style welfare benefits system "Will be," intro- duced in April 2020, to meet employees' needs and strengthen support for work-life balance	 Achieved 90% awareness of the Company's cafeteria-style welfare benefits system that was introduced in April 2020 Two-thirds of employees made use of points under the welfare benefits system, thanks to updates to the user guide based on employee feedback and videos explaining how to use the system 	0	seamless execution of duties that overcome time and space restrictions • Foster a work culture that encourages a diverse range of human resources to provide value	Initiatives to improve productivity and engagement with the organization Assess organizational soundness via data analysis • Introduce productivity assessment • Introduce "Thanks" platform
Health and Safety	Complete enforcement of occupa-	Raise the completion rate of Companywide online health and safety education (90% or higher)	Achieved completion rate of Companywide online health and safety education of 90.9%	0		 Raise the completion rate of Companywide online health and
P.64	tional health and safety (OH&S) management appropriate to diverse work environments	Increase level of health and safety by working through a plan do check act (PDCA) cycle for safe construction processes	Raised health and safety levels by reinventing management, promoting efforts within businesses, and raising awareness	0	Maintain OH&S levels in a diverse work environment	 State education (90% or higher) Stay ahead of danger by conducting proactive risk assessments of safe construction processes
	Improve subjective sense of good	Achieve usage rate of 75% or higher for the Health Checkup Forecast Simulation	Achieved Health Checkup Forecast Simulation usage rate of 69.4%	0	O Utilize health data (regular health check results, stress check results, etc.) strategically to clarify organizational issues and build a cycle for implement- ing and evaluating measures	 Establish indicators to evaluate health across the organization
	health and lifestyle habits of NEC Group employees	Maintain "Health and Productivity Management Organization" designation	Designated as a Health and Productivity Management Organization (White 500)	O		Maintain designation as a Health and Productivity Management Organization (White 500)
Al and Human Rights P.68	 Promote business operations with respect for human rights in relation to social implementation of AI 	omote business operations and improve and strengthen initiatives for reflected in the "checkii th respect for human rights based on lation to social implementation Companywide principles	 Maintained a timely understanding of trends related to human rights and privacy, which was reflected in the "checking process" Incorporated checking process into the planning stage 	0	M : Promote business activities that respect human rights as AI becomes a part of society	 Understand changes in Japanese and international laws and regulations and trends in social acceptability, and respond with suitable human rights initiatives Implement Al governance in accor- dance with the NEC Group Al and
	UIA					Human Rights Principles
		Continue dialogue with a range of stakeholders	Continued to acquire knowledge from experts through the Digital Trust Advisory Council			 Maintain dialogues with a variety of stakeholders
Personal Information		Formulate the NEC Group Basic Rules on Personal Information Protection	Created "Data Privacy Guidelines" for the data privacy alliance system and rules for each international consolidated subsidiary		Strengthen governance in the fields of	Develop a system and rules in keeping with the degree of risk that each
Protection and Privacy	Global implementation of personal information protection	 Conform with legislation of regulations regarding transfer of personal information outside of each country and region 	 Transferred personal data abroad, including data pertaining to employees at each NEC Group company, after investigating regulations for international subsidiaries, particularly with regard to the countries and regions in which they operate, entering any contracts necessary for this data transfer, obtaining consent, and conducting any other required procedures 	O	data privacy and compliance at consolidated subsidiaries in Japan and internationally	faces in regard to the handling of personal information
P.69	M : Conformance to amendments to the Personal Information Protection Law	Enforce compliance with the Personal Information Protection Law, amended in 2020	 Established "Personal Information Protection Professionals" in all business units and started ongoing training of "Key Persons in Handling Personal Information" with expertise in personal information protection and privacy issues Started full-scale operation of the newly developed risk management tool "New PIICO" for handling personal information, and strengthened the Company's personal information protection management system 	O	Deepen risk management pertaining to the handling of personal informa- tion, based on the risk ownership of general managers	Train Personal Information Protection Professionals to strengthen risk management when handling personal information in each business unit Introduce Personal Information Protection Professionals and New PIICO at major consolidated subsidiaries in Japan
Information Security and Cyber Security P.72	M : Strengthen measures against cyber attacks	 Strengthen management of important information Strengthen use of threat intelligence Strengthen security monitoring 	Conducted inspections and audits of management systems for important information, extended systems to Group companies Implemented third-party evaluation based on the NIST Cyber Security Framework, and enhanced cyber security measures Strengthened Security Operation Center (SOC) and CSIRT systems and upgraded their functions Established a regional Chief Information Security Officer (CISO) at each Regional Headquarters (RHQ) and enhanced supervision at each location	O	M: Strengthen measures against cyber attacks	Respond to national threats Establish zero trust security compat- ible with DX Increase awareness and innovate control system
	Strengthen the improvement of secure products, systems, and services	Enhance systems and improve processes for promoting secure development and implemen- tation, and improve guidelines and tools	Established a one-stop cyber security system, appointed security managers in each business division, and expanded and strengthened OS/middleware fortification tools	0	M: Establish and operate a zero trust platform Talent management and deployment of (double number of CISSP certified employees) Strengthen supply chain security management Establish a safe System Integration process	Reform processes to include built-in security as part of business proposals Release vulnerability dashboard

Social	2020 Medium-term Goals	FY2021 Goals	FY2021 Achievements and Progress	Degree of Completion	2025 Medium-term Goals	FY2022 Goals
Information Security and Cyber Security P.72	M : Improve security in cooperation with business partners	 Apply security measures in accordance with business partners' work environments and outsourcing details, and promote improve- ments based on inspection results 	Restricted orders from companies with an inadequate security level and implemented follow- up improvement process via document inspections and on-site inspection	0	Eliminate security-related inci- dents caused by partner compa- nies by inspecting their standards and enhancing cyber security measures	Enhance standards inspections • Increase number of companies subject to standards management from 1,500 to 2,000 and improve document inspection • Consider increasing number of company bases subject to onsite inspections from 40 to 100, increase efficiency by utilizing remote tools
		Ensure that everyone is well aware of guidelines on secure development and implementation	 Held a briefing session titled "Business Partner Guidelines for Secure Development and Operations" and made a strong request for security to deployed working group members 			Strengthen cyber security measures • Revise information security standards (including document inspection items) to NIST SP 800 from FY 2023 • Hold information security briefing sessions to request security measure implementation from partner companies, and provide security improvement support
CS (Customer Satisfaction) Initiatives		 Continue to perform improvement activities based on the voice of the customer (VoC) and promote activities matched to the characteristics of each business area 	Continued to make improvements based on the VoC and in keeping with the characteristics of each business area	Ø	Continue to be customers' company of choice by earning their unwavering trust	 Continue to engage in activities to improve customer satisfaction based on VoC and in keeping with the characteristics of each business
P.78	Continue to be a company that is trusted and chosen by customers	 Achieve a result for the Customer Satisfaction Survey higher than the industry average (e.g., an average of "Total satisfaction") in market surveys conducted by NEC Corporation 	 Achieved a result for the Customer Satisfaction Survey higher than the industry average (i.e., an average of "Total satisfaction") in market surveys 			Achieve a result for the Customer Satisfaction Survey higher than the industry average (e.g., an average of "Total Satisfaction") in market surveys conducted by NEC Corporation
Cooperation with Local Communities	Incorporate social contribution activities into business strategies	Strengthened system structure for promoting social engagement activities, including initiatives in response to emergencies and disasters, such as the COVID-19 pandemic, and strengthened information communication	 Serialized examples of social engagement (including those at Group companies in Japan and international subsidiaries) on the Company intranet (6 cases), and continued to release them on NEC's social media accounts (14 cases) 	0	Expand corporate citizenship base	An increase in the number of new employee registrations with the NEC Volunteer Support Service database of employee volunteers (increase of 1,200 per year; increase of 100 per month)
P.79	Create opportunities for new business creation from corporate citizenship activities	Further accelerate employee participation in social engagement activities centered on the "NEC Social Entrepreneurship School" and the "NEC Pro Bono Initiative," etc.	Shifted the focus of the NEC Volunteer Support Service database, allowing it to include employ- ees who previously could not participate (young or local employees, Group company employees, et al.) at a faster rate, increasing registrations with the database by 1,248, to 2,933, in FY2021, from 1,685 in FY2020	0	Utilize corporate citizenship as a launching point for social value creation	Create new businesses and strengthen cooperation with local communities beginning with corporate citizenship initiatives such as the NEC Social Entrepreneurship School and the NEC Pro Bono Initiative

Governance	2020 Medium-term Goals	FY2021 Goals	FY2021 Achievements and Progress	Degree of Completion	2025 Medium-term Goals	FY2022 Goals
Compliance and Risk Management		 Number of cases of serious involvement with cartels and/or bid-rigging: 0 	Number of cases of serious involvement with cartels and/or bid-rigging: 0		M: Engage in thorough compliance	 Number of cases of serious involve- ment with cartels and/or bid-rigging: 0
P.83	Ensure compliance	 Raise the completion rate of web-based compliance training (completion rate at NEC Corporation: 98% or higher) 	Raised the completion rate of web-based compliance training (completion rate at NEC Corporation: 99%)		Establish a Group-wide culture that prioritizes compliance and promote fair trade, drawing from the NEC	Raise the completion rate of web-based compliance training (completion rate at NEC Corporation: 98% or higher) Number of reports submitted to the Compliance Hotline: 80 cases or more
		Number of reports submitted to the Compliance Hotline: 100 cases or more	Number of reports submitted to the Compliance Hotline: 76		Group Code of Conduct	
	Carry out appropriate risk management	Establish and implement effective measures for Priority Risks	 Raised in-Company awareness of harassment and enhanced response in the event of an incident Strengthened Group governance of the Accounting Division Built a system suitable for managing important information (equipped with strong cyber attack countermeasures, etc.) Bolstered efforts to incorporate human rights concerns and privacy 	0	Conduct appropriate risk management • Select important risks that affect business execution and both plan and implement effective measures	Establish and implement effective measures for Priority Risks
Business Continuity	Enhance completeness and efficiency of business continuity plan (BCP) activities	Utilize the in-house information sharing system during disasters, which has been greatly overhauled	Utilized newly overhauled system during FY2021	0	Continue to be a front-runner in Japan in terms of disaster prevention and corporate BCPs	Spread concept of "personalization " through training and education, in line with the effects of COVID-19 and the increase in home working environments
P.90	Through drills and training, increase the number of employees able to act autonomously when a risk event occurs	Increase the percentage of workers able to act autonomously, as recorded in the Disaster Preparedness Survey conducted in FY2020	37.7% of those surveyed said they are able to act autonomously when a risk event occurs, a massive increase (21.9%) from FY2020	0	Contribute to increasing corporate value through disaster prevention and business continuity activities	Cooperate with sales support staff to contribute to business
Supply Chain Management	Publish and disseminate the new "Guidelines for Responsible Business Conduct in Supply Chains"	Make effort to disseminate the guidelines to all new and existing suppliers	 Closely informed all existing business partners and business partners opening new accounts with the Company Created and published Japanese, English, and Chinese versions of the guidelines 	0	M : Utilize 75% of consolidated procurement funds with	Utilize 72% of consolidated procure-
P.92	Obtain declarations for the new guideline: "Declaration Concerning	 Declarations must be obtained from all new suppliers 	Declarations submitted by all new suppliers		companies that submitted declarations (by end of FY2026)	ment funds with companies that submitted declarations
	Responsible Business Conduct in Supply Chains"	 Number of suppliers from which declarations obtained: 3,000 	Number of companies that submitted declarations: Approx. 7,000			
	Promotion of use of Supplier Visit Record (SVR)	Expand application of SVR (120 on-site assess- ments) and study measures using acquired data	 Utilized data from 236 assessments since FY2018 to identify risks (55 assessments were conducted in FY2021 as a result of fewer visits due to the COVID-19 pandemic) 			