

Policy and Targets

Policy

As part of its corporate social responsibility activities, NEC engages in environmental management. NEC seeks to reduce environmental burdens across society by providing environmentally friendly products and services as well as reducing the environmental load of its own business activities, by conserving energy at its facilities and the transportation stage, and reducing the chemical substances it uses. Also, to promote environment-oriented management Group-wide—including NEC on a non-consolidated basis, affiliated companies, production bases, and research facilities—the Company has established the NEC Environmental Policy, which sets out action guidelines. Moreover, we rigorously ensure that all actions of employees and corporate officers comply with this policy. Further, we require all suppliers, contractors, and other stakeholders engaged in our supply chains to behave in a manner consistent with relevant guidelines and agreements while considering the environment.

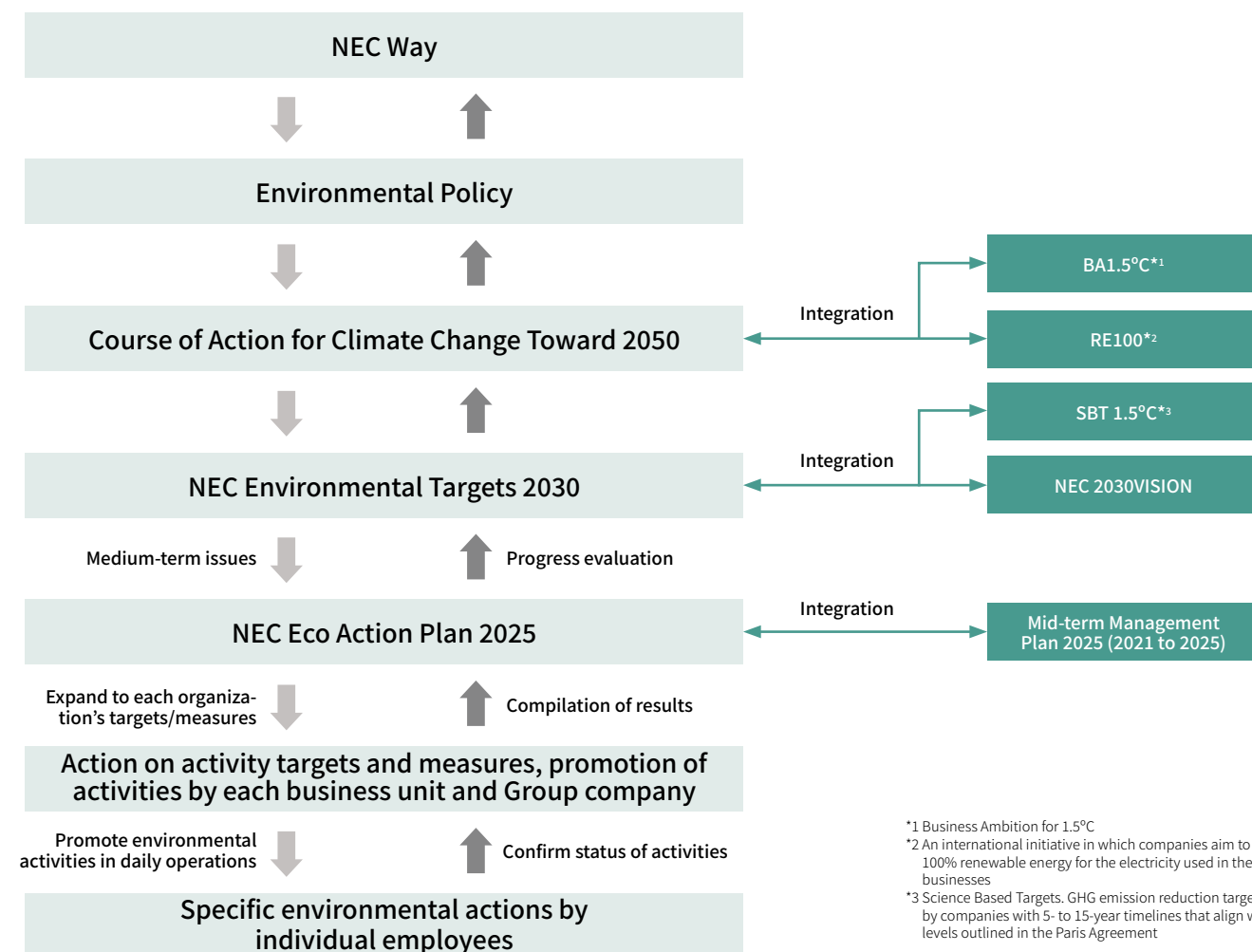
NEC Environmental Policy

NEC views the operation of business in harmony with the environment as one of its top priority issues and is committed to reducing the environmental impact of the entire global supply chain and contributing to a sustainable society.

1. We will create social value focused on delivering ICT solutions and services leveraging advanced technologies to contribute to their adaptation, and we will contribute to the reduction of the environmental burden on customers and the global environment and to the mitigation of the impacts of climate change.
2. We will assess the environmental impact throughout the entire life cycle of ICT solutions and service development with considerations for reducing environmental burden.
3. We will comply with environmental laws and regulations associated with our business activities, honor agreements with stakeholders, and strive to conserve energy, save resources, and prevent environmental pollution caused by chemical substances and waste along the entire supply chain.
4. We will prioritize the procurement of environmentally friendly hardware, software, and services.
5. We will disclose environmental information regarding our business activities, ICT solutions and services to our stakeholders.
6. We will raise the environmental awareness of each and every one of our employees worldwide and contribute to the conservation of the global environment through the promotion of climate change action, resource circulation, and biodiversity.
7. We will strive to improve an environmental management system with environmental targets and conduct periodic reviews to realize continual improvement.

Position of Environmental Management

At NEC, we have set medium- and long-term environmental targets based on the NEC Way that align with trends both inside and outside the Company. We are currently defining activities for the NEC Eco Action Plan 2025, a five-year plan from fiscal 2022 through fiscal 2026, and encouraging all of our employees to take action.



*1 Business Ambition for 1.5°C

*2 An international initiative in which companies aim to use 100% renewable energy for the electricity used in their own businesses

*3 Science Based Targets. GHG emission reduction targets set by companies with 5- to 15-year timelines that align with levels outlined in the Paris Agreement

Targets

■ Net Zero Emissions by 2050

In September 2021, NEC became a signatory to Business Ambition for 1.5°C (BA1.5°C) and declared that it will target net zero CO₂ emissions from Scope 1, 2, and 3 by 2050. In addition to its previous target for the Company's business activities (Scope 1 and 2), NEC targets net zero emissions for Scope 3, which includes its entire supply chain.

Before then, in May 2021, NEC changed its SBT from well below 2°C to 1.5°C and was recertified as such. We are taking action to achieve our targets to reduce CO₂ emissions for Scope 1 and 2 by 55% as well as for Scope 3 by 33% by fiscal 2031 (both compared with fiscal 2018 levels). In particular, NEC is advancing activities to reduce emissions along with its suppliers and sellers because Scope 3 accounts for 95% of the entire Group's greenhouse gas emissions.

NEC's SBT 1.5°C target

Scope 1 and 2:

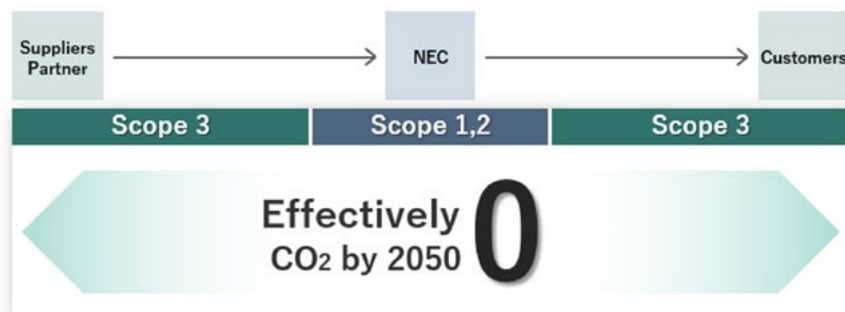
Reduce GHG emissions by 55% by fiscal 2031 compared with fiscal 2018 level

Scope 3:

Reduce GHG emissions by 33% by fiscal 2031 compared with fiscal 2018 level in Category 1 (purchased goods and services), Category 3 (fuel and energy activities not included in Scope 1 and 2), and Category 11 (use of products sold)

Scope 3 coverage: 35% of Category 1, 100% of Category 3, 100% of Category 11

“Effectively zero” CO₂ emissions from supply chains



SCIENCE
BASED
TARGETS

■ Course of Action for Climate Change Toward 2050

In 2017, we formulated the Course of Action for Climate Change Toward 2050 as our long-term stance on climate change. This policy has four quadrants for mitigating and adapting to climate change, and expresses NEC's ambition to co-create a sustainable society with customers and reinforce its business foundation into a more sustainable one.

I. Building a sustainable management foundation

To reduce CO₂ emissions from our supply chain to zero, we are taking steps with our suppliers to reduce CO₂ emissions and improve the energy efficiency of our products. Additionally, NEC is advancing measures to counter risks in its supply chain while mitigating the impact of climate change on its supply chain.

- Aiming for zero CO₂ emissions from supply chains
- Implementing strict countermeasures against climate change risks in supply chains

II. Achieving a sustainable society by collaboration

Through the provision of ICT solutions, NEC helps its customers and society reduce CO₂ emissions. We aim to realize a safe and secure society by supporting preparations for disasters, and predicting and forecasting potential natural disasters.

- Realizing a low-carbon society as a goal for the planet
- Realizing a safe, secure society that is resilient to climate change risks



■ NEC Environmental Targets 2030

NEC Environmental Targets 2030 calls on the Company both to continuously reduce its own environmental footprint and risks and to increase its contributions through businesses with an eye on 2030. Further, NEC will increase environmental contributions through its businesses by providing value not only in the area of climate change countermeasures, which has been the focus of its initiatives, but also in relation to a broader range of environmental issues, including the realization of a circular economy, water and food safety, and protection of biodiversity.

Aiming to achieve these targets, NEC has backcasted from the 2030 targets to prepare the NEC Eco Action Plan 2025, a five-year action plan that the entire NEC Group is advancing.

