

Non-Financial Section – Achievements and Progress on ESG-Related Themes

We have compiled a lists of non-financial indicators for measuring our progress on Priority Management Themes from an ESG Perspective – Materiality. For the years ended or at year-end of March 31, 2018 and 2019. Items that do not have footnotes apply to NEC Corporation alone.

Environment field

Environmental Action with a Particular Focus on Climate Change *NEC Corporation and 42 NEC Group Companies (Worldwide)

	2018	2019
Rate of contribution to CO ₂ emission reductions across the whole supply chain	3.5 times	6 times
CO ₂ emissions reduction by providing IT solutions (Each year)	4,220 thousand tons	5,300 thousand tons
Improvement in energy efficiency of products (Versus products in fiscal 2014)	35 %	74 %
Greenhouse gas emissions^{*1*2}		
Scope 1	56 thousand tons	52 thousand tons
Scope 2	282 thousand tons	277 thousand tons
Scope 3	5,820 thousand tons	5,295 thousand tons

	2018	2019
Energy usage^{*2*3}		
Electricity	5,685 TJ	5,712 TJ
Fuel (Gas)	984 TJ	931 TJ
Fuels (heavy oil and kerosene, etc.) and steam	119 TJ	103 TJ
Water usage^{*2}	2,314 thousand m ³	2,193 thousand m ³
Industrial waste^{*2}		
Emission volume (general waste + industrial waste)	42.6 thousand tons	38.3 thousand tons
Resource reuse rate	91.0 %	90.0 %

* 1 Greenhouse gas refers to CO₂ (carbon dioxide), CH₄ (methane), N₂O (nitrous oxide), HFCs (hydrofluorocarbons), PFCs (perfluorocarbons), SF₆ (sulfur hexafluoride), and NF₃ (nitrogen trifluoride). Greenhouse gas emissions are calculated based on the following categories stated by the Greenhouse Gas Protocol (GHG Protocol).
 Scope 1: Direct GHG emissions from sources that are owned or controlled by the Company
 Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam
 Scope 3: Other indirect emissions covering corporate upstream and downstream processes not included in Scope 2
 * 2 External assurance received. The scope of assurance includes NEC Corporation and consolidated subsidiaries subject to environmental governance.
 * 3 TJ: Terajoule

Social field

Sustainably and Socially Literate Human Resources

	2018	2019
Ratio of employees who feel that the Company's direction has changed toward creating social value by accepting a diverse range of values	–	23 %
Number of employees by region		
Total ^{*4}	109,390 people	110,595 people
Japan	79,642 people	76,799 people
Asia Pacific	10,985 people	11,772 people
China/East Asia	4,739 people	4,614 people
EMEA	6,636 people	9,797 people
North America	2,710 people	2,769 people
Latin America	4,678 people	4,844 people
Ratio of outside directors to all directors	45.5 %	45.5 %
Number of female managers ^{*5*6} (As of April 1 of each year)	372 people	359 people
Ratio of female managers ^{*5*6} (As of April 1 of each year)	5.8 %	5.9 %
Ratio of female new employees	27.9 %	29.4 %

	2018	2019
Ratio of employees with disabilities (As of June 1 of each year)	2.22 % ^{*6}	2.33 %
Number of people utilizing childcare leave ^{*5*6}	358 people	381 people
Ratio of employees returning after childcare leave	–	97.3 % ^{*6}
Number of people utilizing nursing care leave ^{*5*6}	32 people	24 people
Average age of employees ^{*5*6}	43.4 years old	43.4 years old
Average length of employment ^{*5*6}	19.0 years	19.0 years

Privacy Policies and Measures Aligned with Societal Expectations

	2018	2019
Dialogue meetings with multiple stakeholders	–	5 times

* 4 Scope: NEC Corporation and consolidated subsidiaries
 * 5 Excluding corporate officers, advisors, and non-permanent employees
 * 6 Externally assured figures
 * 7 Ratio of employees returning to work who started childcare leave in fiscal 2017

Governance field

Governance/Compliance

	2018	2019
Number of cases of involvement with serious cartels and/or bid-rigging	–	0

Security to Maximize ICT Possibilities

* We will promote minimization of risks and maximization of value, using minimization of the effects of serious security incidents and the promotion of reference cases as an indicator.

ESG Overall ESG

Dialogue and Co-creation with Our Stakeholders

* We recognize that dialogues and co-creation of value are processes that NEC should incorporate into all business activities. For this reason, we do not specify non-financial indicators for this area.

Innovation Management

	2018	2019
R&D expenses ^{*8}	¥108.1 billion	¥108.1 billion
Number of patents ^{*8}	approx. 51,000	approx. 49,000

* 8 Scope: NEC Corporation and consolidated subsidiaries

NEC Safer Cities

NEC Value Chain Innovation

* We will study promoting model case analysis as a non-financial indicator for measuring progress.