

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

We have compiled a list 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, 2019 and 2020. 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 92 NEC Group Companies (including 41 domestic companies and 51 companies abroad)

	2019	2020
Rate of contribution to CO ₂ emission reductions across the whole supply chain	4.1 times	5.2 times
CO ₂ emissions reduction by providing IT solutions (Each year)	5,300 thousand tons	4,750 thousand tons
Improvement in energy efficiency of products (Versus products in fiscal 2014)	74%	71%
Greenhouse gas emissions*1		
Scope 1*2	52 thousand tons	26 thousand tons
Scope 2*2	277 thousand tons	347 thousand tons
Scope 3	7,795 thousand tons	7,110 thousand tons*2

	2019	2020
Energy usage*2*3		
Electricity	5,712 TJ	7,140 TJ
Fuel (gas)	931 TJ	396 TJ
Fuels (heavy oil and kerosene, etc.) and steam, etc.	81 TJ	87 TJ
Water usage*2	2,193 thousand m ³	2,550 thousand m ³
Total waste emissions		
Emission volume (general waste + industrial waste)*2	38.3 thousand tons	38.6 thousand tons
Resource reuse rate	90.0%	94.9%

* 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 GHG Protocol Initiative classification.
 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 1 + Scope 2
 * 2 Third-party verification 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

	2019	2020
Ratio of employees who feel that the Company's direction has changed toward creating social value by accepting a diverse range of values	22.9%	25.3%
Number of employees by region (Total)*4	110,595 people	112,638 people
Japan	76,799 people	76,180 people
Asia Pacific	11,772 people	14,114 people
China/East Asia	4,614 people	4,782 people
EMEA	9,797 people	10,505 people
North America	2,769 people	2,734 people
Latin America	4,844 people	4,323 people
Ratio of outside directors to all directors	45.5%	45.5%
Number of female managers (Consolidated)*5*6	2,121 people	2,105 people*7
Ratio of female managers (Consolidated)*5*6	7.8%	7.8%*7
Number of female managers*6*7 (As of April 1 of each year)	359 people	395 people
Ratio of female managers*6*7 (As of April 1 of each year)	5.9%	6.4%
Ratio of female new employees	29.4%	26.7%

	2019	2020
Ratio of employees with disabilities (Consolidated Group in Japan) (As of June 1 of each year)	1.99%*7*8	2.18%*9
Ratio of employees with disabilities (Non-consolidated*10) (As of June 1 of each year)	2.33%*7	2.38%
Number of people utilizing childcare leave*6*7	381 people	354 people
Ratio of employees returning after childcare leave*11	97.3%	97.5%
Number of people utilizing nursing care leave*6*7	24 people	15 people
Average age of employees*6*7	43.4 years old	43.7 years old
Average length of employment*6*7	19.0 years	19.2 years

Privacy Policies and Measures Aligned with Societal Expectations

- We are disseminating the NEC Group AI and Human Rights Principles internally and promoting their incorporation into business activities.

* 4 Scope: NEC Corporation and consolidated subsidiaries
 * 5 Scope: NEC Corporation and consolidated subsidiaries (excluding group companies of Japan Aviation Electronics Industry, Limited)
 * 6 Excluding corporate officers, advisors, and non-permanent employees in NEC Corporation
 * 7 Externally assured figures
 * 8 At 12 wholly owned subsidiaries in Japan, excluding application to affiliates under the Act for Promotion of Employment of Persons with Disabilities
 * 9 At 13 wholly owned subsidiaries in Japan, excluding application to affiliates under the Act for Promotion of Employment of Persons with Disabilities
 * 10 NEC Corporation, NEC Friendly Staff, Ltd., NEC Management Partner, Ltd.
 * 11 Ratio of employees who have returned to work after starting childcare leave in the fiscal year before the previous fiscal year

Governance field

Governance/Compliance

	2019	2020
Number of cases of involvement with serious cartels and/or bid-rigging	0	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

Innovation Management

	2019	2020
R&D expenses*12	¥108.1 billion	¥109.8 billion
Number of patents*12	approx. 49,000	approx. 47,000

* 12 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.