

# Environmental Initiatives: Living Harmoniously with the Earth to Secure the Future

## NEC's Environmental Initiatives

NEC engages in environmental management in order to realize a sustainable society as put forth in the NEC Way. As part of its corporate responsibility, NEC seeks to reduce the environmental impact of its activities not only in terms of climate change but also with regard to water, resource recycling, chemical substances, biodiversity, and other matters. Specifically, with regard to climate change, we have declared that we will become carbon neutral by 2040, and have publicly declared our commitment to halving CO<sub>2</sub> emissions from our entire supply chain by fiscal 2031 compared with fiscal 2021 levels.

We will also help reduce the environmental impact of our customers and society by providing environmentally friendly products and services that utilize ICT and our own unique technologies. In addition, we have established the NEC Environmental Policy and ensure that all actions of employees and corporate officers comply with this policy and engage in activities with consideration for the environment. We have received a high level of external recognition for these initiatives.

🌐 Please visit the website below to view the NEC Environmental Policy. <https://www.nec.com/en/global/sustainability/eco/policy.html>

## External Commitments

NEC takes part in the following external initiatives with the aim of building a sustainable management foundation for the Company and promoting the realization of a sustainable society through co-creation.

<p><b>SBT Net-Zero</b> (Approved April 2024)</p>		<p>Received approval from the Science Based Targets initiative (SBTi) for net-zero CO<sub>2</sub> emissions targets in April 2024 Aim to reduce Scope 1, Scope 2, and Scope 3 emissions by more than 50% by fiscal 2031 and by more than 90% by fiscal 2041 compared to fiscal 2021 levels Our first priority is to reduce these types of emissions, with the aim of achieving net-zero CO<sub>2</sub> emissions by neutralizing residual emissions, which are extremely difficult to reduce, with absorption credits.</p>
<p><b>RE100</b> (Joined in May 2021)</p>		<p>Switch to renewable energy for 100% of the electricity consumed at locations within and outside Japan by 2040</p>
<p><b>Business Ambition for 1.5°C</b> (Became a signatory in September 2021)</p>		<p>Aim to achieve net-zero greenhouse gas emissions from the entire supply chain by 2050</p>
<p><b>The Climate Pledge</b> (Became a signatory in September 2022)</p>		<p>Aim to achieve net-zero greenhouse gas emissions from the entire supply chain by 2040</p>

## External Evaluations Regarding the Environment

NEC has been named by the CDP as an “A List” company for the fifth consecutive year in the climate change and water security categories (as of fiscal 2024). For the fourth consecutive year, NEC was also selected as a CDP Supplier Engagement Leader, the highest rating given by the CDP for supplier engagement.

Note: Supplier engagement ratings are based on an assessment of a company's efforts to mitigate climate change and reduce greenhouse gas emissions throughout its supply chain.



NEC has gained approval from the SBT for its net-zero CO<sub>2</sub> emissions targets and has been named to the CDP “A List” for the fifth consecutive year.

🌐 For information on the SBT's approval of NEC's net-zero CO<sub>2</sub> emissions targets, please refer to the website below. <https://www.nec.com/en/global/sustainability/management/initiative.html>

🌐 For information on NEC's fifth consecutive year on the CDP's “A List,” please refer to the press release on the website below. [https://www.nec.com/en/press/202402/global\\_20240206\\_01.html](https://www.nec.com/en/press/202402/global_20240206_01.html)

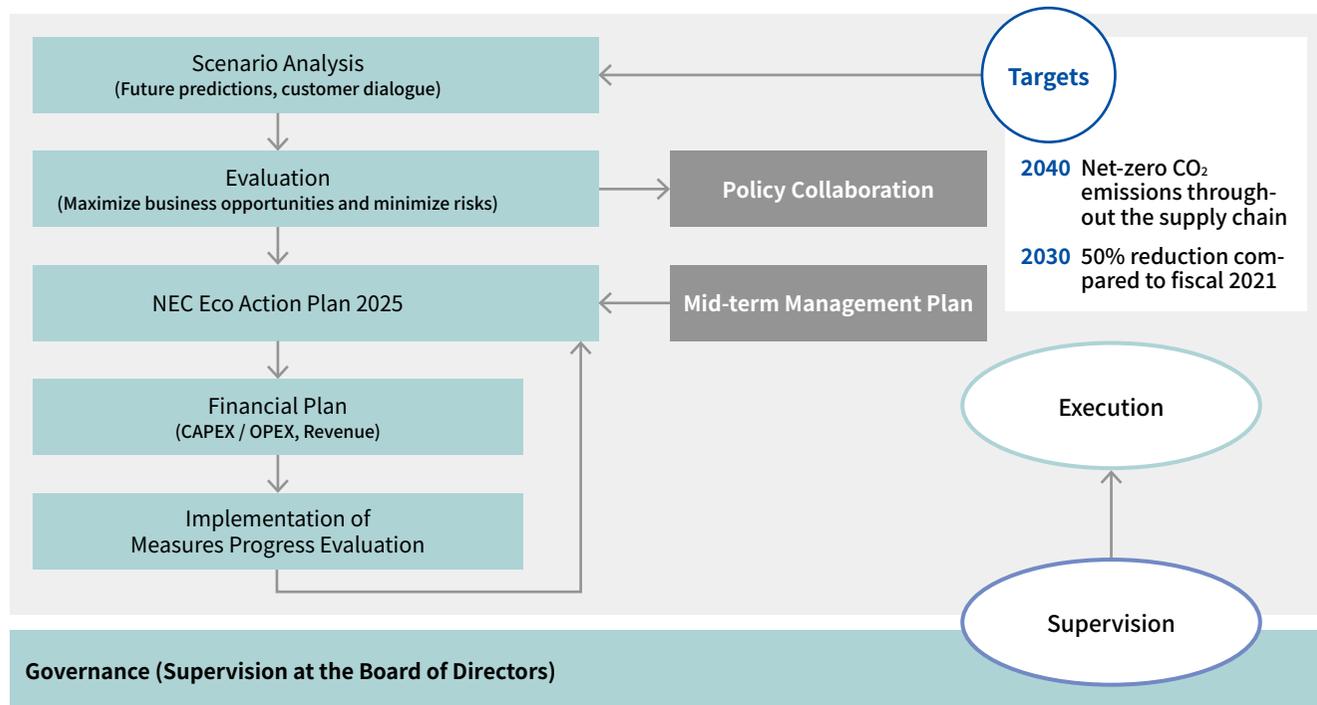
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### Climate Transition Plan

Taking an ESG perspective, NEC has positioned its response to environmental issues centered on climate change and decarbonization as both a management priority and material issue, and is driving forward related initiatives. To transition to a business model in line with the goals of the Paris Agreement, which envisions a world with net-zero CO<sub>2</sub> emissions by 2050, we have reorganized existing guidelines and initiatives and formulated a climate transition plan in 2022.

Under this plan, we will carry out a series of PDCA cycles, report progress to the Board of Directors, and promote information disclosure in line with the Task Force on Climate-related financial Disclosures (TCFD) recommendations. We will also report to the Board of Directors as necessary on climate risks and opportunities that could have a significant impact on our operations. When the Board of Directors receives a report, it will oversee the proper implementation of NEC's climate change measures by deliberating and issuing instructions.

#### NEC's Climate Transition Plan



### Other Environment-Related Initiatives

#### Products and Services that Help to Mitigate Climate Change 🌐

Leveraging the knowledge we have gained from our own initiatives, we help customers work toward carbon neutrality by providing consulting services for defining overall ESG issues, formulating overall strategies, and implementing measures. In addition, we provide solutions that underpin the implementation of these measures, thus providing total support for resolving various customer issues.

#### Water Risk Management and Effective Use of Water Resources 🌐

NEC complies with environmental laws and regulations and promotes reduction efforts in its water consumption and environmental impact. We are also employing water risk management practices, which include addressing the issues of water shortages, water pollution, and flooding.

#### Resource Circulation and Pollution Prevention 🌐

NEC is working on consistent resource recycling from production to use and recycling, and reducing environmental impacts such as the amount of waste generated during each process. In particular, hardware products that our customers have used consume a lot of resources, so we carry out initiatives to make effective use of limited resources by collecting and recycling them.

#### Natural Capital and Biodiversity 🌐

NEC strives to minimize the impact of business activities and employees' lifestyles on living organisms, and to actively encourage activities that contribute to biodiversity and the provision of ICT solutions.

🌐 Please visit the website below to view the NEC TNFD Report (2nd edition) released on July 29, 2024.  
[https://www.nec.com/en/press/202407/global\\_20240729\\_02.html](https://www.nec.com/en/press/202407/global_20240729_02.html)