Environmental Management

Half a Century of Efforts to Address Environmental Issues

NEC has been addressing environmental issues for more than half a century, since it introduced a specialized environmental organization in 1970, ahead of the establishment of Japan's Environment Agency. Through its long-standing commitment to the environment, NEC has built up a wealth of experience and expertise in the field. As a Social Value Innovator, NEC continues to contribute to resolving environmental issues by leveraging ICT to visualize environmental impacts and support effective countermeasures. These efforts are closely aligned with NEC's Purpose. Guided by this Purpose, NEC has identified "visualizing and reducing the environmental negative impact of the value chain" as one of its material issues and is working to achieve both a sustainable society and business growth.

NEC's ongoing commitment to environmental initiatives has also earned high recognition from external rating agencies.

CDP
Climate Change and Water Security

Received highest rating
7 years in a row

NEC has been named by the CDP as an "A List" company for the seventh consecutive year for its initiatives related to Climate Change and Water Security.

CDP
Supplier Engagement Assessment

Received highest rating
6 years in a row

NEC was selected as a CDP Supplier Engagement Leader for the sixth consecutive year.

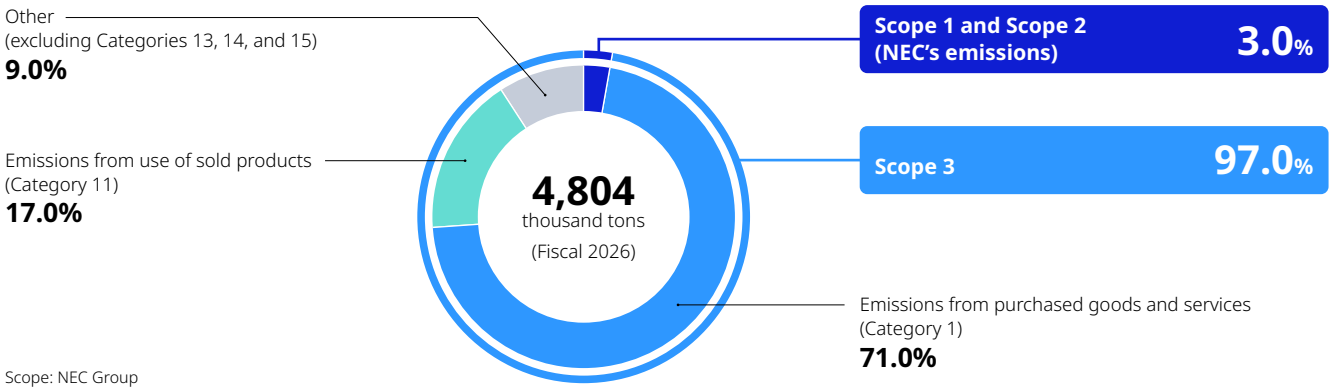
NEC's Environmental Management

NEC promotes environmental management, under which it works not only to reduce the environmental impact of its own business activities but also to contribute to reducing environmental impacts on society as a whole through the provision of products and services. Based on this approach, NEC has set achieving Net-Zero emissions by 2040 as its long-term environmental goal, for which it has obtained approval from the Science Based Targets initiative (SBTi). To achieve this target, the NEC Group is implementing Eco Action Plan 2030 across the Group. Developed by backcasting from where the Group wants to be by fiscal 2031, Eco Action Plan 2030 serves as a five-year environmental action plan that identifies priority initiatives from two perspectives: the continued reduction of NEC's environmental impact and risks, and the expansion of contributions from business activities. Business units, Group companies, and overseas affiliates formulate targets and initiatives tailored to their respective business characteristics and proactively implement them, enabling the entire NEC Group to advance environmental management in a unified manner.

Greenhouse Gas Emissions (Scope 1, 2, and 3)

Note: Market-based data for Scope 2

(%)



Scope: NEC Group

Aiming to Achieve Net-Zero Emissions

From the perspective of reducing its own environmental impacts and risks, NEC is promoting energy conservation measures, replacing facilities with more energy-efficient alternatives, and expanding the adoption and use of renewable energy to reduce its direct CO_2 emissions (Scope 1 and Scope 2). In addition, as a member of RE100, NEC is working toward sourcing 100% renewable electricity by promoting the installation of solar power generation facilities and the procurement of renewable electricity.

Beyond these efforts, NEC recognizes that achieving Net-Zero emissions by 2040 requires not only reducing its own CO_2 emissions but also taking action across the entire supply chain. Accordingly, NEC is also pursuing initiatives to reduce Scope 3 emissions.

To reduce Scope 3 Category 1 emissions, which account for the largest share of NEC's greenhouse gas emissions, NEC is strengthening collaboration and co-creation with its suppliers and working to reduce emissions across the entire supply chain. Through its Decarbonization Support Program, for example, NEC provides step-by-step support to help suppliers establish CO_2 emissions reduction targets and implement reduction initiatives, while working alongside them to achieve those targets. In fiscal 2026, NEC supported primarily small and medium-sized enterprises in visualizing CO_2 emissions and obtaining SBT approval. As a result, some participating companies successfully obtained approval, contributing to the reduction of environmental impacts across the supply chain.

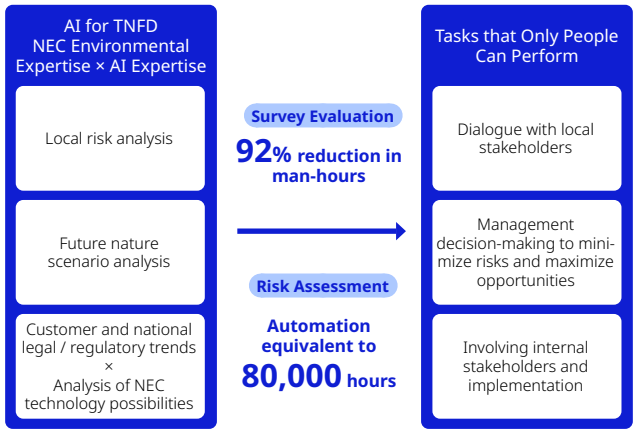
In July 2026, NEC also launched an initiative in collaboration with Sumitomo Mitsui Banking Corporation to support suppliers' greenhouse gas reduction efforts through the use of sustainability-linked loans. Under this program, NEC suppliers establish emissions reduction targets aligned with SBT standards, and financing terms are linked to the achievement of those targets. By linking suppliers' decarbonization efforts to economic incentives, NEC is accelerating decarbonization across the supply chain.

To reduce CO_2 emissions associated with the use of sold products and services (Scope 3 Category 11), NEC promotes environmentally conscious products and services and proposes the use of renewable energy. At the same time, in response to growing societal demand for greater visibility into CO_2 emissions across the entire product life cycle, NEC is developing solutions that support the calculation of product carbon footprints (CFPs) and also provides consulting services that support customers from CFP calculation through improvement and ongoing implementation. Going forward, NEC will continue to contribute to the realization of carbon neutrality for both its customers and wider society through the provision of products and services and initiatives aimed at visualizing emissions across the entire life cycle.

Value Creation Through the "Client Zero" Approach

From the perspective of contributing to the reduction of environmental impact across society through its business activities, NEC applies the "Client Zero" approach to environmental management as well. As it promotes its transformation into an AI-native company, NEC is driving operational transformation in the environmental domain through the use of generative AI and agentic AI. By turning the know-how and insights gained through internal implementation into solutions, NEC is creating new value.

For example, in preparing its TNFD Report, issued ahead of other companies in Japan's IT industry, NEC leveraged AI to improve and streamline assessment and evaluation processes. Using agentic AI, NEC analyzed local risks at 2,000 sites operated by the Company and its suppliers. This enabled the identification of specific regional information and risks that could affect business operations, providing insights that could not be obtained through conventional general-purpose tools. By engaging in dialogue with local stakeholders, NEC was able to conduct risk assessments that accurately reflected on-the-ground conditions. Conducting these activities manually would have required approximately 80,000 hours of work. By assigning large-scale information gathering and advanced analysis to AI, NEC has established a framework that enables resources to be shifted toward more essential activities that can only be performed by people. The expertise gained through the use of AI in this process has been incorporated into the TNFD Accompaniment Support Service, which assists customers in addressing nature-related issues. In September 2026, the Company also launched NEC Sustainability Intelligence for TNFD, a cloud service that supports more advanced TNFD initiatives and strategy development.



NEC has also leveraged AI in complying with the Sustainability Standards Board of Japan (SSBJ) Standards, improving both the efficiency and sophistication of information gathering, analysis, and disclosure document preparation. By treating the preparation of its own annual securities report as a "Client Zero" project, NEC reduced the workload by more than 90% while ensuring a consistent level of quality regardless of individual experience levels. Building on the insights gained through this project, NEC has begun offering services that support climate-related disclosure activities.

In addition, NEC has launched a proof of concept for the Supplier Portal, which aims to improve sustainability across the supply chain and create corporate value. The portal integrates the management of self-assessment questionnaires (SAQs) for document checks related to sustainability into an online system. It was developed with our own risk management processes serving as Client Zero, in order to address challenges such as inefficient information flows between buyers and suppliers and the costs of managing complex questionnaires. NEC plans to commercialize the service during fiscal 2027. By reducing the effort required for survey responses, aggregation, and analysis, while improving operational efficiency and standardization, NEC aims to enhance value creation across the supply chain. Through these environmental "Client Zero" activities, NEC will contribute to the realization of a sustainable society while also supporting its own business growth.

As environmental regulations and disclosure requirements become more sophisticated, environmental management challenges faced by companies are becoming increasingly complex. These challenges are not unique to NEC but are common to many of its customers.

Going forward, NEC will continue to leverage the technologies, know-how, and expertise gained through its own initiatives to help address the challenges faced by customers and society.