
NATURE AND SCOPE OF THE ASSURANCE

SGS Japan Inc. was commissioned by NEC Corporation (hereinafter referred to as “the Organization”) to conduct an independent assurance of its CSR Report 2017. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included data on the number and ratio of female managers to the total number of managers (as of 1st April, 2017), ratio of employees with disabilities (as of 1st June, 2016), number of people of utilizing childcare and nursing care leave (in fiscal 2016*), average age of employees (as of 31st March, 2017, including gender-segregated data), average length of employment (as of 31st March, 2017, including gender-segregated data), NEC frequency and severity rate of labor accidents and disasters (in fiscal 2016*) and management systems supporting the reporting process. The boundary of these data is only NEC Corporation employees.

The information contained in the CSR Report 2017 and its presentation are the responsibility of the directors and governing body and the management of the organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the CSR Report 2017.

Our responsibility is to express an opinion on the text, data and statements within the scope of assurance with the intention to inform all the organization’s stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:

- Evaluation of content veracity;
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);

The assurance comprised a combination of pre-assurance research, interviews with the division of responsible for CSR and the person in charge of producing the report at the head office, onsite visits to the head office and Tamagawa Plant, verification and confirmation of vouchers, and review of related materials and records.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

*Fiscal 2016 is the period from April 1, 2016 to March 31, 2017

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; and environmental, social and sustainability report assurance. SGS Japan Inc. affirms its independence from the organization, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.
The assurance team was assembled based on the knowledge, experience and qualifications of each of the team members for this assignment, and comprised auditors registered with lead auditors of quality management systems (QMS), environmental management systems (EMS), occupational health and safety assessment systems (OHSAS), social accountability 8000 (SA8000) and lead verifiers of greenhouse gas emissions.

ASSURANCE OPINION
Within the scope of the assurance activities employing the methodologies described above, nothing has come to our attention that caused us to believe that the information and data contained within the CSR Report 2017 does not provide a fair and balanced description of the organization’s sustainability activities from 1st April, 2016 to 31st March, 2017 (The number and ratio of female managers is as of 1st April, 2017). The assurance team is of the opinion that the Report can be used by the Reporting Organization’s Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2009) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
The Organization identified the relationships between the business segments of the organization and social needs and various media such as GRI guidelines, ISO26000, SDGs, the United Nations Global Compact, and corporate surveys, and summarized social issues and social value creation in the “NEC Vision 2017 for Social Value Creation” as business organization issues. All relevant targets of stakeholders, such as customers, shareholders, investors, suppliers, the local community, employees and the global environment, are identified, and communications, such as external experts’ reviews, surveys, and Labor-Management Consultations, are performed by the respective divisions in charge. Needs and expectations received from stakeholders have been input into the organization through the relevant activities, and the responses have been considered. CSR issues are integrated into the business issues, and are reflected as the business activities of the organization through the Business Strategy Committee. The responses to the stakeholders are re-input into the stakeholder communication process, and the stakeholder engagement process is continually improved. The series of processes is available in the CSR Report.
SGS Japan Inc. confirmed the above processes through the assurance.

Materiality
The Organization determined the materiality of the extracted issues in consideration of the context of the Organization and the social needs, and took relevant actions to address the issues in the entire organization and the relevant divisions through the business activities. The Organization set the targets to be achieved in the relevant divisions where possible. The series of processes is available in the CSR Report.
SGS Japan Inc. confirmed the above processes through the assurance.

Responsiveness
The Organization addresses the identified issues as the business activities of the relevant divisions. The Organization makes various efforts, so that the entire organization is consistently aware of activities with high ethical values. The Organization considers the items to be disclosed depending on the degree of interest of stakeholders and the requests for disclosures from the corporate surveys, and discloses them through various media including the CSR report.
Direct dialogues with stakeholders are also conducted through various communications.
SGS Japan Inc. confirmed the above processes through the assurance.

For and on behalf of SGS Japan Inc.
Senior Executive & Business Manager
Certification and Business Enhancement
Yuki Takeuchi
9th June, 2017
Signed: