

Respecting Human Rights

Policy

As a company that operates its business globally and aims to realize a safe, secure, efficient, and equal society where everyone can live abundant lives, we believe that it is imperative for us to mitigate and prevent any negative impacts our corporate activities may have on human rights. Guided by this belief, NEC makes it clear that it endeavors to respect human rights under all circumstances in the NEC Group Charter of Corporate Behavior and the NEC Group Code of Conduct, which are the foundations of its corporate activities.

NEC upholds the United Nations' (UN) International Bill of Human Rights^{*1}, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the 10 principles of the UN Global Compact^{*2}. It also seeks to improve its initiatives across its whole Group companies on respecting human rights by taking into account trends in international standards and laws, such as the UN's Guiding Principles on Business and Human Rights and Sustainable Development Goals (SDGs), the UK Modern Slavery Act, and the EU General Data Protection Regulation (GDPR).

In 2015, NEC formulated the "NEC Group Human Rights Policy" (next page), which states that NEC will promote initiatives on respecting human rights across its entire value chain by dialogue and consultation with its stakeholders and implementing human rights due diligence^{*3}.

^{*1} It refers collectively to the Universal Declaration of Human Rights, and the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights which were adopted by the UN General Assembly.

^{*2} NEC has been a member since 2005. The 10 principles of the UN Global Compact are based on global agreements such as the Universal Declaration of Human Rights and ILO's Declaration on Fundamental Principles and Rights at Work and include items such as support for the protection, maintenance, and respect for human rights, the eradication of forced labor and the prohibition of child labor.

^{*3} Human Rights Due Diligence refers to the process that includes the assessment of risk and identification of issues which are caused by the company's business operation and have negative impacts on human rights, the response to the identified issues (the integration into management), the monitoring of the results, and the reporting of a series of the initiatives.

▶ [NEC Group Charter of Corporate Behavior](#)

▶ [NEC Group Code of Conduct](#)

NEC Group Human Rights Policy

April 2015

1) Policy statement

NEC Corporation and its consolidated subsidiaries (“NEC”) aim to realize an information society in which people all over the world can live more safely and securely. All of NEC’s actions are governed by a pledge to act responsibly on behalf of future generations to ensure social, environmental, and economic progress. NEC is committed to comply with the strictest corporate ethics standards and respect all applicable international and national laws and human rights in the countries in which we operate.

NEC recognizes that it has, as a global company, a responsibility in addressing the potential impacts that its products, business activities, and relationships (“corporate activities”) may have on human rights. NEC supports the fundamental rights of individuals and workers in reference to guidelines set out by the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the related European Commission’s ICT Sector Guide, and the International Labor Organization (ILO).

2) NEC’s commitment on human rights

Every officer and employee of NEC is required to respect all human rights in compliance with the fundamental principles of the NEC Charter of Corporate Behavior, the NEC Code of Conduct, and its management approach (The NEC Way):

- (1) In every aspect of all corporate activities, we will respect fundamental human rights and will not act in such a way that may offend the dignity of any individual or be prejudicial on the grounds of race, beliefs, age, social position, family origin, nationality, ethnicity, religion, gender and gender identity, sexual orientation, physical or mental handicap.
- (2) We will abide by the rules and regulations of each country or region for hiring and labor practices. However, we will never accept child labor or forced labor, under any and all circumstances.
- (3) We, as an ICT provider, will strive not to cause or contribute to human rights violations on data privacy and security through our business activities.

In addition, NEC expects its business partners and other parties in the value chain to apply the same level of respect for human rights and to address any existing measures that would be recognized as insufficient.

3) Engaging with stakeholders to respect human rights

NEC will engage with its stakeholders to address the following commitments in every aspect of its corporate activities:

- (1) NEC will develop and implement human rights due diligence to address the actual or potential negative impact of its corporate activities on human rights. NEC will identify and assess actual or potential human rights risks and take measures to mitigate or prevent those risks in a consistent manner. In addition, NEC will develop processes to disclose findings externally as part of the company’s wider efforts to strengthen transparency and accountability.
- (2) Where NEC’s corporate activities result in negative human rights impacts caused either directly or indirectly, the company will endeavor to provide for or to cooperate to the remedy of those impacts and will take appropriate measures to prevent their recurrence.
- (3) Where national laws are in conflict with internationally recognized human rights, NEC will seek solutions that support the respect of the principles of international human rights.
- (4) NEC is committed to provide appropriate training, promote better awareness of human rights, and implement other initiatives such as capacity-building, for all its officers and employees to ensure that this policy and human rights due diligence are implemented adequately.

Activity Objectives, Achievements and Progress

Objectives for the Mid-term (from fiscal 2019 to 2021)

- Promote understanding of officers and employees on recent trends in global human rights issues
- Establish a common, company-wide framework for implementing human rights due diligence process
- Mitigate and prevent human rights violations by implementing human rights due diligence process (Planned to be implemented from fiscal 2020)

Objectives, Achievements and Progress, and Degree of Completion

(Degree of completion: ◎Achieved, ○Mostly Achieved, △Some Progress, ×No Progress)

Objectives for the Mid-term	FY2018 Objectives	FY2018 Achievements and Progress	Degree of Completion	FY2019 Objectives
1. Promote and establish human rights due diligence activities	<ul style="list-style-type: none"> Promote implementation of related activities into the human rights management system. 	<ul style="list-style-type: none"> Published the statement for NEC Corporation and its consolidated subsidiaries, Compliance with the UK Modern Slavery Act. Established task force in order to respond to modern slavery, and continuation of its initiatives. 	△	• (Revised FY2019 objectives, refer to item No. 4.)
2. Strengthen initiatives to raise awareness of human rights across the whole NEC Group	<ul style="list-style-type: none"> Analyze the latest trends in human rights issues and hold study meetings for management-level employees. Confirm structures and help-desks for human rights activities at each Group company; Provide information and training materials related to human rights awareness. Strengthen initiatives to prevent recurrences of human rights violations. 	<ul style="list-style-type: none"> Conducted e-Learning modules primarily aimed at promoting diversity including eradication of discrimination (Attendance rate: 90.6%). Held NEC Group Diversity Promotion Meeting to discuss trends on global human rights issues with human resource officers of Group companies; Strengthening of collaborations to promote future human rights activities. Held Human Rights Promotion Committee to discuss trends on global human rights issues with General Managers of Business Unit Planning Division. 	○	• (Revised FY2019 objectives, refer to item No. 3.)
3. Promote understanding of officers and employees on global human rights issues	–	–	–	<ul style="list-style-type: none"> For officers; Hold dialogue or lecture by experts. For employees; Conduct an e-Learning. Target attendance rate: 90.0%.
4. Formulate company-wide framework pertaining to the implementation of human rights due diligence	–	–	–	<ul style="list-style-type: none"> Formulate common company-wide process for assessment of risk and identification of issues via a task force.

Promotion Framework

Human Rights Promotion Committee

NEC has established a Corporate Human Rights Promotion Committee and a Business Unit Human Rights Promotion Committee in 1997. The Committee spearheads the discussion, establishment and implementation of basic activities and promotion of in-house trainings for human rights awareness, such as elimination of discrimination and prevention of harassment. These activities are also being promoted throughout the NEC Group by establishing similar frameworks at each Group company.

As the coverage where negative impacts on human rights caused by its corporate activities need to be mitigated and prevented has expanded to the supply chain and, in addition, the entire value chain, the divisions, such as the Procurement Division, which involve in each area of the value chain and have begun to conduct initiatives more proactively for respecting human rights are increasing.

In response to trend like above, NEC is proceeding with the formulation of a common company-wide framework for unitarily promoting activities for respecting human rights across the entire value chain.



Main Activities and Results for Fiscal 2018

Human Rights Issues Addressed by NEC

NEC recognizes the following items as considerable human rights issues as the results of considering the nature of its corporate activities and the global trends on human rights issues. Each division responsible for the areas from where these issues arise is taking lead in implementing measures to mitigate and prevent any negative impacts on human rights.

- Human rights issues of NEC:
 - Promotion of diversity including elimination of discrimination and prevention of harassment
 - Prevention of human rights violations on privacy caused by our provision of ICT
 - Prevention of modern slavery such as prevention of forced labor and human trafficking
- Human rights issues across its supply chain:
 - Promotion of respecting for human rights in labor practices such as prevention of modern slavery
 - Response to issues related to conflict minerals

While recognizing the processes stipulated in the "NEC Group Human Rights Policy" and the UN's "Guiding Principles on Business and Human Rights", NEC is taking action against human rights issues and is currently proceeding with the formulation of a common company-wide framework for implementing human rights due diligence in order to enhance the effectiveness of its initiatives.

Awareness Raising

NEC provides awareness raising activities including trainings and others with all officers and employees responsible for ensuring respecting human rights in operating its corporate activities, in order to deepen their awareness on respecting human rights and promote their understandings of global trends on human rights issues. The following are the activities in fiscal 2018.

- A training entitled "Human rights related to the Corporation" aimed at promoting the understanding of the relationship of business and human rights, social integration and other human rights that must be considered in conducting business was held for each management layer such as officers and new members. (566 participants)
- A web-based training program aimed at promoting diversity in the workplace and deepening understanding on issues related to women, balancing work with child and nursing care, disabled persons, foreign nationals, LGBT, etc. was held for all management-level employees. (8,026 participants)
- A lecture aimed at ensuring fair recruitment and providing equal employment opportunities was held for persons in charge of recruitment interviews. Examples of proper interview questions from the perspective of respecting human rights were introduced to enable interviewers to make judgments based only on the person's capability and suitability for the job, and avoid questions that lead to discrimination and offend the dignity of an individual. (Approx. 400 participants)
- A seminar aimed at enhancing understanding of laws relevant to use of camera images and privacy to be considered was held for NEC Group employees who may handle products and solutions for use of camera images. In this seminar, lectures and panel discussions by specialists including university professors and a lawyer were conducted. (Approx. 500 participants)

Number of people that have attended human rights awareness training (Scope: NEC Corporation)

	FY2016	FY2017	FY2018
Web-based training *1	22,063	20,296	8,026
Lectures *2	1,070	1,031	586

*1 E-learning for all employees ("Human rights related to the Corporation" and "Diversity in the Corporation" are held every year (attendance required). In fiscal 2018, as the training was held for management-level (not for all) employees, the number of participants decreased.

*2 In fiscal 2018, as some lectures were excluded from the certain management layers as a consequence of reviewing their contents, the number of participants decreased.

In addition to these trainings, NEC is also actively promoting awareness and understanding on human rights within the local community through the following social contribution activities.

- NEC has supported wheelchair tennis for more than 27 years, NEC employees participated in volunteer activities, such as by serving as linespersons in national competitions since 1991.
- NEC has supported "ICT Communication Support Course for people with severe disabilities" to spread and promote awareness on using IT to support communication of people with severe disabilities, such as amyotrophic lateral sclerosis (ALS) and muscular dystrophy, since 2008.
- NEC has supported NEC Network Safety Classes for pupils in elementary and junior high schools to enjoy and learn how to use the Internet safely based on the Children's Rights and Business Principles developed by Save the Children (NGO), UN Global Compact and UNICEF since 1999.

NEC is one of the main corporate members of the Working Group on Human Rights Due Diligence run by the United Nations Global Compact Network Japan. NEC endeavors to improve and enhance its own global initiatives based on the latest information regarding trends and cases on human rights obtained through participation to the Working Group.

Compliance with the UK Modern Slavery Act

The UK Modern Slavery Act was enacted in the UK to prevent forced labor, human trafficking, and other modern slavery practices. Section 54 of the Act requires UK corporations as well as foreign commercial organizations that meet certain criteria to publish a statement on measures to prevent modern slavery within the organization and across its supply chain. NEC Corporation issued the statement on behalf of itself and its consolidated subsidiaries in 2017.

[NEC Group Statement for UK Modern Slavery Act 2015](#)

The statement asserts that NEC Group companies respect human rights and will never accept forced labor based on the NEC Group Charter of Corporate Behavior, the NEC Group Code of Conduct and the NEC Group Human Rights Policy. It also explains the various measures implemented to prevent modern slavery within the NEC Group organization and across its supply chain.

Additionally, NEC has established a task force composed of relevant divisions and continually ensures the prevention of modern slavery within the NEC Group organization and its supply chain. The following are the activities conducted in fiscal 2018.

- Initiatives within the NEC Group organization:
 - The purpose and content of the UK Modern Slavery Act and NEC's compliance status were explained to General Managers of Business Unit Planning Division and Officers in charge of human resource of NEC Group companies.

- Initiatives across the NEC Group's supply chain:
 - NEC revised the NEC Group Procurement Policy and the NEC Group Supply-Chain CSR Guidelines to clarify that it prevents modern slavery and requests its suppliers to ensure the prevention of modern slavery.

Operational Grievance Mechanism: Human Rights Hotline

To mitigate and prevent negative impacts on human rights caused by its corporate activities, and to reinforce initiatives to promote respecting human rights, NEC has set up contact points to receive inquiries and consultations on human rights from stakeholders.

- Human Rights Hotline
The Human Rights Hotline has been set up at the Human Resources Division in each area and within each Business Unit, where assigned personnel receive inquiries and consultations about human rights from employees including temporary employees through telephone and/or email. A system has been set in place to protect the privacy and avoid any disadvantageous treatment of employees who use the hotline. Outside Japan, the Compliance Hotline as the contact point receives consultations on human rights.

Once violation of human rights has been recognized through consultations with the Human Rights Hotline, the Human Resources Division works with the relevant divisions to resolve and prevent such violations.

A total of 49 inquiries and consultations including those regarding harassment (14 on power harassment and 4 on sexual harassment) were received in fiscal 2018.

NEC receives inquiries and consultations on human rights from suppliers through the Compliance Hotline, while those from customers and residents of local communities through the Customer Communications Center. As the same with the Human Rights Hotline, systems have been set in place to protect the privacy and avoid any disadvantageous treatment of those who use these contact points.

Promoting Human Rights in Europe Middle East and Africa (EMEA)

In the EMEA region, NEC Europe proceeds with formulating policies on the sustainability of the entire NEC Group, which works in the EMEA region.

Awareness Raising

In the EMEA region, NEC Europe puts emphasis on activities to promote employees' understanding on human rights issues.

NEC Europe implements the on-line education course to familiarize employees with the NEC Group Code of Conduct. The contents of this course are periodically reviewed to incorporate the latest information regarding the global trends in human rights issues, such as the UK Modern Slavery Act, data protection, and the consideration for privacy, as well as the impacts on our business if we handle them wrongfully or incautiously. We also monitors the employees if they have taken the course or not.

Moreover, our subsidiaries within the EMEA region adopt the process where each division's director or its president should report the corporate executives once in a quarter about his/her division's activities regarding the social, labor rights, safety, environmental stewardship, and its supply chains issues, with their progress statuses, and with the information if there was any violation. By this process, executives of subsidiaries are available to make business decisions considering ESG (the environment, social and governance).

In addition, if there is the information that may have an impact to our or each subsidiary's business, we post it on our intranet site to get our employees attention.

NEC Europe participates in a working group of the UN Global Compact. We use the information that we obtained there to improve our activities for the human rights issues in EMEA region.

Promotion of Procurement Activities Compliant with Each Laws and Guideline

In the procurement activities for suppliers, we review the EMEA Procurement Policy as necessary, and promote CSR procurement that conforms to unique guidelines in regions and countries of customers, such as the Broad-Based Black Economic Empowerment (BBBEE) of South Africa.

NEC Europe also cooperates with surveying the efforts to the sustainability including labor and human rights, which are conducted by external organizations.

Allowing or not allowing the transactions with new suppliers is determined by the due diligence process. The due diligence process assesses the risks if they are high or low according to the types of offered products and services, and geographical factors or others, which are also reviewed cross-functionally by the relevant sections.

NEC Europe monitors the types and severity of risks checked through the assessment of suppliers, and analyzes the potential risks pertaining to corruption, bribery, and breach of human rights, in consideration of NEC's operations, business, and locations.

Operational Grievance Mechanism (OGM)

NEC has established the Operational Grievance Mechanism also in the EMEA region, and monitors the number of cases received. Suppliers may send inquiries via procurement desk personnel or via the web where we have established the online desk as well. In addition, they can also directly send an email to the Legal Division of NEC Europe. By providing multiple routes for accepting suppliers' inquiries, NEC Europe ensures that they can easily contact NEC Europe for their questions and issues pertaining to business transactions.