1. Introduction

At NEC, we consider CSR initiatives to be inseparable from corporate activities. We aim to ensure the sustainable development of society and the NEC Group by implementing The NEC Way. Our objective is to realize "an information society friendly to humans and the earth" as set forth in the NEC Group Vision 2017. We are striving to help solve issues faced by customers and society through our business activities, based on the rigorous enforcement of compliance. Through this approach, we hope to gain the trust and support of all stakeholders, which in turn will support business profitability and growth.

In April 2004, the NEC Group Charter of Corporate Behavior and NEC Group Code of Conduct were formulated to support more systematic and strategic CSR activities. We appointed a CSR officer and established a specialized organization Division to promote CSR activities across the group. Moreover, we established the Risk Control and Compliance Committee which provides a forum for the management of business units to deliberate on important issues. We have been a signatory to the United Nations Global Compact since June 2005. The basic philosophy of the Global Compact relies on ten principles of business activities related to human rights, labor, environment and anti-corruption. We will achieve this commitment through the support of our staff, and the embedment of related activities into our daily operations, and the promotion of CSR-driven business based on the ISO 26000.

Meanwhile, we deeply believe in the importance of cooperation and collaboration with our suppliers in order to acquire customer’s satisfaction and to maintain mutual growth with stakeholders. With regards to our procurement activities, and for the purpose of promoting CSR, we describe how we manage sustainable and ethical procurement in the NEC Group Procurement Policy. A collaborative approach on CSR with suppliers will contribute to the development of our corporate values and our sustainable growth.

Collaboration at industry-level is necessary to implement effective CSR in the whole supply-chain. Suppliers are requested to cascade CSR actions (promotion, monitoring and supervising) not only to their own companies, but also to their upstream suppliers.

We hope this guideline helps CSR promotion in all supply-chain companies.

For detailed NEC’s vision:
2. Aim of Supply-Chain CSR Guideline

This guideline is aimed for NEC Group to promote CSR promotion with suppliers mutually. We request suppliers (1) to understand the CSR activities at NEC Group and (2) to understand the CSR activities which NEC Group requests suppliers to promote.

3. CSR Approach at NEC Group

At NEC, we consider CSR initiatives to be inseparable from corporate activities. We aim to ensure the sustainable development of society and the NEC Group by implementing The NEC Way.

It is crucial that companies recognize that their existence is premised on society, and at the same time is part and parcel of the global environment that is precious to all forms of life on the earth. NEC defines the brand statement “Orchestrating a brighter world” and provides solutions to worldwide social issues for the realization of a global society where everyone has the opportunity to lead positive and abundant lives. To this end, in the course of daily operations, every employee will rigorously adhere to corporate ethics and compliance standards, practice the NEC Group Core Values (what we value and base our behavior on), and helps solve issues faced by customers and society.

Our important responsibilities also include ensuring full accountability through the active disclosure of information on the results of our CSR initiatives and related issues, and communicating with stakeholders to improve our corporate activities and build trust. NEC considers CSR-driven management to be management based on the foregoing approaches.

[Sustainable Management in NEC Group]
NEC Group Charter of Corporate Behavior

The NEC Group Charter of Corporate Behavior is composed of ten principles that provide a guide to the corporate activities required of members of the NEC Group from the perspective of fulfilling NEC’s social responsibilities.

NEC Group Charter of Corporate Behavior

The NEC Group works to improve profitability through sound business activities and to achieve dynamic development so as to benefit society. To this end, the Group is aware of the need to enhance its corporate value not only by observing all relevant laws and regulations, but also by fulfilling its social responsibilities as a good corporate citizen. At the same time, the Group must win the trust of customers, shareholders, investors, suppliers, the community at large, its employees, and all other stakeholders.

Attaining Customer Satisfaction
The NEC Group earns customer satisfaction and confidence by developing and offering beneficial and reliable products and services and by paying careful attention to safety.

Developing New Technologies
The NEC Group strives to develop creative technologies and break ground in new areas of business that will contribute to the future prosperity of society.

Conducting Fair Corporate Activities
The NEC Group promotes fair, transparent, and free competition between corporations and ensures that its relationships and dealings with government agencies and political bodies are of a normal and proper nature.

Disclosing Information
The NEC Group delivers accurate and sufficient corporate information in a timely, clear, and appropriate manner while enhancing the transparency of its corporate activities.

Preserving the Global Environment
The NEC Group reduces the impact on the global environment and contributes to building a sustainable society.

Maintaining Good Relations with the Community
The NEC Group respects the customs and cultures of all regions and countries and manages its activities in a way that contributes to community development.

Conducting Thoughtful Corporate Citizenship Activities
The NEC Group fully recognizes that it is a key member of society and actively engages in philanthropy and other activities of social benefit as a good corporate citizen.

Protecting Human Rights
The NEC Group respects human rights in all its corporate activities, never accepting any discriminatory practices or child or forced labor.

Valuing Employees
The NEC Group respects each employee’s individuality and creates work environments where all its employees can fully demonstrate their abilities and carry out their jobs with enthusiasm.

Protecting Intellectual Property and Personal Information
The NEC Group recognizes the value of intellectual property and personal information and properly manages them.
NEC Group Code of Conduct

To win the trust of customers, shareholders, investors, suppliers, the community at large, employees, and all other stakeholders, the NEC Group Code of Conduct specifies the behavior expected of each and every officer and employee in the course of daily business activities, mainly from the perspectives of compliance and corporate ethics.

NEC Group Code of Conduct

I. General Provisions
   1. Purpose and Application of the Code of Conduct
   2. Basic position
   3. Accountability for Adherence to this Code
   4. Compliance Hotline
   5. Establishment and Revision of This Code

II. Relations with Society
   1. Preservation of the Environment
   2. Contributions
   3. Political Funds
   4. Prohibitions on Involvement in Anti-Social Activities

III. Relations with Customers, Business Partners, and Competitors
   1. Product and Service Safety
   2. Free Competition and Fair Commercial Transactions
   3. Policies on Transactions with Suppliers of Materials and Services
   4. Policies on Transactions with Distributors
   5. Policies on Entertainment and Gifts
   6. Policies on Import-Export Transactions
   7. Policies on Publicity and Advertising

IV. Relations with Shareholders and Investors
   1. Disclosure of Corporate Information
   2. Prohibition of Insider Trading

V. Management of Company’s Assets and Information
   1. Management and Proper Use of Company’s Assets
   2. Handling of Confidential Information
   3. The Protection and Utilization of Intellectual Property Rights

Details: http://www.nec.com/en/global/about/code.html
4. Request for Suppliers

CSR activities are initiated voluntarily by each individual company; however the promotion of CSR through the supply-chain is imperative for NEC Group to fulfill its own responsibilities. Therefore, suppliers are encouraged to promote CSR activities in accordance with the practice of NEC Group. The ISO 26000 –Guidance on social responsibility - describe that CSR is necessary within procurement and purchasing for ‘Promoting social responsibility in the sphere of influence’ in the subject of ‘Fair operating practice’ which is one of ISO 26000’s core subjects. Suppliers are requested to exercise due diligence and to integrate CSR in their own organizational activities.

Suppliers are requested to take actions on the risk management priorities, described as follows.

- Fully Understanding and enforcement of Compliance

   Every company must observe laws, regulations and corporate ethics in business activities. Suppliers are strongly requested to understand thoroughly that compliance is the minimum prerequisite to continued business with the NEC Group.

- Risk Management Priorities

   NEC Group sets the risk management priorities as follows:

   1. Product Quality and Safety
   2. The Environment and Biodiversity
   3. Information Security
   4. Fair Trading
   5. Occupational Health and Safety
   6. Human Rights

   NEC Group defines the risk management program described in Table 4-1, corresponding to the risk management priorities, including supply-chain companies. Suppliers are requested to practice the items shown in Table 4-1 as priorities.

   If this supplier-side CSR practice is a conspicuous violation from risk management priorities shown in Table 4-1, it might be necessary to suspend the trade relationship. NEC Group may request CSR questionnaires, and/or site audit to supply-chain companies in order to review the supplier’s CSR practice. Suppliers’ cooperation to such questionnaires/audit is highly appreciated.
- Collaboration with Upstream Companies in Supply-Chain

In recent years, we have been faced with social and environmental issues which cannot be solved without the collaboration of upstream companies through supply-chain. NEC Group established policies for important issues such as 1) business continuity, 2) conflict minerals, 3) REACH regulation. Suppliers are requested to cooperate to promote collaboration with upstream companies.

**Business Continuity Policy**

NEC Group considers business continuity as an aspect of CSR. Indeed, the interruption of a supplier’s business due to certain disasters can have negative impacts not only on NEC Group’s business but also on the living and social infrastructure of consumers. NEC Group has three common policies governing business continuity plan (BCP) formulation

- Protect the lives and safety of employees and other people
- Fulfill the social duties expected of NEC: Maintain and rebuild critical systems in areas such as communications, public infrastructure, traffic, defense and finance
- Minimize any economic damage caused by business disruptions

Suppliers are requested to promote BCP activities based on the practice of NEC Group, and to provide a prompt report to NEC Group in the event of any issues.

**Conflict Minerals Free Policy**

NEC Group has a policy governing conflict minerals issue which states that NEC Group will never use conflict minerals unjustly sourced in NEC products and will never purchase goods that contain conflict minerals unjustly sourced. Suppliers are requested to agree with this policy and to carry out the appropriate management to ensure compliance.

[Definition]

*Unjustly sourced*
Which finance or benefit directly or indirectly armed groups in the Democratic Republic of the Congo or an adjoining country.

**REACH Coping Policy**

NEC Group has a policy to manage REACH regulation appropriately. In order to comply with REACH, it is necessary to monitor the chemical information of goods. Suppliers are requested to provide NEC Group with the chemical information through upstream companies in the supply-chain automatically.
<table>
<thead>
<tr>
<th>Risk Management Priority</th>
<th>Action Item</th>
<th>ISO26000</th>
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<tbody>
<tr>
<td>(CSR General Requirement)</td>
<td>Promote positive CSR activities.</td>
<td>6.2</td>
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<tr>
<td></td>
<td>Contribute to the community and society.</td>
<td>6.8</td>
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<tr>
<td>Product Quality and Safety</td>
<td>Ensure product safety.</td>
<td>6.7</td>
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<tr>
<td></td>
<td>Establish and apply a quality management system.</td>
<td>6.7</td>
</tr>
<tr>
<td>The Environment and Biodiversity</td>
<td>Control hazardous chemicals in products.</td>
<td>6.5</td>
</tr>
<tr>
<td></td>
<td>Control hazardous chemicals in manufacturing.</td>
<td>6.5</td>
</tr>
<tr>
<td></td>
<td>Establish and apply an environmental management system.</td>
<td>6.5</td>
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<td></td>
<td>Minimize environmental pollution (water, soil, air).</td>
<td>6.5</td>
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<td></td>
<td>Obtain environmental permits.</td>
<td>6.5</td>
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<td></td>
<td>Promote resource and energy saving by reusing, reducing, and recycling.</td>
<td>6.5</td>
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<td></td>
<td>Promote waste reduction.</td>
<td>6.5</td>
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<td></td>
<td>Promote green-house gas reduction.</td>
<td>6.5</td>
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<td></td>
<td>Disclose environmental preservation activities.</td>
<td>6.2</td>
</tr>
<tr>
<td>Information Security</td>
<td>Secure computer networks against threats.</td>
<td>6.7</td>
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<td></td>
<td>Prevent the leakage of personal information.</td>
<td>6.7</td>
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<td>Prevent the leakage of customer and third-party confidential information.</td>
<td>6.7</td>
</tr>
<tr>
<td>Fair Trading</td>
<td>Prohibit corruption and bribery.</td>
<td>6.6</td>
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<td></td>
<td>Prohibit abuse of a superior position.</td>
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<td></td>
<td>Prohibit the giving and receiving of inappropriate profit and advantage.</td>
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<td></td>
<td>Prohibit interference with free competition.</td>
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<td></td>
<td>Provide correct information on products and services.</td>
<td>6.7</td>
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<td>Respect intellectual property.</td>
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<td></td>
<td>Use appropriate export procedures.</td>
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<td></td>
<td>Disclose appropriate company information.</td>
<td>6.2</td>
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<td></td>
<td>Detect injustice promptly.</td>
<td>6.6</td>
</tr>
<tr>
<td>Occupational Health and Safety</td>
<td>Apply safety measures for equipment and instruments.</td>
<td>6.4</td>
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<td></td>
<td>Promote safe activities in the workplace.</td>
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<td></td>
<td>Promote hygiene in the workplace.</td>
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<td>Apply appropriate measures for occupational injury and illness.</td>
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<td></td>
<td>Properly manage disasters and accidents.</td>
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<td></td>
<td>Be careful about physically demanding work.</td>
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<td></td>
<td>Promote safety and hygiene in all company facilities.</td>
<td>6.4</td>
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<td></td>
<td>Promote health maintenance programs for employees.</td>
<td>6.4</td>
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<tr>
<td>Human Rights</td>
<td>Respect voluntary work and prohibit forced labor.</td>
<td>6.3</td>
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<tr>
<td></td>
<td>Prohibit inhumane treatment and infringements of human rights.</td>
<td>6.3</td>
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<td></td>
<td>Prohibit child labor.</td>
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<td>Prohibit discrimination.</td>
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<td></td>
<td>Pay appropriate wages.</td>
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<td></td>
<td>Control working hours.</td>
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<td></td>
<td>Respect the right to freedom of association.</td>
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</table>

*ISO26000 Seven Core Subjects

5. Action Items in Table 4.1

The followings are supplements for each requested action item. These items are based on the Supply-Chain CSR Deployment Guidebook published in August 2006 by the Japan Electronics and Information Technology Industries Association (JEITA)

I CSR General Requirement

[I-1] Promote positive CSR activities

Suppliers are requested to understand their social responsibility and to promote CSR activities positively.

[I-2] Contribute to society and community

Suppliers are expected to practice proactive voluntary activities to contribute to the development of global society and local community.

The activities to contribute to the development of global society and local communities mean the support using company’s management resources.

Typical approaches are as follows:
- Social contribution using regular business operation and existing technologies.
- No pecuniary social contribution using facilities and human resources, etc.
- Monetary social donation

And the followings are concrete examples:
- Cooperation with communities at a time of disaster
- Employee’s volunteering
- Activity support of/donation to/transmission
- Introduction of various information of NPO and NGO

Each company determines the possible activity range and works on such contributions to society positively.
II  Product Quality and Safety

[II-1] Ensure product safety

Suppliers are requested to satisfy safety standards defined by laws and regulations by each country, for products when they develop/design on their own responsibility.

In the product design phase, the product safety shall be sufficiently ensured with consideration of the product liability and responsibility as a manufacturer. On product safety, normally requested safeties as well as compliance with laws are considered.

The followings are examples of laws on product safety in Japan:
- Electrical Appliance and Material Safety Law
- Consumer Products Safety Law
- Household Goods Labeling Law

Safety standards are defined in detailed regulations of laws, JIS, etc. International safety standards include UL, BSI, and CSA.

Securing of product safety includes management of traceability (history of materials, parts, processes, etc.) and prompt response for problem solving.

[II-2] Establish and apply a quality management system

Suppliers are requested to establish and implement a quality management system.

The quality management system is a part of the overall quality management system that includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources to promote quality assurance activities.

Quality assurance activities here mean to develop, implement, achieve, review, and to maintain the quality policy in order to promote the continuous improvement program using the so-called PDCA (Plan Do Check Action) closed-loop.

Some of the typical quality management systems are ISO9000 family, ISO/TS16949, and ISO13485.
III  The Environment and Biodiversity

[III-1] Control hazardous chemicals in products

Suppliers are requested to control chemical substances (contained in products) defined by laws and regulations.

The products must be under control not to include chemical substances that are specified as to not to be included by the law. Additionally, mandatory labeling and testing must be performed.

[III-2] Control hazardous chemicals in manufacturing

Suppliers are requested to control chemical substances (used in manufacturing processes) defined by local laws and regulations.

The manufacturing process must be under control not to utilize the chemical substances that are specified as not to be included by the law. And grasping amount of emission to the external environment and reporting it to government, and trying to reduce the amount of emission of relevant substance are also necessary actions.

[III-3] Establish and apply an environmental management system

Suppliers are requested to establish and implement an environmental management system.

The environmental management system means the part of overall environmental management system that includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources to promote environmental activities.

Environmental activities mentioned here forth means to develop, implement, achieve, review, and to maintain the environmental policy in order to promote the continuous improvement program using the so-called PDCA (Plan Do Check Action) closed-loop.

One of typical environmental management systems is ISO14001, which can receive a third-party certificate.

[III-4] Minimize environmental pollution (water, soil, air)

Suppliers are requested to be in compliance with local laws and regulations of drainage, sludge and air emissions and to improve such environmental pollution by voluntary criteria as needed.
Voluntary criteria are required to have goals in order to reduce the environment impacts more than the standard defined by laws. Besides preventing the occurrence of common nuisance, the following activities are good practices for further improvement: improvement of monitoring, controlling, processing of drainage/sludge/exhaust etc. and reduction of their amount.

[III-5] Obtain environmental permits

| Suppliers are requested to obtain necessary environmental permits defined by local laws and regulations, and to submit necessary reports to the government. |

In the case of Japan, the following are examples of legal obligations to install officers who have legally-defined qualifications:

- Waste Disposal and Public Cleaning Law: Responsible officer of specially controlled industrial waste
- Law Concerning the Rational Use of Energy Qualified person for energy management in factories that use more than a certain level of energy
- Air Pollution Control Law etc.: Officer in charge of pollution control in the factories that emit chemical substances, dust, exhaust, and so on.

Officers in charge of poisons, specified chemical substances, and hazardous materials are also obliged to be installed depending on the chemical substances used in the business. Government permits/licenses concerning environmental influence evaluation and facilities dealing with hazardous material may be needed depending on the contents of the business and location of the factory.
[III-6] Promote resource and energy saving by reusing, reducing, and recycling (3R)

Suppliers are requested to define a voluntary goal of natural resources and energy saving, and to implement continuous activities for efficient usage.

A resource saving is to strive to effectively utilize resources. Typical programs are as follows:
- Reduction of waste and material usage to make the product
- Utilization of recycled resource and parts etc.

Energy saving is to strive to save the use of heat and electric energy. By saving energy, fuel resource such as oil, natural gas, coal, coke etc. can be used effectively.

3R stands for Reduce, Reuse, and Recycle.

[III-7] Promote green-house gas reduction

Suppliers are requested to define a voluntary goal of the green-house gas reduction, and to implement continuous activities for further reduction.

Although there are various types of greenhouse gases, the following six types of substance groups are specified particularly in the Kyoto Protocol: carbon dioxide, methane, nitrogen dioxide, HFC, PFC, and SF6.

Setting voluntary goal for reduction, making plans, and surely implementing the plans for these six types of greenhouse gases are good practice of continuous reduction activities.

[III-8] Promote waste reduction

Suppliers are requested to define a voluntary goal of the eventual waste reduction, and to implement continuous activities for further reduction.

The eventual wastes are defined as wastes for which earth filling or incineration is required.

Setting voluntary goal of reduction, making plans, and surely implementing the plans for the eventual wastes are good practice of continuous reduction activities.
**[III-9] Disclose environmental preservation activities**

Suppliers are requested to disclose outcomes of environmental activities appropriately.

Typical outcomes of environmental activities are as follows:

- Measures implemented for environmental preservation
- Emissions to air/drainage/lands
- Amount of used resources, wastes, and so on

Also, environmentally harmful outcomes that business establishments have caused are included.

To summarize outcomes regularly, it is good practice to define the organization and to assign responsible officers to conduct environmental preservation activities, who continuously take records concerning management indicators of environmental preservation activities, achievement of the activity objectives, and important matters relating to other environment.

Disclosures of environmental reports and/or necessary reports to stakeholders are examples of disclosing methods.
IV Information Security

[IV-1] Secure computer networks against threats

Suppliers are requested to take protection against threats on the computer network, and to prevent damages to their company and others.

Threats on computer network refer to, as examples, computer viruses, computer worms, and spy wares.

If a computer connected to the Internet should get infected to computer threats, customer information and confidential information may be leaked out and/or these computer threats may attack computers of other companies, resulting in serious damages such as suspension of business or loss of credibility.

Therefore, it is important to take effective measures against such threats on computer network so as to avoid harmful influence inside and outside the company.

[IV-2] Prevent the leakage of personal information

Suppliers are requested to appropriately control and protect personal information of employees, customers, and third parties.

Personal information means information on live individuals that can identify a specific person by name, birth date, and other descriptions in the information (including information that can be easily compared with other information to identify a specific person.)

Appropriate control means construction and operation of the overall management scheme on personal information, including creation of regulations and guidelines to be observed by employees, making plans, implementing programs, internal audits, and reviews based on the management scheme.

Appropriate protection means not unreasonably or improperly obtaining, utilizing, disclosing, or leaking personal information.
[IV-3] Prevent the leakage of customer and third-party confidential information

Suppliers are requested to control and protect confidential information from customers and third parties.

Confidential information usually means information disclosed from a document, etc. (including electromagnetic- or optically-recorded data information) that is deemed as confidential, or orally disclosed after confidentiality is notified.

Proper control means construction and operation of the overall management scheme on personal information, including creation of regulations and guidelines to be observed by employees, making plans, implementing programs, internal audits, and reviews based on the management scheme.

Appropriate protection means not unreasonably or improperly obtaining, utilizing, disclosing, or leaking confidential information.
V  Fair Trading

[V-1] Prohibit corruption and bribery

Suppliers are requested to maintain a sound and normal relationship with politics and government administration without committing bribery and/or making illegal political donations.

“Bribe-giving” means acts of offering money, entertainment, gifts, or other benefits/conveniences to public servants or equivalent persons (hereafter called public employees), in pursuit of some business advantage in return, such as approval and license, acquisition/maintenance of trading, or access to nondisclosure information.

In addition, “bribe-giving” includes entertainment or gift-giving that is beyond social discipline even if it does not solicit any business reward.

“Illegal political donation” means acts of contributing political donation requesting some business advantage in return, such as approval and license, acquisition/maintenance of trading, or access to nondisclosure information. The political donation not following the proper legal procedures is included.

[V-2] Prohibit abuse of a superior position

Suppliers are requested not to create disadvantage for their suppliers by abuse of a superior position.

Abuse of a superior position means acts of unilaterally determining or changing trading conditions with suppliers or imposing irrational requests or obligations on suppliers by taking advantage of their superior position as a purchaser or outsourcer.

Procurement deals shall be fairly and faithfully conducted based on contracts without abuse of a superior position. In countries with legislation relating to abuse of a superior position, the relevant laws shall be observed. (E.g. National Contract Act in Japan)
### [V-3] Prohibit the offering and receiving of inappropriate profit and advantage

Suppliers are requested not to offer and/or to receive inappropriate benefits to/from stakeholders.

Typical examples of “Inappropriate benefit offering/receipt” are as follows:
- Bribery activity such as offering or receiving a gift, award, prize money, etc. beyond the bounds of the law to/from a customer
- Providing or accepting money/valuables or entertainment beyond the social discipline
- Act of supplying inappropriate benefit to an antisocial force (criminal organization, terror organization, etc.) that adversely affects public order or sound activities.
- Insider trading by which stock of a company is traded based on the critical nondisclosure information about operations of a customer, etc.

### [V-4] Prohibit impediment to free competition

Suppliers are requested not to impede fair, transparent, and free competition.

“Competition restrictive activities” mean acts of making prior agreements among companies in the same trade about product/service prices, quantities, sales areas, etc. (cartel), or prior arrangements with other bidders about a winning bidder and successful tender price (collusive bidding).
Furthermore, obtaining and utilizing trade secret of other companies in an illegal way, showing false indication and showing indication that confuses customers about other companies’ products are also referred as acts of unfair competition.
[V-5] Provide accurate information on products and services

Suppliers are requested to provide accurate information on products and services to consumers and customers.

Typical examples of the accurate information are as follows:

- Accurate specification, quality, and handling procedures about products/services.
- Accurate information on substances contained within products and their components.
- Sales promotion such as catalogs and advertisements for a product/service shall not use untruthful/incorrect expressions and descriptions that mislead consumers/customers, and shall not include information that slanders or infringes other companies or individuals.

[V-6] Respect intellectual property

Suppliers are requested not to infringe upon intellectual property rights.

“Intellectual property rights” (IPR) includes patent rights, utility model rights, design rights, trademark rights, copyrights, trade secrets, and so on.

Prior to development, production, sale, and/or provision of a product/service, preliminary IPR survey shall be sufficiently conducted about the intellectual properties of third parties. The usage of a third party’s intellectual property without permission constitutes an infringement of IPR, except for cases that have valid reasons.

Furthermore, illegal reproduction of computer software or another copyrighted work constitutes an infringement of IPR.

Likewise, illegal procurement and utilization of a trade secret of a third party also constitutes an infringement of IPR.
[V-7] **Use appropriate export procedures**

Suppliers are requested to streamline the clear-cut control system and execute proper export procedures, regarding exports of technologies and goods defined by laws and regulations.

“Technologies and goods regulated by laws and regulations” include parts, products, technologies, facilities, and software of which exports are stipulated by international treaty/agreement/regulations (such as Wassenaar Arrangement) and domestic laws.

Exporting may require specific procedures such as acquiring permission from the regulatory governmental authorities.

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[V-8] **Disclose appropriate company information**

Suppliers are requested to positively disclose company information for stakeholders, regardless of legal obligation.

The information to be provided/disclosed for stakeholders includes business activities content, financial status, business performance, risk information (e.g. damage by a large-scale disaster, occurrence of an adverse effect on the environment and society, discovery of a serious law violation), and so forth.

Disclosing and offering information of serious risk status to customers every time is an example of positive information provision.
Detect injustice promptly

Suppliers are requested to perform activities to prevent improper act, and to streamline the system to discover and to respond to improper act in an early stage.

“Activities to prevent improper act” means to train and enlighten employees as well as to create a rich communication in workplace.

Typical examples of measure for “system to discover and respond to improper act in an early stage” are as follows:

- Assign in-house and outside contact persons who handle improper act so that the top management can discover an improper act in an early stage.
- Try to ensure privacy of the whistleblower and protect the whistleblower appropriately.
- Quickly respond to an improper act, and provide the response result to the whistleblower.
VI  Occupational Health and Safety

[VI-1] Apply safety measures for equipment and instruments

Suppliers are requested to apply appropriate safety measures for equipment and instruments used in their company.

Appropriate safety measures mean the management to prevent accidents and health problems occurring on the job.

The following are examples of appropriate control:
- Adoption of safety mechanisms such as called fail-safe, foolproof, and inter-lock
- Installation of safety devices and protective barriers
- Periodical inspection and maintenance of machinery

[VI-2] Promote safe activities in the workplace

Suppliers are requested to evaluate their own safety risks and to ensure safety in the workplace with appropriate design, technique, and control method.

The risk to safety in the workplace means potential risks of accidents and health problems on the job such as electric shock or other energy-caused accidents, fire, vehicles, slippery floor, or falling objects.

The following are examples of appropriate design, technology and control method:
- Monitoring dangerous places with sensors
- Blocking off sources of power to machinery by locking it (lock out)
- Setting the tag that specifies the prohibition of manipulating energy blocking device while the source of power is blocked (tag out)
- Provision of protective equipments such as glasses/hard hat/glove etc.
[VI-3] Promote hygiene in the workplace

Suppliers are requested to grasp the condition in the workplace related with biological and chemical harms, noise, and odor, which are harmful to health, and to provide appropriate measures.

Chemical substances that are harmful to the human body include smoke, mist, dust, poison, nuclear radiation, and substances that cause chronic diseases (lead, asbestos etc.). And gross noise and odor are elements of this section are deemed as being harmful to the human body.

And the following are examples of the appropriate measures:
- Identification of chances to contact these harmful things and assessment
- Establishment and operation of management criteria
- Appropriate education on hygiene for workers
- Provision of protective devices to workers etc.

[VI-4] Apply appropriate measures for occupational injuries and illnesses

Suppliers are requested to grasp the situation of occupational injuries and illnesses in the workplace, and to provide appropriate measures.

The following are examples of appropriate measures:
- Rules and programs that enable promotion of reporting by employees
- Classification and record of injury/illness
- Provision of required medical treatment
- Investigation of injury/illness
- Execution of measures to correct and exclude the cause
- Promotion of returning affected-employees to workplace etc. (workers’ accident insurance is also included)

And performing required procedure to the government according to the law is also included.
[VI-5] Properly manage disasters and accidents

Suppliers are requested to prepare the emergency response measures for possible disasters and accidents in order to protect human lives, and to inform all-out to people in the workplace.

Typical examples of emergency response measures are as follows:
- Prompt reporting during an emergency
- Notification to employees
- Clarification of evacuation procedure
- Installation of evacuation facilities
- Storing of emergency medical products
- Installation of fire detecting system and fire containment device
- Securing external communication method
- Development of recovery plan etc.

The following are ways to keep employees in the workplace informed:
- Implementation of emergency response education to employees (including evacuation drill)
- Storing or posting emergency response procedure etc. within the reach of employees in the workplace is included

[VI-6] Be careful about physically demanding work

Suppliers are requested to define the physically demanding works, and to control appropriately to prevent injury and illness.

Operations that require physically demanding work include not only hard labor such as manually carrying tasks of heavy objects but also long-term repetitive work and continuous work such as assembly work and data entry work.

Appropriate control means periodical brake, provision of assistive device, burden share, and cooperation of multiple workers etc.
[VI-7] Promote safety and hygiene in all company facilities

Suppliers are requested to keep safety and hygiene appropriately in all company facilities provided for employee’s living (ex. Dormitory, canteen, restroom.)

The facilities provided for employee’s living include the ones provided in the workplace for the employees (restrooms, drinking fountains, locker rooms, canteens etc.), facilities provided for employees outside of the workplace (Dormitories, etc.)

Along with keeping cleanliness/sanitation, typical examples are measures for safe drinking water, fire, air ventilation, temperature control, emergency escape route (exit), and secure storage of personal belongings.

[VI-8] Promote health maintenance programs for employees

Suppliers are requested to provide appropriate health maintenance programs for all employees.

Appropriate health management tries to prevent and detect employees’ illness early by providing medical checkup at least according to the standard of law. Prevention of health problems due to overwork and care for mental health also need to be considered adequately.
[VII-1] Prohibit forced labor

Suppliers are requested to employ all employees on a voluntary basis, and not to commit forced labor.

Above-mentioned forced labor means all non-voluntary labor. The followings are examples of typical forced labor:
- Labor that is against one’s will
- Labor for debt that limits the freedom of job turnover due to unpaid debt, etc.
- Slave labor practiced as a result of trafficking of humans
- Inhumane prison labor in harsh environments including cases of prisoners

The following are also regarded as forced labor:
- Prohibition of voluntary job turnover
- Obligation to deposit identification cards/passports/work permit cards with employers

[VII-2] Prohibit inhumane treatment and infringements of human rights

Suppliers are requested to respect human rights of employees and to prohibit harsh and inhumane treatment such as maltreatments and/or various harassments.

Typical inhumane treatments are abuses, physical punishments, sexual harassments, and intimidating harassments (harassment by verbal abuse and intimidating acts).
[VII-3] Prohibit child labor

Suppliers are requested not to employ children who are under the lowest labor age and not to assign such jobs that impair children’s development.

Generally, child labor means employment of persons who are under the lowest labor age and negligence of young laborer protection as specified in the treaty and/or recommendations of International Labor Organization (ILO).

For example, employment of persons who are under fifteen years old and violations of the law to protect young laborers are prohibited as the case of child labor in Japan. Limitation of night-shift work and dangerous work are concrete examples of protecting young laborers from employment that may impair their health, security, and morality.

Also, as for international cases, employments of persons who are under the lowest labor age and the violation of the obligation to protect as specified in each country’s law apply to child labor.

In countries where there are no relevant laws, acts violating the lowest age treaty and/or recommendations of ILO are regarded as child labor (The rule of the lowest employment age is fifteen years old: ILO treaty No.138.)

[VII-4] Prohibit discrimination

Suppliers are requested to prohibit discrimination during the process of job offering and hiring, and to endeavor the equal opportunity and fairness of treatment.

Discrimination means provision of differences in opportunities and/or treatment such as recruitment, promotion, reward and participation in trainings due to elements other than rational elements such as one’s ability, competence, and achievement.

Typical elements of discrimination are race, ethnicity, nationalities, birthplace, color, age, gender, sexual orientation, disability, religion, political affiliation, union membership, marital status, and so on.

Additionally, when health examinations and pregnancy tests impair the fairness in equality of opportunity or treatment, such act is considered as discrimination.
[VII-5] Pay appropriate wages

Suppliers are requested to pay legal minimum wage or more, and not to practice unfair wage deduction as means of a disciplinary action.

The minimum wage means the lowest wage specified in each country’s wage-related laws. In this item, payment of other allowance including overtime compensation and legal payment are included. Improper wage reduction means the wage reduction violating labor-related laws, etc.

[VII-6] Regulate working hours

Suppliers are requested to regulate employee’s working hours/holidays/vacations not to exceed the legal ceiling.

In this item, the following are the examples of proper control:
- Scheduled working days per year do not exceed the legal ceiling
- Working hours per week including overtime (except for emergency cases) does not exceed the legal ceiling
- Providing employees with at least one holiday per week
- Providing the rights of a vacation leave on an annual basis as specified in the law

[VII-7] Respect the rights to freedom of association

Suppliers are requested to respect the rights to freedom of association of employees, as means of employer-employee consultation, in order to settle working conditions and/or wage issues, etc.

Respecting the rights of employees to organize means of considerations for freedom of association, freedom to participate in labor unions according to laws, freedom to stage a protest, and freedom to participate in workers’ council without revenge, threats, and/or harassments to employees.
6. Conclusion

Many of the products and services the NEC Group offers to customers are based on materials and services supplied by our suppliers. Guided by the NEC Group Procurement Policy, NEC believes it is essential to deepen collaboration with its business partners, while promoting CSR activities together.

As a consequence of such activities, NEC hopes a mutual prosperity of business with suppliers, through cultivating the Win-Win relationship.

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