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## Cooperation with the Communities

The NEC Group Corporate Philosophy was established in 1990 in the belief that "NEC strives through "C&C" to help advance societies worldwide toward deepened mutual understanding and the fulfillment of human potential." This philosophy lays down NEC's intention to contribute to society through C&C\*, in other words, through ICT—NEC's core line of business.

NEC will contribute to the realization of the United Nation's Sustainable Development Goals (SDGs) as well as the closely aligned "Seven Themes for Social Value Creation," through ICT, its core line of business. Likewise, with each and every member of NEC acting as a "good corporate citizen," NEC will promote social contribution activities aimed at providing medium- to long-term solutions to social issues. The NEC Group's activities for contributing to society through the "NEC Make-a-Difference Drive" are carried out under four themes, namely, "Education, Culture and Sports," "Welfare and Diversity," "Environment," and "Regional Contribution Activities."

\* C&C: Concept for the integration of computers and communications

### Policy

Cooperation with the communities is essential both in social contributions through NEC's core business, as well as in social contribution activities aimed at providing medium- to long-term solutions to social issues through volunteer activities by officers and members of NEC. This section introduces NEC's policies for cooperation particularly for medium- to long-term social contribution activities.

NEC carries out its medium- to long-term social contribution activities with the cooperation of the local communities, NPOs, NGOs, local governments, universities, etc. This is because we believe that the members of the local communities play the lead role in solving social issues, and NEC would like to provide support in solving the issues as your trusted partner.

Our activities revolve around the four universal themes of "Education, Culture and Sports," "Welfare and Diversity," "Environment," and "Regional Contribution Activities." To effectively carry out socially relevant and sustainable programs, NEC has established basic policies in the creation of social contribution programs and guidelines in collaborating with NPOs. In addition, we conduct yearly evaluation and refinement of the programs based on social circumstances, independence level of partners, and the directions of NEC's business strategies.

Moreover, believing that our social contribution activities through the "NEC Make-a-Difference Drive" are foundational in developing human resources with a high level of social sensitivity—a quality that is required of a member of a company that calls itself a "Social Value Innovator"—we encourage as many employees as possible to participate in the program. Through these social contribution activities, we aim to nurture the mindset for volunteerism and co-creation, and develop human resources that are sensitive to the fundamental issues faced by customers and society and are able to take the initiative towards solving social issues.

### Basic Policy of Social Contribution Program Creation

#### 1. Effective utilization of management resources

- Management resources: funds, products, human resources, facilities, information, and knowledge, etc.
- Relationship with businesses

#### 2. Partnerships with NPOs and NGOs

- Promoting solutions of social problems based on win-win relationships
- Supporting the creation of social businesses
- Strengthening NPO foundation

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3. Participation of officers and employees, cooperation with domestic and overseas affiliate companies

- Promotion of volunteer activities by officers and employees
- Promotion of initiatives for cooperation with NEC domestic and overseas affiliate companies

4. Contributing to improving our corporate value

- Visible activities of NEC’s presence
- Cutting-edge volunteer programs
- Promoting information delivery

Guidelines for Coordination with NPOs

1. Certified by NPO law (in principle)

2. Activity record

- Must have advanced and unique activities, and prior history.
- Must have specialized know-how, the ability to complete projects and the ability to output information

3. Financial details

- Making efforts to disclose the status of financial management, revenue and source of funds.
- Have diverse financial resources.

4. Organizational foundation

- Clear mission, vision, goals and personnel makeup.
- Clear division of labor between management, specialized staff, paid staff, volunteers, etc.

5. Leadership and management

- Clear leadership, enthusiasm, and high quality of responsible personnel.
- Considers governability, transparency, and accountability.

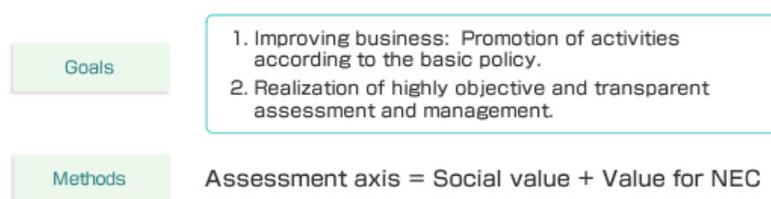
Promotion Framework

NEC’s social contribution activities consist of three promotion frameworks; namely: social contribution programs planned and executed under the initiative of the NEC Corporate Communications Division CSR Promotion and Social Contributions Office and the Social Contribution Promotion Departments of NEC Group Companies, activities for contributing to local communities planned and participated by NEC Group employees around the world acting as promoters, and various grants by foundations.

Social Contribution Program Assessment System

We assess all social contribution programs each year based on the social contribution program assessment system.

Social Contribution Program Assessment System



\* Both "Social value" and "Value for NEC" are quantified and assessed for each item.

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**Assessment criteria: Social value**

Public Interest	<ol style="list-style-type: none"> <li>1. Tracking the needs in the community and society</li> <li>2. Not limited to a few beneficiaries or participants, but contributes to a wide range of people</li> <li>3. Working together with NPOs, public administrations and universities</li> <li>4. Obtaining opinions (feedback) from program partners</li> </ol>
Effectiveness	<ol style="list-style-type: none"> <li>1. Specific goals are made for social issues and results are being achieved.                     <ul style="list-style-type: none"> <li>• Output (Result)</li> <li>• Outcome (Effect)</li> <li>• Impact (Spread)</li> </ul> </li> <li>2. The approaches are being developed effectively.                     <ul style="list-style-type: none"> <li>• Contains ideas and mechanisms to spread its effect</li> <li>• Contains global elements</li> </ul> </li> </ol>

**Assessment criteria: Value for NEC**

Strategy	<ol style="list-style-type: none"> <li>1. Continuously improving programs based on PDCA management</li> <li>2. Utilizing resources (funds, products, human resources, facilities, information, and knowledge)</li> <li>3. Collaborating with NPOs                     <ul style="list-style-type: none"> <li>• A win-win relationship is established.</li> <li>• Supporting a stronger NPO foundation</li> <li>• Promoting communications with NPOs</li> </ul> </li> </ol>
Effectiveness	<ol style="list-style-type: none"> <li>1. Contributing to businesses (business creation and sales contribution)</li> <li>2. Contributing to nurturing employee human resources</li> <li>3. Contributing to improving corporate reputation and building trust from the community and society                     <ul style="list-style-type: none"> <li>• Program participants are greatly satisfied.</li> <li>• The amount of advertisement cost conversion for PR results exceeds investment cost.</li> <li>• Programs are introduced in seminars, forums, symposiums, popular SNS, etc. as case studies.</li> <li>• Awards given by external organizations or programs are evaluated by SRI, etc.</li> </ul> </li> </ol>

**Social Contribution Expenses**

In fiscal 2017 the total social contribution expenses for the NEC Group were approximately 670 million yen. We were involved in various regions around the world following three main themes in five areas, including "Academia, Research and Education" and "Arts, Culture and Sports." Social contribution expenses included the following:

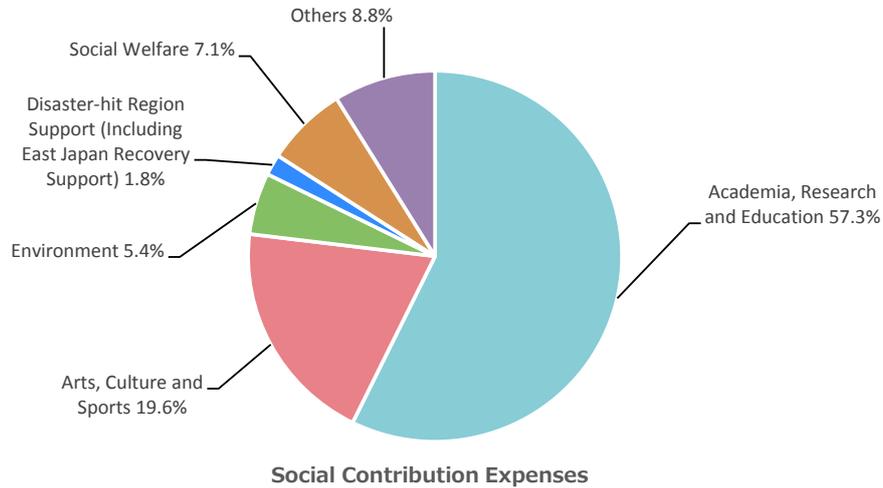
- 1) Financial assistance
- 2) Charitable donations of products (quoted on a unit price basis)
- 3) Public use of NEC facilities (converted into monetary amounts based on the unit price of using equivalent external facilities to quantify the cost of using NEC facilities for socially beneficial purposes)

**Expense changes**

Fiscal 2015	Fiscal 2016	Fiscal 2017
540 million yen	430 million yen	670 million yen

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## Fiscal 2017 Expenses breakdown



## Fiscal 2017 Activities

For details of the activities, refer to the following pages:

- ▶ [Social Contribution Activities](#)
- ▶ [Dialog and Co-Creation with our Diverse Stakeholders](#)

- Pro bono initiatives for regional revitalization
- Survey on barrier-free services at Mita Station in collaboration with the Tokyo Metropolitan Government
- Conserving *Copera tokyoensis*, an endangered dragonfly species
- Collaboration Project with the Waseda Playhouse

## Objectives and Achievements

### Objectives for the Medium Term (From fiscal 2017 to fiscal 2019)

Promote programs that contribute to solving social issues based on the following themes:

1. Establishing a safe and secure society
2. Addressing climate change and environmental protection
3. Eliminating the digital divide
4. Nurturing diverse human resources

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## Fiscal 2017 Objectives, Achievements and Progress, and Degree of Completion

Objective	Achievements and Progress	Degree of completion
1. Human resource nurturing with high social sensitivity and contribution to business creation that is social-issue-driven	<ul style="list-style-type: none"> <li>Collaborative activities by "NEC Social Entrepreneurship School" (social contribution program), "NEC Social Value Innovation School" (employee leadership training program), and "NEC Idea Contest" (new business creation contest)</li> <li>Pro bono initiatives have led to the start of creation of a regional revitalization model in Nagai City, Yamagata Prefecture.</li> </ul>	Achieved
2. Establish an activity process and the "visualization" of the results	<ul style="list-style-type: none"> <li>Strengthened the dissemination of initiatives and achievements through the Web.</li> <li>Manuals for promoting activities and managing risks were created to promote activities more efficiently.</li> <li>Submission of entries for public awards by external organizations were proactively carried out.</li> <li>Awards, such as Tokyo Social Contribution Awards for Mutual Assistance Society Promotion were received.</li> </ul>	Mostly achieved
3. Create the promotion platform	<ul style="list-style-type: none"> <li>Signed a partnership agreement with the Tokyo Metropolitan Government Bureau of Social Welfare and Public Health, and promoted collaborations with the Tokyo Metropolitan Welfare (Hall for Disabled People needs assessment) based on the agreement.</li> <li>Began cooperation with the Tokyo Metropolitan Sports Association for the Disabled, conducted in-house lectures and sent NEC members as volunteers for sports events.</li> <li>Promoted the participation of overseas subsidiaries to "NEC World Children's Nature Club" (global social contribution program).</li> </ul>	Achieved
4. Optimize the activities from the point of view of the total NEC Group	<ul style="list-style-type: none"> <li>Began the creation of model cases for optimization.</li> <li>To date, the "Paddy Making Project" has been conducted at separate locations for NEC and for the Group companies.</li> <li>Discussions towards integration to optimize the project globally across the entire NEC Group have been initiated.</li> </ul>	Some progress

## Fiscal 2018 Objectives

1. Embed social contribution activities to sales strategies	<ul style="list-style-type: none"> <li>Promote partnering (comprehensive partnership agreements) with local governments</li> </ul>
2. Create opportunities for new business creation from social contribution activities	<ul style="list-style-type: none"> <li>Hold workshops with social entrepreneurs and create regional revitalization (CSV) models in collaboration with the Community-Reactivating Cooperator Squad, Ministry of Internal Affairs and Communications</li> </ul>
3. Review social contribution activities from a strategic viewpoint	<ul style="list-style-type: none"> <li>"Select and concentrate" from the standpoint of creating core company-wide functions and Group-wide optimization.</li> <li>Expand scale of activities and enhance dissemination of information.</li> </ul>