











GRI (Global Reporting Initiative)



The NEC CSR Report 2017 conforms to the core of the Global Reporting Initiative’s G4 Sustainability Reporting Guidelines.

 [GRI=Global Reporting Initiative](#)

Items	GRI indicator	Corresponding page on NEC website
Strategy and Analysis		
G4-1	a. Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.	▶ Message from the president
Organizational Profile		
G4-3	a. Report the name of the organization.	▶ Profile
G4-4	a. Report the primary brands, products, and services.	▶ Business Outline
G4-5	a. Report the location of the organization’s headquarters.	▶ Profile
G4-6	a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	▶ NEC Worldwide
G4-7	a. Report the nature of ownership and legal form.	 Annual Securities Report (Japanese)
G4-8	a. Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	 Annual Securities Report (Japanese)
G4-9	a. Report the scale of the organization, including: <ul style="list-style-type: none"> • Total number of employees • Total number of operations • Net sales (for private sector organizations) or net revenues (for public sector organizations) • Total capitalization broken down in terms of debt and equity (for private sector organizations) • Quantity of products or services provided 	▶ Corporate Profile








Items	GRI indicator	Corresponding page on NEC website
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization’s work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	 Diversity and Inclusion
G4-11	a. Report the percentage of total employees covered by collective bargaining agreements.	 Annual Securities Report (Japanese)
G4-12	a. Describe the organization’s supply chain.	 Supply-Chain Management
G4-13	a. Report any significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain, including: <ul style="list-style-type: none"> • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination 	 Annual Securities Report (Japanese)
Commitments to External Initiatives		
G4-14	a. Report whether and how the precautionary approach or principle is addressed by the organization.	<ul style="list-style-type: none"> ▶ Reducing Environmental Impacts ▶ Activities for Controlling Chemical Substances in Products

Items	GRI indicator	Corresponding page on NEC website
G4-15	a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	<p>▶ Global Compact</p> <p> JEITA Responsible Minerals Trade Working Group</p> <p> BERC</p> <p>▶ Design at NEC</p>
G4-16	a. List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 	<p>▶ Global Compact</p> <p> JEITA Responsible Minerals Trade Working Group</p> <p> BERC</p> <p>▶ Design at NEC</p>
Identified Material Aspects and Boundaries		
G4-17	a. List all entities included in the organization’s consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization’s consolidated financial statements or equivalent documents is not covered by the report.	<p>▶ Organizational Structure (Japanese)</p> <p>▶ Profile</p>
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	<p>▶ CSR Management</p>
G4-19	a. List all the material Aspects identified in the process for defining report content.	<p>▶ CSR Information Disclosure Policy</p>

Items	GRI indicator	Corresponding page on NEC website
G4-20	<p>a. For each material Aspect, report the Aspect Boundary within the organization as follows:</p> <ul style="list-style-type: none"> • Report whether the Aspect is material within the organization • If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> - The list of entities or groups of entities included in G4-17 for which the Aspect is not material or - The list of entities or groups of entities included in G4-17 for which the Aspects is material • Report any specific limitations on the Aspect Boundary within the organization 	<p>▶ CSR Information Disclosure Policy</p> <p>▶ Scope of Environmental Report</p> <p> Annual Securities Report (Japanese)</p>
G4-21	<p>For each material Aspect, report the Aspect Boundary outside the organization, as follows:</p> <ul style="list-style-type: none"> • Report whether the Aspect is material outside of the organization • If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organization 	<p>▶ Sustainable Management</p> <p>▶ Scope of Environmental Report</p> <p> Annual Securities Report (Japanese)</p>
G4-22	<p>a. Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements</p>	<p>No re-states of information</p>
G4-23	<p>a. Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.</p>	<p>▶ NEC Group Environmental Management Action Plan 2020/2030</p>
Stakeholder Engagement		
G4-24	<p>a. Provide a list of stakeholder groups engaged by the organization.</p>	<p>▶ Stakeholder Communications</p>
G4-25	<p>a. Report the basis for identification and selection of stakeholders with whom to engage.</p>	<p>▶ Stakeholder Communications</p> <p>▶ Guidelines for Coordination with NPOs (Social Contributions)</p>



Items	GRI indicator	Corresponding page on NEC website
G4-26	a. Report the organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	▶ Stakeholder Communications
G4-27	a. Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	▶ Independent review on Environment Report
Report Profile		
G4-28	a. Reporting period (e.g., fiscal/calendar year) for information provided.	▶ CSR Information Disclosure Policy
G4-29	a. Date of most recent previous report (if any).	▶ CSR Information Disclosure Policy
G4-30	a. Reporting cycle (such as annual, biennial).	▶ CSR Information Disclosure Policy
G4-31	a. Provide the contact point for questions regarding the report or its contents.	▶ Contact Us
GRI Content Index		
G4-32	a. Report the ‘in accordance’ option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance, but it is not a requirement to be ‘in accordance’ with the Guidelines.	▶ GRI Content Index ▶ Third-party Assurance
Assurance		
G4-33	a. Report the organization’s policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization’s sustainability report.	▶ Third-party Assurance ▶ CSR Information Disclosure Policy ▶ Third-party Assurance on Environment Report
Governance		
G4-34	a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	▶ Corporate Governance


Items	GRI indicator	Corresponding page on NEC website
Ethics and Integrity		
G4-56	a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	▶ NEC Group Code of Conduct
Economic		
Economic Performance		
G4-EC1	Direct Economic Value Generated and Distributed	Annual Securities Report (Japanese) Social Contribution Expenses ▶ Environmental Accounting
G4-EC2	Financial Implications and Other Risks and Opportunities for the Organization's Activities due to Climate Change	▶ Reducing Environmental Impacts
G4-EC3	Coverage of the Organization's Defined Benefit Plan Obligations	No Coverage
G4-EC4	Financial Assistance Received from Government	No Coverage
Market Presence		
G4-EC5	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage at Significant Locations of Operation	No Coverage
G4-EC6	Proportion of Senior Management Hired from the Local Community at Significant Locations of Operation	No Coverage
Indirect Economic Impacts		
G4-EC7	Development and Impact of Infrastructure Investments and Services Supported	▶ Business Activities for Value Creation ▶ Activities for Contributing to Society
G4-EC8	Significant Indirect Economic Impacts, Including the Extent of Impacts	▶ Business Activities for Value Creation ▶ Activities for Contributing to Society
Procurement Practices		
G4-EC9	Proportion of Spending on Local Suppliers at Significant Locations of Operation	No Coverage
Environmental		
Refer to the following URL for the environmental performance. http://www.nec.com/en/global/eco/annual/index.html		

Items	GRI indicator	Corresponding page on NEC website
Social		
Labor Practices and Decent Work		
Employment		
G4-LA1	Total Number and Rates of New Employee Hires and Employee Turnover by Age Group, Gender and Region	No Coverage
G4-LA2	Benefits Provided to Full-Time Employees That are not Provided to Temporary or Part-Time Employees, by Significant Locations of Operation	No Coverage
G4-LA3	Return to Work and Retention Rates After Paternal Leave, By Gender	No Coverage
Labor/Management Relations		
G4-LA4	Minimum Notice Periods Regarding Operational Changes, Including Whether These are Specified in Collective Agreements	No Coverage
Occupational Health and Safety		
G4-LA5	Percentage of Total Workforce Represented in Formal Joint Management-Worker Health and Safety Committees That Help Monitor and Advise on Occupational Health and Safety Programs	No Coverage
G4-LA6	Type of Injury and Rates of Injury, Occupational Diseases, Lost Days, and Absenteeism, and Total Number of Work-Related Fatalities, by Region and by Gender	 Health and Safety
G4-LA7	Workers with High Incidence or High Risk of Diseases Related to Their Occupation	 Health and Safety
G4-LA8	Health and Safety Topics Covered in Formal Agreements with Trade Unions	 Health and Safety
Training and Education		
G4-LA9	Average Hours of Training per Year per Employee by Gender, and by Employee Category	 Human Resources Development and Training
G4-LA10	Programs for Skills Management and Lifelong Learning That Support the Continued Employability of Employees and Assist Them in Managing Career Endings	 Human Resources Development and Training
G4-LA11	Percentage of Employees Receiving Regular Performance and Career Development Reviews, by Gender and by Employee Category	 Human Resources Development and Training
Diversity and Equal Opportunity		
G4-LA12	Composition of Governance Bodies and Breakdown of Employees per Employee Category According to Gender, Age Group, Minority Group Membership, and Other Indicators of Diversity	▶ Corporate Governance  Diversity and Inclusion
Equal Remuneration for Women and Men		
G4-LA13	Ratio of Basic Salary and Remuneration of Women to Men by Employee Category, by Significant Locations of Operation	No Coverage

Items	GRI indicator	Corresponding page on NEC website
Supplier Assessment for Labor Practices		
G4-LA14	Percentage of New Suppliers That Were Screened Using Labor Practices Criteria a. Report the percentage of new suppliers that were screened using labor practices criteria.	No Coverage
G4-LA15	Significant Actual and Potential Negative Impacts for Labor Practices in the Supply Chain and Actions Taken	 Supply-Chain Management
Labor Practices Grievance Mechanisms		
G4-LA16	Number of Grievances About Labor Practices Filed, Addressed, and Resolved Through Formal Grievance Mechanisms	 Compliance and Risk Management
Human Rights		
Investment		
G4-HR1	Total Number and Percentage of Significant Investment Agreements and Contracts That Include Human Rights Clauses or That Underwent Human Rights Screening	No Coverage
G4-HR2	Total Hours of Employee Training on Human Rights Policies or Procedures Concerning Aspects of Human Rights That are Relevant to Operations, Including the Percentage of Employees Trained	 Respecting Human Rights
Non-discrimination		
G4-HR3	Total Number of Incidents of Discrimination and Corrective Actions Taken	No Coverage
Freedom of Association and Collective Bargaining		
G4-HR4	Freedom of Association and Collective Bargaining Operations and Suppliers Identified in Which the Right to Exercise Freedom of Association and Collective Bargaining may be Violated or at Significant Risk, and Measures Taken to Support These Rights	No Coverage
Child Labor		
G4-HR5	Operations and Suppliers Identified as Having Significant Risk for Incidents of Child Labor, and Measures Taken to Contribute to the Effective Abolition of Child Labor	 Respecting Human Rights  Supply-Chain Management
Forced or Compulsory Labor		
G4-HR6	Operations and Suppliers Identified as Having Significant Risk for Incidents of Forced or Compulsory Labor, and Measures to Contribute to the Elimination of All Forms of Forced or Compulsory Labor	 Respecting Human Rights  Supply-Chain Management

Items	GRI indicator	Corresponding page on NEC website
Security Practices		
G4-HR7	Percentage of Security Personnel Trained in the Organization’s Human Rights Policies or Procedures That are Relevant to Operations	No Coverage
Indigenous Rights		
G4-HR8	Total Number of Incidents of Violations Involving Rights of Indigenous Peoples, and Actions Taken	No Coverage
Assessment		
G4-HR9	Total Number and Percentage of Operations That Have Been Subject to Human Rights Reviews or Impact Assessments	Respecting Human Rights Supply-Chain Management
Supplier Human Rights Assessment		
G4-HR10	Percentage of New Suppliers That Were Screened Using Human Rights Criteria	No Coverage
G4-HR11	Significant Actual and Potential Negative Human Rights Impacts in the Supply Chain, and Actions Taken	Supply-Chain Management
Human Rights Grievance Mechanisms		
G4-HR12	Number of Grievances About Human Rights Impacts Filed, Addressed, and Resolved Through Formal Grievance Mechanisms	Respecting Human Rights
Society		
Local Communities		
G4-SO1	Percentage of Operations with Implemented Local Community Engagement, Impact Assessments, and Development Programs	Business Activities for Value Creation Reducing Environmental Impacts Activities for Contributing to Society
G4-SO2	Operations with Significant Actual and Potential Negative Impacts on Local Communities	Respecting Human Rights
Anti-corruption		
G4-SO3	Total Number and Percentage of Operations Assessed for Risks Related to Corruption and the Significant Risks Identified	Fair Trade
G4-SO4	Communication and Training on Anti-Corruption Policies and Procedures	Fair Trade
G4-SO5	Confirmed Incidents of Corruption, and Actions Taken	Fair Trade

Items	GRI indicator	Corresponding page on NEC website
Public Policy		
G4-S06	Total Value of Political Contributions by Country and Recipient/Beneficiary	No Coverage
Anti-competitive Behavior		
G4-S07	Total Number of Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices and Their Outcomes	 Fair Trade
Compliance		
G4-S08	Monetary Value of Significant Fines and Total Number of Non-Monetary Sanctions for Non-Compliance with Laws and Regulations	No Coverage
Supplier Assessment for Impacts on Society		
G4-S09	Percentage of New Suppliers That Were Screened Using Criteria for Impacts on Society	No Coverage
G4-S010	Significant Actual and Potential Negative Impacts on Society in the Supply Chain and Actions Taken	No Coverage
Grievance Mechanisms for Impacts on Society		
G4-S011	Number of Grievances About Impacts on Society Filed, Addressed, and Resolved Through Formal Grievance Mechanisms	 Compliance and Risk Management
Product Responsibility		
Customer Health and Safety		
G4-PR1	Percentage of Significant Product and Service Categories for Which Health and Safety Impacts are Assessed for Improvement	▶ Design at NEC ▶ Environmentally Friendly Products
G4-PR2	Total Number of Incidents of Non-Compliance with Regulations and Voluntary Codes Concerning the Health and Safety Impacts of Products and Services During Their Life Cycle, by Type of Outcomes	▶ Important information from NEC (Japanese)
Product and Service Labeling		
G4-PR3	Type of Product and Service Information Required by the Organization's Procedures for Product and Service Information and Labeling, and Percentage of Significant Product and Service Categories Subject to Such Information Requirements	▶ Environmentally Friendly Products
G4-PR4	Total Number of Incidents of Non-Compliance with Regulations and Voluntary Codes Concerning Product and Service Information and Labeling, by Type of Outcomes	No Coverage
G4-PR5	Results of Surveys Measuring Customer Satisfaction	▶ Customer satisfaction survey (Japanese)












Items	GRI indicator	Corresponding page on NEC website
Marketing Communications		
G4-PR6	Sale of Banned or Disputed Products	No Coverage
G4-PR7	Total Number of Incidents of Non-Compliance with Regulations and Voluntary Codes Concerning Marketing Communications, Including Advertising, Promotion, and Sponsorship, by Type of Outcomes	No Coverage
Customer Privacy		
G4-PR8	Total Number of Substantiated Complaints Regarding Breaches of Customer Privacy and Losses of Customer Data	 Personal Information Protection
Compliance		
G4-PR9	Monetary Value of Significant Fines for Non-Compliance With Laws and Regulations Concerning the Provision and Use of Products and Services	No Coverage

▶ [Global Compact](#)

▶ [ISO 26000](#)

Global Compact

This table compares NEC’s CSR activities with the Ten Principles of the Global Compact advocated by the United Nations.

	The Ten Principles	Corresponding Item
Human Rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.	 Respecting Human Rights  Diversity and Inclusion
	Principle 2 Businesses should make sure that they are not complicit in human rights abuses.	 Supply-Chain Management
Labour	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	 Creating a Diverse Work Style Environment  Diversity and Inclusion
	Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labour.	 Respecting Human Rights  Health and Safety
	Principle 5 Businesses should uphold the effective abolition of child labour.	 Supply-Chain Management
	Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
The Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges.	 Approaches to Environmental Issues
	Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	 Fair Trade  Compliance and Risk Management


▶ [Global Reporting Initiative](#)

▶ [ISO26000](#)

ISO26000

This is the comparison table of seven core subjects and 36 issues of ISO26000 and CSR activities of NEC.

ISO26000 Core Subjects	Issues	Corresponding Page on NEC website
Organizational Governance	1. Organizational Governance	<ul style="list-style-type: none"> ▶ Corporate Governance ▶ Sustainable Management ▶ Compliance and Risk Management ▶ Business Continuity ▶ Information Security ▶ Personal Information Protection
Human Rights	<ol style="list-style-type: none"> 1. Due diligence 2. Human rights risk situations 3. Avoidance of complicity 4. Resolving grievances 5. Discrimination and vulnerable groups 6. Civil and political rights 7. Economic, social and cultural rights 8. Fundamental principles and rights at work 	<ul style="list-style-type: none"> ▶ Creating a Diverse Work Style Environment ▶ Compliance and Risk Management ▶ Supply-Chain Management
Labour Practices	<ol style="list-style-type: none"> 1. Employment and employment relationships 2. Conditions of work and social protection 3. Social dialogue 4. Health and safety at work 5. Human development and training in the workplace 	<ul style="list-style-type: none"> ▶ Creating a Diverse Work Style Environment ▶ Health and Safety ▶ Diversity and Inclusion ▶ Human Resources Development and Training
The Environment	<ol style="list-style-type: none"> 1. Prevention of pollution 2. Sustainable resource use 3. Climate change mitigation and adaptation 4. Protection of the environment, biodiversity and restoration of natural habitats 	<ul style="list-style-type: none"> ▶ Approaches to Environmental Issues
Fair Operating Practices	<ol style="list-style-type: none"> 1. Anti-corruption 2. Responsible political involvement 3. Fair competition 4. Promoting social responsibility in the value chain 5. Respect for property rights 	<ul style="list-style-type: none"> ▶ Fair Trade ▶ Compliance and Risk Management ▶ Supply-Chain Management
Consumer Issues	<ol style="list-style-type: none"> 1. Fair marketing, factual and unbiased information and fair contractual practices 2. Protecting consumers' health and safety 3. Sustainable consumption 4. Consumer service, support, and complaint and dispute resolution 5. Consumer data protection and privacy 6. Access to essential services 7. Education and awareness 	<ul style="list-style-type: none"> ▶ CS (Customer Satisfaction) ▶ Ensuring Quality and Safety ▶ Personal Information Protection ▶ Respecting Human Rights


Community Involvement and Development	1. Community involvement 2. Education and culture 3. Employment creation and skills development 4. Technology development and access 5. Wealth and income creation 6. Health 7. Social investment	▶ Business Activities for Value Creation  ▶ Cooperation with the Communities ▶ Activities for Contributing to Society
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▶ [Global Reporting Initiative](#)

▶ [Global Compact](#)

Third-party Assurance

NEC CSR Report 2017 has been assured by the third party for the items listed in the following assurance statement.



ASSURANCE STATEMENT

SGS Japan's Report on Sustainability Activities in the NEC Corporation CSR Report 2017.

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 or 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 our 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 (2008) 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 corporative 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 corporative surveys, and discloses them, through various media including the CSR report.

Direct dialogues with stakeholders are also conducted through the 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 Yuji Takeuchi

9th June, 2017

Signed:



AA1000
Licensed Assurance Provider
000-8

CSR Information Disclosure Policy

Aiming to be a “Social Value Innovator”, NEC considers communication with stakeholders to be a critical initiative because communication provides an opportunity for us not only to recognize our obligation to carry out our social responsibility but also to understand the fundamental issues of our customers and society.

The CSR Report (web version) is an important tool for communication with our stakeholders, including customers, shareholders and investors, business partners, local communities and employees. It discloses the CSR initiatives and their results as viewed from ESG (Environment, Society, Governance). The NEC Annual Report also gives an outline of the CSR Report.

Scope of Report

The content solely relates to NEC Corporation in certain sections, but also includes subsidiary companies in other sections. For information covering a specific set of NEC and subsidiary companies, the scope of such information has been explicitly defined in each relevant section.

In disclosures of CSR-related information, “NEC” refers to NEC Corporation and its subsidiary companies, unless otherwise noted.

Disclosure Format

CSR Website

Harnessing various website features, NEC regularly discloses the latest information on its CSR activities via its CSR website, which is utilized as an interactive communication tool. Furthermore, it emphasizes detailed coverage of information to ensure conformance with international reporting initiatives such as GRI, while addressing the needs of CSR professionals such as SRI research institutes, the news media, universities and NPOs/NGOs.

For details of NEC’s approaches to environmental issues, please refer to [Annual Environmental Report 2017](#).

Annual Report

Annual Report explains NEC’s management strategies from both financial and non-financial perspectives, with the view to promoting the sustainable growth of NEC and society as a whole. From fiscal 2014, NEC has published an annual report that integrates the traditional annual report format centered on financial reporting with non-financial information highlights (the former CSR Report Digest).

Reference Guidelines

With the aim of achieving conformance with international reporting initiatives, NEC reports on CSR activities with reference to the following guidelines:

- GRI’s Sustainability Reporting Guidelines 4.0(*)
- United Nations Global Compact
- ISO 26000

* International guidelines for sustainability reports issued by the GRI (Global Reporting Initiative)

Update of CSR Activity Report for Each Fiscal Year Issued

September 2017 (Previous: September 2016)

Data Collection

Those data items without notes are for NEC itself.

The applicable period/date is the consolidated accounting period (ending March 31 of each 2015, 2016 and 2017), or as of March 31 of each year.

The data marked with a star (★) has been verified by a third-party.

(The following figures for female managers, the average age of employees, the average length of employment, the number of people utilizing childcare leave and nursing care leave apply to permanent employees.)

Governance

Corporate Governance

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Ratio of outside directors to all directors	45.5%	45.5%	45.5%


	2015	2016	2017
Number of female managers (As of April 1 of each year)	386	★374	★368
Ratio of female managers (As of April 1 of each year)	5.2%	★5.4%	★5.5%

 [Corporate Governance](#)

 [Diversity and Inclusion](#)




Risk/Compliance

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Web training about compliance participation rate (Including domestic NEC group company)	98%	98%	98%
Compliance hotline - Number of consultations	65	85	101

 [Compliance and Risk Management](#)

Information Security/Personal Information Protection

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Training of privacy data protection participation rate (Including domestic NEC group company)	100%	100%	100%
Information security review (Including domestic and overseas NEC group company)	Domestic	76	62
	Overseas	39	40
CSR/Information Security Measures Number of companies and participants at the explanatory meeting	Domestic	About 1,700	About 1,600
	Overseas	About 2,200	About 2,000
Information security measures in business partners - Inspection and Review	Visiting Inspections		100
	Documents inspection	Total 1,800	1,600
			50
			1,450

-  [Information Security](#)
-  [Personal Information Protection](#)
-  [Supply-Chain Management](#)

Society

Respecting Human Rights

		Fiscal 2015	Fiscal 2016	Fiscal 2017
Number of people that have attended a human rights awareness training session	e-learning	23,538	22,063	20,296
	group study	2,932	2,030	1,731
Human rights hotline - Number of consultations		About 20	About 30	About 25

-  [Respecting Human Rights](#)

Promotion of Diversity/Labor Practices

		Fiscal 2015	Fiscal 2016	Fiscal 2017
Number and Ratio of employees by region (NEC Corporation and Consolidated Subsidiaries)	Japan	78,056	77,455	80,478
		78.9%	78.5%	74.7%
	APAC	6,926	7,678	9,347
		7.0%	7.8%	8.7%
	China / East Asia	4,882	4,058	5,329
		5.0%	4.1%	5.0%
	EMEA	4,540	4,948	5,406
		4.6%	5.0%	5.0%
	North America	2,502	2,495	2,819
		2.5%	2.5%	2.6%
	Central and South America	1,976	2,092	4,350
		2.0%	2.1%	4.0%

		Fiscal 2015	Fiscal 2016	Fiscal 2017
Workforce by gender	Male	19,660	18,498	17,763
	Female	4,322	3,737	3,681
Number of new employees - New graduates (foreign nationals)		64	66	39

		2014	2015	2016
Ratio of employees with disabilities (Based on figures collected as of June 1 of each year under the Act for Promotion of Employment of Persons with Disabilities)	NEC Corporation	2.00%	★2.03%	★2.07%
	Domestic Subsidiaries (average)	2.03%	2.06%	2.10%

		Fiscal 2015	Fiscal 2016	Fiscal 2017
Average age of employees	Male	43.1 Years old	★43.3 Years old	★43.6 Years old
	Female	41.0 Years old	★41.2 Years old	★41.4 Years old
	Total	42.7 Years old	★42.9 Years old	★43.1 Years old
Average length of employment	Male	18.6 Years	★18.7 Years	★18.9 Years
	Female	18.3 Years	★18.2 Years	★18.3 Years
	Total	18.5 Years	★18.6 Years	★18.8 Years

 [Diversity and Inclusion](#)

 [Creating a Diverse Work Style Environment](#)

| Healthy Work-life Balance

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Ratio of taking paid leave	68.4%	67.9%	69.3%
Number of people utilizing childcare leave	388	★395	★376
Number of people utilizing nursing care leave	16	★19	★18
Average monthly overtime	17.4 hours	17.4 hours	17.1 hours

 [Diversity and Inclusion](#)

 [Creating a Diverse Work Style Environment](#)

| Health and Safety

		Fiscal 2015	Fiscal 2016	Fiscal 2017
Labor accidents and disasters	Frequency rate	0.27	★0.25	★0.18
	Severity rate	0.00	★0.00	★0.00

 [Health and Safety](#)

| Human Resources Development

		Fiscal 2015	Fiscal 2016	Fiscal 2017
Number of training days per employee	NEC	4.6	4.9	5.1
	Domestic NEC group company	3.5	4.0	4.5
Response rate of employees' survey (As a general rule, the survey for employees overseas subsidiaries is conducted every other year.)	Domestic	84%	83%	79%
	Overseas	77%	-	-
R&D expenses		134.2 billion yen	124.0 billion yen	109.3 billion yen

 [Human Resources Development and Training](#)

 [Innovation Management](#)

Social Contribution Activities

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Social contribution expenditure	0.54 billion yen	0.43 billion yen	0.67 billion yen

 [Cooperation with the Communities](#)

Environment

For progress and achievements related to environment activities, click [here](#).