

# AI and Human Rights

## Policy

NEC has formulated the “NEC Group AI and Human Rights Principles” (hereinafter referred to as the “Companywide principles”) to guide our employees to recognize respect for privacy and human rights as the highest priority in our business operations in relation to social implementation of AI and utilization of biometrics and other data (hereinafter referred to as “AI utilization”).

In addition to facilitating compliance with relevant laws and regulations around the globe, the Companywide principles will guide our employees to recognize respect for human rights as the highest priority in each and every stage of our business operations in relation to AI utilization and enable them to take action accordingly. In accordance with the Companywide principles, the NEC Group is committed to the three following initiatives:

1. Ensure that all products and services are implemented and utilized by NEC employees, customers, and partners appropriately
2. Continue to develop advanced technology and talent to further promote AI utilization with respect for human rights as the highest priority
3. Engage with a range of stakeholders to build partnerships and collaborate with closely

Furthermore, based on the Companywide principles, NEC defined “Provision and Utilization of AI with Respect for Human Rights (AI and Human Rights)” as one of its “materiality” management priority themes from an ESG perspective—materiality.



NEC Group AI and Human Rights Principles



Priority Management Themes from an ESG Perspective—Materiality

## Implementation Framework

We have established the Digital Trust Business Strategy Department to create and promote Companywide strategies to incorporate the notion of respect for human rights into business operations in relation to AI utilization. The division promotes business operations with respect for human rights through ways that include the establishment of internal systems and training for employees to incorporate the Companywide principles into our business operations, while also strengthening links with relevant divisions such as the research divisions. NEC also established the Digital Trust Advisory Council in fiscal 2020 with the aim of utilizing diverse opinions from external experts with specialized knowledge on legal systems, human rights and privacy, and ethics to strengthen our ability to deal with new issues arising from AI utilization.

## Policies and Results from Major Activities in Fiscal 2022

Based on Companywide policies, Digital Trust Business Strategy Department, and related corporate departments work together to confirm that efforts to utilize AI are conducted in compliance with the law and with respect for human rights.

### Risk Mitigation Initiatives

Changes in laws, regulations, and society are the topics of lively discussion in Japan and abroad. In response, we have worked to understand and analyze market trends in a timely manner, and then share this information with business units and reflect it in our operations.

Another initiative, intended to promote appropriate AI utilization, involved using our know-how and knowledge to help support the publication of guidelines and usage goals for service operators. This initiative was carried out to assist customers and partners in addition to the NEC Group.

We conducted the following training for employees and officers of NEC Corporation and affiliated companies in Japan so that they can act appropriately with respect for human rights in business operations, in accordance with the Companywide principles.

Web-based training	<ul style="list-style-type: none"> <li>• All employees attend annual web-based training where they learn about Companywide principles and important points related to human rights and privacy as they pertain to AI utilization. In fiscal 2022, 29 affiliated companies in Japan attended this training. (Completion rate in fiscal 2022: 96%)</li> </ul>
Internal lectures	<ul style="list-style-type: none"> <li>• We held internal lectures where employees involved in the AI business learned about the importance of ethics in AI, the latest laws and policies, and social acceptability of AI.</li> <li>• We invited outside experts to deliver lectures on these topics using examples in which AI received social criticism from the perspectives of fairness, privacy, accountability, among other aspects.</li> <li>• From the advice we received from outside experts, we introduced a new measure in the form of lectures aimed at management. These lectures, delivered by experts, are meant to deepen understanding of international trends related to AI and human rights as a way to ensure that respect for human rights is a fundamental component of our decision-making.</li> </ul>

## ■ Stakeholder Engagement

### Digital Trust Advisory Council

At this year's meeting, of the Digital Trust Advisory Council, the latest trends in laws and regulations were actively discussed in Japan and abroad, as well as social expectations and demands. The council also discussed initiatives that could be effective in eliminating consumer doubts and anxieties about AI.

### Formulation of the Guidebook on Corporate Governance for Privacy in Digital Transformation (DX) ver. 1.2 in Collaboration with the Ministry of Economy, Trade and Industry and the Ministry of Internal Affairs

We participated in the formulation of the Guidebook on Corporate Governance for Privacy in Digital Transformation (DX) ver. 1.2, which gives an overview of what actions companies should take to establish privacy governance.

### Public Comment Submitted Regarding the Regulatory Framework Proposal on AI

We submitted a public comment containing our opinions on the European Commission's proposal for a comprehensive regulatory framework for AI, the first of its kind in the world. In the public comment, we stated our agreement with the proposal's advocacy of human-centered rules and respect for basic rights, as well as its push to clarify measures to be implemented as part of utilizing AI. We also stated the importance of discussing an international framework.

 Feedback from NEC Regarding the European Commission's Regulatory Framework Proposal on AI

### Grievance Filing Mechanism

The NEC Customer Communication Center (CCC) has been established as a comprehensive contact point in Japan for inquiries regarding NEC products, systems, and services.

### CS (Customer Satisfaction) Initiatives