

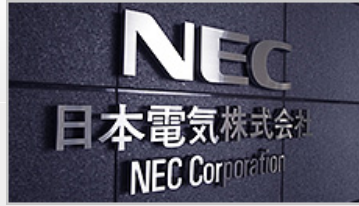
Corporate Social Responsibility

Message from the President



Transforming into a Social Value Innovator

Management Approach to Sustainable Development



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, with corporate governance as our foundation.

Solutions for society



Initiatives for Solving Issues Faced by Society and Addressing People's Needs through Business Activities

- Build Reliable Information and Communications Infrastructure
- Address Climate Change and Environmental Preservation
- Establish a Safe and Secure Society
- Include Everyone in the Digital Society



NEC's Seven CSR Initiatives

NEC's seven CSR initiatives are made up of four initiatives for solving issues faced by society and addressing people's needs and three initiatives for internal management in support of those activities.



Respecting Human Rights

NEC has pledged its commitment to respecting human rights in the NEC Group Charter of Corporate Behavior, NEC Group Code of Conduct and NEC Group Management Policy, and this approach is implemented throughout NEC Corporation and the NEC Group.



Stakeholder Engagement

Through communication with NPOs, NGOs and a variety of other stakeholders, NEC works to gain an accurate understanding of social issues and to promote CSR activities that lead to their resolution.



Diversity and Inclusion

Diversity means mutual respect and mutual recognition for individual differences, in personality or personal attributes, and is based on the thinking that everyone should respect difference because everyone is truly different.

Initiatives for Internal Management in Support of Business Activities

Earn customer trust

- For Customers
- Ensuring Quality and Safety
- Design Friendly to Humans and the Earth
- For Communities

Empower our people

- Promoting Diversity
- Health & Safety
- Human Resources Development
- Communication with Employees

Strengthen risk management and enforce compliance

- Internal Control (Compliance and Risk Management)
- Fair Trading
- Partnering with Suppliers
- Business Continuity
- Information Security
- Personal Information Protection

Data



CSR Archives



Consistency with International
Initiatives



CSR Information Disclosure
Policy

Management Approach to Sustainable Development

Approach to Sustainable Management and Promotion Framework

Approach to CSR Management (Sustainable Management)

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, with corporate governance as our foundation.

It is crucial that companies recognize that their existence is premised on society. Under this premise, every officer and employee rigorously adheres to compliance standards, and strives to practice the NEC Group Core Values (what we value and base our behavior on) in the course of daily operations, with the aim of realizing an "information society friendly to humans and the earth," as set forth in NEC Group Vision 2017 based on the Corporate Philosophy. In doing so, we must help to solve issues faced by customers and society.

Our important social 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 relationships of trust.

Through communication with stakeholders, we must explore the fundamental issues faced by customers and society, and find insights into solving such issues. It is crucial for us to connect these insights to the launch of new businesses or use them to strengthen existing businesses. In doing so, NEC must achieve innovation and provide even greater value to customers and society at large. Creating common value between the NEC Group and society (corporate value and social value) through such a virtuous cycle is the foundation for ensuring that the NEC Group remains an essential partner to society. NEC considers CSR-driven management (sustainable management) to be management based on the foregoing approaches.

Sustainable Development of Society and the NEC Group through The NEC Way



CSR Management Basic Policies and Promotion Framework

The NEC Group promotes the following initiatives in line with its CSR Management Basic Policies to further raise social and corporate value.

Basic Policies

1. Strengthen risk management and enforce compliance

NEC is strengthening risk management and compliance within its own organization as well as at Group companies and suppliers, to ensure that NEC products or services, employee actions or other factors do not result in incidents or wrongdoing that cause problems for customers or other stakeholders.

2. Contribute to solving social issues through business activities

NEC seeks to solve issues that affect customers and society through innovation in its business activities and through social contribution programs undertaken as a good corporate citizen.

3. Promote communications with stakeholders

NEC actively discloses everyday activities to stakeholders and society at large in publications such as the CSR Report to fulfill its accountability to them by explaining such activities. Furthermore, by continuously implementing improvement measures through PDCA cycles based on feedback from society, NEC will build relationships of trust with stakeholders, which will help to enhance its corporate value.

Promotion Framework

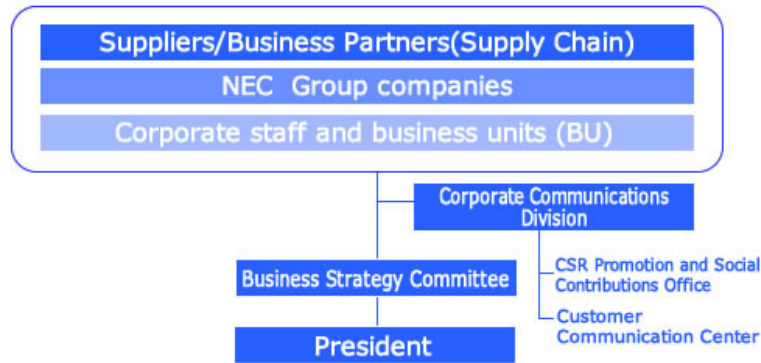
The Corporate Communications Division's CSR and Social Contribution Office promotes initiatives in close coordination with related divisions involved in business planning, investor relations, human resources, general affairs, legal affairs, internal controls, management systems, design, the environment, customer satisfaction, quality assurance and materials and more, and with research offices and business divisions. Coordination is also further conducted with business partners.

Important matters related to the promotion of CSR management are deliberated on as appropriate by the Business Strategy Committee.

Business Strategy Committee

The committee promotes company-wide activities and policies through debate and information sharing by senior management to realize the objectives of the company's "Mid-term Management Plan 2015." Its principal members are the president, corporate officers in charge of business units, corporate officers in charge of units and executives in charge of the Corporate Strategy Division.

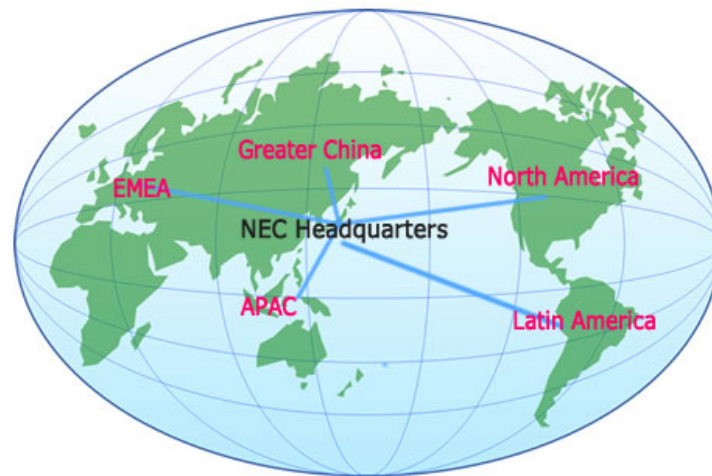
Individual themes related to CSR management are taken up by a number of committees; the Risk Control and Compliance Committee deliberates on risk and compliance issues, the Information Security Strategy Committee on information security, the Human Rights Awareness Committee on human rights, the Environmental Management Promotion Committee on the environment, and the Customer Satisfaction Promotion Committee on customer satisfaction.



Global CSR promotion framework

NEC has appointed CSR Promoters to regional management companies (regional headquarters) in five key overseas regions, namely North America, Latin America, Greater China, APAC (Asia Pacific), and EMEA (Europe, Middle East, and Africa).

CSR Promotion and Social Contributions Office and the regional headquarters are working closely to promote CSR management globally.



Global CSR promotion framework

Related Contents

- [NEC's Seven CSR Initiatives](#)
- [Main Activities and Results \(Fiscal 2014\), Monitoring and Improvement](#)
- [Objectives and Achievements](#)

Management Approach to Sustainable Development

Main Activities and Results (Fiscal 2014)

1. Strengthen Risk Management and Enforce Compliance

NEC is strengthening risk management and compliance within its own organization as well as at Group companies and suppliers, to ensure that NEC products or services, employee actions or other factors do not result in incidents or wrongdoing that cause problems for customers or other stakeholders.

From among group-wide important risks, NEC Corporation selects priority risks following deliberations by the Risk Control and Compliance Committee and the Executive Committee on risks that may significantly impact the NEC Group's continuity.

Related Contents

- [Internal Control \(Compliance and Risk Management\)](#)
- [Fair Trading](#)
- [Partnering with Suppliers](#)
- [Respecting Human Rights](#)
- [Business Continuity](#)
- [Information Security](#)

2. Help to solve social issues through business activities

NEC seeks to solve social issues affecting customers and other stakeholders through innovation in its business activities and through social contribution programs undertaken as a "good corporate citizen."

Related Contents

- [NEC's Seven CSR Initiatives](#)
- [Build Reliable Information and Communications Infrastructure](#)
- [Address Climate Change and Environmental Preservation](#)
- [Establish a Safe and Secure Society](#)
- [Include Everyone in the Digital Society](#)

3. Promote Communications with Stakeholders

NEC actively discloses everyday activities to stakeholders and society at large in publications such as the CSR Report to fulfill its accountability to them by explaining such activities. Furthermore, by continuously implementing improvement measures through PDCA cycles based on feedback from society, NEC will build relationships of trust with stakeholders, which will help to enhance its corporate value.

Related Contents

- [Dialogue with Stakeholders](#)

Monitoring and Improvement

NEC regards the CSR Report as a useful tool for promoting PDCA management of internal CSR-related activities originating from feedback from society.

NEC lists in the CSR Report the objectives, achievements and progress, degrees of completion, and other elements for overall CSR management and each CSR-related policy initiative (internal control, business continuity, information security, privacy, the environment, human rights, diversity, human resources development, occupational health and safety, customer satisfaction, quality, design, social contributions and supply chain CSR, etc.) in the previous year, and clarifies issues, leading to new objectives for next year.

NEC instituted stakeholder reviews based on ISO 26000 in fiscal 2012 as the “check” portion of the PDCA cycle.

Stakeholder review based on ISO 26000

It is equally important to incorporate the viewpoints of a diverse array of stakeholders, not only the corporate perspective, in this process to identify CSR management issues and effectively achieve improvements through PDCA cycles.

NEC has adopted the approach of ISO 26000 (guidance on social responsibility), which was published in November 2010. Based on this approach, NEC has introduced stakeholder reviews in partnership with the CSR Review Forum (CRF) made up of specialized NGOs in each field, in order to reinforce monitoring.

NEC conducted a dialogue between the relevant internal divisions and CRF based on the ISO 26000 approach. This dialogue identified priorities for achieving the NEC Group’s sustainable development and promoted greater awareness of related improvements. This stakeholder dialogue will be put to good use in NEC’s activities in fiscal 2015.

Related Contents

- [NEC's Seven CSR Initiatives](#)
- [Approach to Sustainable Management and Promotion Framework, CSR Management Basic Policies and Promotion Framework](#)
- [Objectives and Achievements](#)

Management Approach to Sustainable Development

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objectives	<ol style="list-style-type: none"> 1. Improve corporate value based on stakeholder communications. 2. Improve CSR management quality based on global standards. 3. Upgrade and expand CSR governance Group-wide and globally.
Fiscal 2014 Objective 1	<ul style="list-style-type: none"> ▪ Take on the challenge of preparing an Integrated Report for Fiscal 2014. ▪ Strengthen disclosure of information both internally and externally and enhance the quality of information. ▪ Respond appropriately to feedback from society (SRI/media surveys, requests from corporate customers and demands from NPOs and NGOs, etc.).
Achievements and Progress	<ul style="list-style-type: none"> ▪ NEC issued its Annual Report 2013, which integrates financial and non-financial information. To further improve the report and promote integrated reporting, the Company took part in discussions related to the report with IIRC representatives, other companies, investors and others. ▪ Internal: A video was made to explain in simple terms efforts to reform the company into a Social Value Innovator both from a business and social contribution standpoint, and it was introduced at CSR awareness-raising events and other venues at the company. External: Announced "Solutions for Society" initiatives in coordination with internal communications divisions. ▪ Continued to be included in SRI indexes; Ethibel rating was raised to "Pioneer & Excellence."
Degree of Completion	Achieved
Fiscal 2014 Objective 2	<ul style="list-style-type: none"> ▪ Implement CSR management measures based on ISO 26000 (PDCA management leveraging CSR Report production). ▪ Address key fields such as human rights, conflict minerals and the supply chain.
Achievements and Progress	<p>Conducted stakeholder review focused on expanding scope to the supply chain, including human rights and conflict minerals issues and integration of CSR into management (progress on mid-term plan, measurement of social value, etc.). Confirmed both progress and issues as follows.</p> <ul style="list-style-type: none"> ▪ Human rights. Made progress in education and awareness raising globally. Building due diligence frameworks among issues ▪ Expand scope to supply chain, including conflict minerals: Progress in such matters as supplier CSR onsite assessment program and responding to conflict minerals issue. Issues include expanding onsite assessments. ▪ Integrating CSR into management: Progress on "Mid-term Management Plan 2015" (such as the expressed commitment to becoming a Social Value Innovator). Issue of clarifying a course of action and creating indicators for social values related to how NEC can help solve social problems customers are trying to solve and how to create social values.
Degree of Completion	Achieved
Fiscal 2014 Objective 3	<ul style="list-style-type: none"> ▪ Develop and enhance regional management companies (regional headquarters) in five key overseas regions, centered on NEC Europe Ltd. and NEC (China) Co., Ltd. ▪ Strengthen cooperation with core Group companies in Japan.
Achievements and Progress	<ul style="list-style-type: none"> ▪ Built promotion systems for CSR procurement in EMEA and greater China regions. Refer here for details. ▪ Held discussions with major domestic Group companies on social contributions and CSR promotion and conducted network-building for promoting initiatives as One NEC.
Degree of Completion	Achieved

Fiscal 2015 Objectives

Fiscal 2015 Objective 1	<ul style="list-style-type: none">▪ Integrated Report for Fiscal 2015 including Integration of Financial and non-Financial Information▪ Strengthen disclosure of information both internally and externally and enhance the quality of information (Ongoing)▪ Respond appropriately to feedback from society (SRI/media surveys, requests from corporate customers and demands from NPOs and NGOs, etc.). (Ongoing)
Fiscal 2015 Objective 2	<ul style="list-style-type: none">▪ Implement CSR management measures based on ISO 26000 (PDCA management leveraging CSR Report production).▪ Promote due diligence in human rights
Fiscal 2015 Objective 3	<ul style="list-style-type: none">▪ Strengthen ties with NEC Europe Ltd. and NEC (China) Co., Ltd. (in such areas as human rights, supply chain CSR).▪ Create information-sharing networks among main domestic Group companies

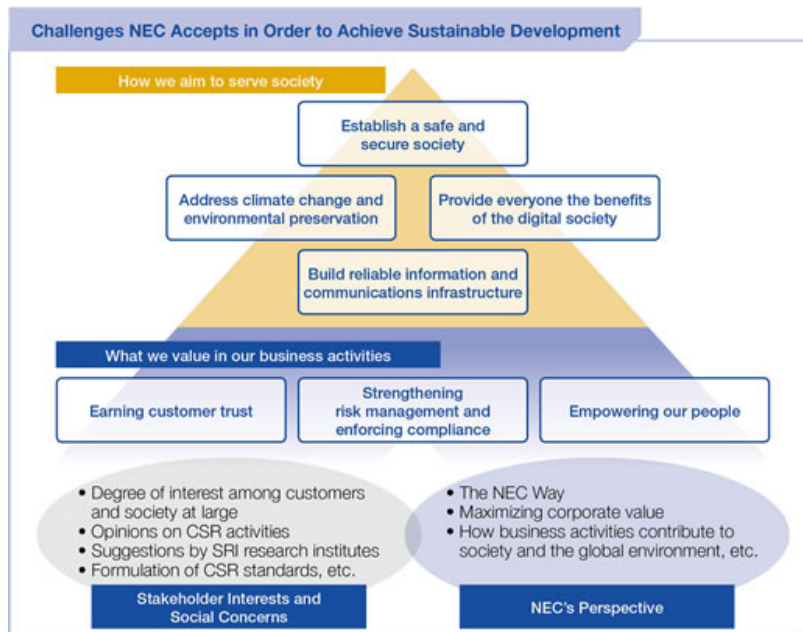
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- [NEC's Seven CSR Initiatives](#)
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- [Main Activities and Results \(Fiscal 2014\), Monitoring and Improvement](#)

NEC's Seven CSR Initiatives

NEC clarified the most relevant and significant issues and themes for stakeholders and society at large through various forms of communication with stakeholders. These issues and themes were then weighed against NEC's mid-term growth strategies and other factors to identify NEC's seven CSR initiatives. These initiatives are made up of four initiatives for solving issues faced by society and addressing people's needs and three initiatives for internal management in support of those activities.

Together with various stakeholders, NEC will continue to achieve innovation as it implements these seven initiatives.



Initiatives for Solving Issues Faced by Society and Addressing People's Needs through Business Activities

Build Reliable Information and Communications Infrastructure

NEC aims to solve various social issues, including addressing climate change and environmental preservation, including everyone in the digital society, and establishing a safe and secure society. Highly reliable information and communications infrastructure is essential to achieving this goal.

Address Climate Change and Environmental Preservation

Human activities are now recognized worldwide as a cause of climate change in the form of global warming. The significant link between economic activities and CO₂ emissions has become a particularly serious social issue.

NEC is not only reducing internal CO₂ emissions, but also working to supply IT-driven solutions that help to lower CO₂ emissions across society. Efforts are also directed at preserving ecosystems and biodiversity, as well as promoting recycling and conservation of resources.

Establish a Safe and Secure Society

Global society faces various safety and security issues, including addressing natural disasters, responding to burgeoning healthcare and medical needs, enhancing information security and ensuring human security.

By harnessing cutting-edge IT and network solutions, NEC aims to help establish a society where people can lead safer and more secure lives.

Include Everyone in the Digital Society

The digital society will highlight economic and digital divides that prevent some people from deriving benefits from its realization of convenient, affluent lifestyles.

Through the application of information and network technologies, NEC will remain a good corporate citizen by helping to ensure that the benefits of the digital society enhance the lives of all people irrespective of their circumstances, including seniors, people with disabilities and citizens of developing nations.

Initiatives for Internal Management in Support of Business Activities

Earning Customer Trust

NEC considers customer value from a social perspective and seeks to work with customers to find solutions to social issues. Accomplishing this goal requires strong customer relationships built on trust. NEC is continually focused on building customer trust through initiatives targeting increased customer satisfaction (CS), quality and security

Empowering Our People

NEC is working to promote quality workplaces that respect diversity, and to cultivate HR on a global basis. Programs to maintain the health and safety of employees are ongoing. NEC also encourages employees to participate in local volunteer activities to promote greater consideration of the relationship with society and sensitivity to social needs.

Strengthening Risk Management and Enforcing Compliance

NEC must strengthen risk management and compliance practices to ensure that business management is always sound from the standpoint of society. To this end, we will develop more secure internal systems and procedures across the NEC Group, and strengthen supply chain initiatives.

Related Contents

- [Management Approach to Sustainable Development](#)

Build Reliable Information and Communications Infrastructure

NEC has been engaged in numerous projects related to social infrastructure systems that support people's daily lives.

NEC has built highly reliable information and communications infrastructure based on ICT for many years, so it can help establish a society where people can lead safer, more secure and comfortable lives.

Contribute to Sustainable Growth in Myanmar through Communications Infrastructure

Building Advanced Communications Infrastructure to Support Raising Living Standards and Economic Growth

In Myanmar, the unfolding process toward democracy has been accompanied by momentum to seek further improvements in people's living standards and vitalization of the economy. The Japanese government made a decision in April 2012, to support Myanmar boost reforms in a wide variety of fields across the country. NEC, too, took initiatives to contribute to development by responding to a variety of needs within Myanmar. The government of Myanmar sought support from the Japanese government and Japan International Cooperation Agency (JICA), and the Emergency Communications Network Improvement Plan was carried out, becoming one of the successful examples of these initiatives.



Communications in Myanmar

In Myanmar, only about 10% of people have a phone, mobile or fixed-line, and only approximately 1% are connected to the Internet. The Myanmar government has set phone ownership targets of 50% by 2015 and 80% by 2016 to improve communication in the country. At the time when the initiatives began, Myanmar was due to host the Southeast Asian Games (SEA Games) in December 2013, and to assume the role of Chair of ASEAN for 2014. It was imperative to enhance the country's communications infrastructure as Myanmar raised its presence on a global scale.

Official Development Assistance (ODA) from Japan

NEC formed a consortium with Sumitomo Corporation and NTT Communications Corporation. The consortium closed a contract with Myanmar's Ministry of Communications and Information Technology in May 2013 in support of the country's Emergency Communications Network Improvement Plan. A project was launched to install equipment and improve the Internet connectivity in the country to build up its communications infrastructure. This was the first infrastructure construction project in Myanmar that utilized Official Development Assistance (ODA) from Japan since the Japanese government resumed economic cooperation in 2012.



Placement of the optical transmission network

High-speed, High-capacity Core Optical Transmission Network and LTE Base Station with Cutting-edge Communications Devices

The consortium's role was to improve Myanmar's communications infrastructure to a level that rivaled those of developed countries. NEC built on an existing optic fiber network, linking the three key infrastructure cities of Yangon, Nay Pyi Taw and Mandalay, to form an infrastructure axis. A high-speed, high capacity core optical transmission network was set to provide each of the cities with LTE communications, fixed-line telephones and Internet communications in city networks with speeds of up to 10Gbps. In addition, LTE base stations were set in 50 locations across the three cities. Apart from this ODA project for the Emergency Communications Network Improvement Plan, NEC also installed free of charge an additional 30 LTE base stations around venues of the SEA Games to enhance usability.

Furthermore, NEC installed state-of-the-art technologies within the communications bureau that include virtualized Evolved Packet Core (vEPC) *1 virtual mobile network solutions and DW7000*2 optical transmission equipment. Once equipment had been installed, training of engineers from Myanmar began, with the aim that the system be maintained and operated by them.

NEC has a proud track record of building communications infrastructure worldwide, and we used that expertise to contribute to significant improvements in the communications environment in Myanmar. In the three cities involved in the project and areas surrounding them, it became possible for approximately 40,000 LTE communications users, about 1.5 million fixed-line and some 1 million Internet communications users to utilize the system at the same time.

*1 Virtualized Evolved Packet Core (vEPC):

A virtualized mobile core network solution that achieves Network Functions Virtualization (NFV) on a virtualization infrastructure running on a commercial-off-the-shelf server hardware with Intel Architecture (IA).

*2 DW7000:

Optical transmission equipment supporting a 100 Gb/s Ethernet

A Design Ahead of its Time Supports Sustainable Growth

This project was to be completed within only six months from the closing of contract. By working closely with government organizations and taking procedures step by step, we completed the project on schedule successfully. This infrastructure delivered by the consortium, contributed to smooth telecommunications during the SEA Games held in December 2013. It is currently supporting the telecommunication environment at the ASEAN Summit in Nay Pyi Taw, which began in May 2014.

NEC's DW7000, which was installed at the communications bureau, is a cutting-edge optical transmission equipment that supports a 100Gbps Ethernet, enabling high-speed, high-capacity on communications networks. This makes it a design ahead of its time and will be the first step in sustainable development going forward. Furthermore, we believe that it will help to raise the standard of living for the people of Myanmar and enliven the country's economy.

NEC was awarded the 42nd International Telecommunication Union-Association of Japan (ITU-AJ) Award (International Cooperation Field Accomplishment), by the ITU-AJ for contributing to this project.

NEC's strong presence in Myanmar's infrastructure continues, as it contributed in developing airport infrastructure in Myanmar to ensure safe airport operation. Following the success in Myanmar, NEC will provide a variety of social solutions utilizing ICT solutions and contribute to infrastructure development in emerging countries going forward.



Awarded the 42nd ITU-AJ Award,
International Cooperation Field
Accomplishment Prize

Address Climate Change and Environmental Preservation

As a medium- to long-term environmental management plan to contribute to the realization of the NEC Group Vision 2017, NEC developed an action plan in June 2010 called the NEC Group Environmental Management Action Plan 2017/2030. Under the plan, NEC is tackling three key themes—low carbon, ecosystem and biodiversity preservation, and resource recycling and conservation.

[Annual Environmental Report 2014](#)

NEC published the NEC Annual Environmental Report 2014, which reports on the NEC Group's environmental activities and achievements for fiscal 2014.

[Doing our part to address climate change at NEC](#)

We are applying our efforts in the provision of “solutions for society”, to create a safe, secure, efficient and fair society where people lead prosperous lives.

Establish a Safe and Secure Society

Global society faces various issues, including addressing natural disasters, responding to burgeoning healthcare and medical needs, enhancing information security and ensuring human security.

↓ [Utilizing ICT to Enhance Disaster Response Capabilities in the ASEAN Region](#)

↓ [Realizing Safer Bus Operations in Hong Kong](#)

Utilizing ICT to Enhance Disaster Response Capabilities in the ASEAN Region

Strengthening Disaster Support Functions at the AHA Centre

The ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre) was established in 2011 with Secretariat located in Jakarta, Indonesia. The establishment of AHA Centre was guided by the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) that was ratified by ASEAN member countries in 2009.

Natural disasters such as earthquakes, tsunami and cyclones occur frequently in the ASEAN region. AHA Centre is mandated to conduct joint emergency response, sharing information and facilitating assistance among the 10 member countries during an emergency situation.

This Web-based Crisis Information System project is the second project supported by Japan's Ministry of Foreign Affairs and the Ministry of Internal Affairs and Communications, with the aim to strengthen the interconnectivity and interoperability between AHA Centre and ASEAN Member States.

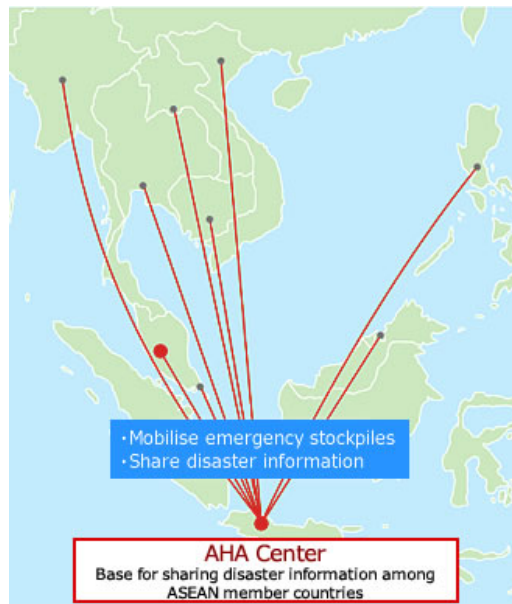


NEC Indonesia employees who oversaw the project

Building a Highly Reliable Platform

In this project, NEC delivered key ICT components to build the disaster communications system platform, including "Express 5800 series" servers, "iStorage series" storage and network devices, and will also support the maintenance of the system.

With hardware and software that have established reputations for high reliability, combined with 24-hour, 365-day support provided by our Indonesian subsidiary, disaster-related information can be shared at any time, day or night, and a system has been built up to rapidly provide humanitarian support during the response phase of emergency situation.



Contributing through Business Development Entrenched in the Local Community

NEC has laid down deep roots in Indonesia extending back to the 1960s, and currently its subsidiary has a local workforce on a scale of 200 people. With this project, too, local staff providing technical support have been highly regarded. Consequently, this has led to extensions of the maintenance contract and endeavoring to meet detailed needs has led to more orders for equipment and machinery that enhances the functionality of the AHA Centre in a variety of ways. Inside the centre, NEC products are widely used, including large-screen monitors displaying information from each country and digital signage.

In April 2014, during the Indonesian government's international disaster drill, Mentawai Megathrust DiREx 2014, the AHA Centre moderated contact and support between Indonesia and ASEAN member countries. AHA Centre's ICT capabilities has once more contributed to the regional humanitarian assistance and disaster relief (HADR). NEC will continue supporting this project to contribute to society based on local needs.

Realizing Safer Bus Operations in Hong Kong

Issues with Hong Kong's Public Transportation Network of Buses

Hong Kong is famous for its vibrant mix of modern and traditional as much as its remarkable economic growth. It continues to attract more tourists and business travelers to its shores every year.

Hong Kong has some of the highest population density in the world. This is why Hong Kong is reliant on buses to provide cost effective and flexible transportation service to its residents and visitors. In the past, Hong Kong buses did not have a Fleet Management System (FMS) in place. This lack of a system made it difficult to centralize the data and operations for monitoring the status of a bus fleet as well as the performance of the bus drivers. Furthermore, there were no stop announcement or information displays in the vehicles making it hard for passengers to know when to get off at their stop. In particular, the bus system was not seen as a user friendly service for tourists.



CTB&NWFB vehicles that run in Hong Kong

Citybus Limited & New World First Bus Services Limited (CTB&NWFB) install FMS to Ensure Safe and Secure Operations

To tackle some of the issues in the bus services, leading Hong Kong bus operators, CTB&NWFB, began a phased installation of FMS in 2010 for all their buses (approx. 1,600 buses).

FMS uses GPS tracking to obtain positioning information from buses, and in combination with the bus operator's enterprise data, the system calculates and reports on operational performance, such as whether the service is running on time, and what part of routes are most likely to have delays. These reports are also useful for driving service improvements by support operation planning, route planning as well as for driver training.

One challenge of offering these services in Hong Kong is that it is difficult to get accurate GPS data because of the unique environment of narrow streets that are surrounded by skyscrapers. However, by gathering data from a vehicle's data (such as odometer, speed, brake use, etc.) and using this in combination with GPS data was possible to obtain the bus's location more accurately. This approach enhances the accuracy of passenger services by providing next stop announcements automatically to passengers and allows bus drivers to concentrate on driving.

FMS has also been installed on around 180 airport shuttle buses (around 11% of their buses) which have installed a real-time system that, as well as gauging buses' operational status also, estimates their arrival times. Therefore, passengers can find out via PC web sites or smartphone apps when their bus will arrive.

FMS is highly regarded for its contributing to improving services and both companies were awarded the Best Public Service Application Grand Award at the Hong Kong ICT Awards 2013.



Search bus routes and estimated arrival times using a smartphone app



A display in the bus informing passengers of the next stop

Looking Ahead

Currently, considerations are being made to expand real-time operations indicators across the entire fleet. It is expected that the full implementation of a real time system will reduce accidents and CO2 emissions due to more ecologically-aware driving patterns. Going forward, NEC will continue expanding locally led businesses and to make positive contributions to society by offering people a safer and more secure travelling experience.

Include Everyone in the Digital Society

NEC aims to ensure that all people on earth are included in the digital society by helping to solve social issues through ICT.

Improve Customer Services at Railway Stations



Challenges Railway Stations Face

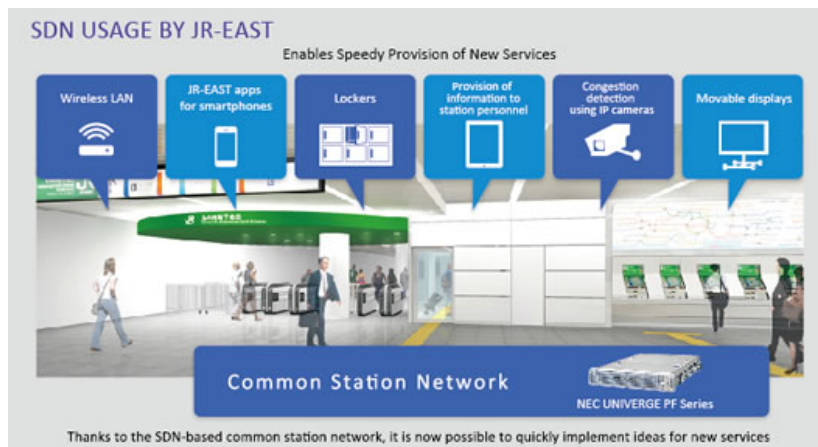
There are a variety of systems installed at train stations, but differences in system policy and installation timing result in multiple networks optimized for individual tasks. In addition, large stations frequently undergo refurbishment, but construction work is limited to about three hours between the last train and the first train the following morning. Under these circumstances, it takes time to complete new construction and become difficult to provide new services quickly. To solve these issues, East Japan Railway Co. (JR East) proposed the installation of JR-STnet, a "common station network" infrastructure development for Tokyo Station. This plan included integration and management of different networks at the station with flexibility to add or change the network environment as required.

World's First Use of SDN in the Railway Industry

With conventional networks, equipment is set individually for data flow. As an outcome providing a new service requires changes in network settings, entailing significant cost and time.

To overcome these challenging tasks, NEC proposed SDN technology. This technology allows software to control equipment for data transfer, contributing to flexible, efficient communications.

NEC's SDN solution provides flexibility in adding or changing networks, and reduces operation costs significantly. As a result, planning of new services became easier and the services were provided with greater flexibility and speed. Some of the services include wireless LAN for smart devices and a quick search for unoccupied lockers at Tokyo Station.



Further Improving Services

JR East intends to make further service improvements using this "common station network" at Tokyo Station. For example, passengers are able to use applications on their smartphones or tablet devices to obtain information such as train delays, while those unfamiliar with such equipment can consult station employees who will use the same information installed in their portable devices to assist customers. JR East hopes the system will make the station even more convenient for its customers.

Going forward, NEC will focus on developing infrastructure in places facing issues similar to those at Tokyo Station, in its aim to provide solutions which can benefit everyone in the digital society.

Earning Customer Trust

NEC considers customer value from a social perspective and seeks to work with customers to find solutions to social issues. Accomplishing this goal requires strong customer relationships built on trust. NEC is continually focused on building customer trust through initiatives targeting increased customer satisfaction (CS), quality and Safety.



For Customers

NEC believes that improving customer satisfaction (CS) is vital to building relationships of trust with customers. Based on feedback obtained through customer satisfaction surveys and customer consultation centers, NEC investigates the cause of problems and examines measures to address them. Through internal enhancement activities, NEC strives to enhance customer satisfaction.

Ensuring Quality and Safety

NEC will continuously provide high-quality and safe products based on the motto of "Providing Better Products, Better Services; Putting Customer Satisfaction First." NEC strives to enforce rigorous adherence to this approach, which has been established as a core quality and safety principle.

Design Friendly to Humans and the Earth

In a society where IT and networks are becoming increasingly integrated, devices, services and systems that are easy to use are needed to ensure that many different people can have greater access to information. NEC is promoting Social Value Design across the NEC Group as part of realizing the Group Vision of "an information society friendly to humans and the earth."

For Communities

NEC is conducting social contribution activities in consideration of the interests and advancement of all stakeholders, including local communities, as part of efforts to fulfill its corporate social responsibilities as a "good corporate citizen."

Basic Policy

NEC believes that improving customer satisfaction (CS) is vital to building relationships of trust with customers.

Since its founding in 1899, NEC has been developing a corporate culture under the motto Better Products, Better Services, in which we create products and services that are more valuable to customers, and in which every one of us understands, considers, and quickly responds to what our customers expect in order to make NEC a company that is trusted and chosen by customers.

Related Link

- [Customer Satisfaction Management Concept](#)

Framework

NEC's CS improvement activities are mainly led by Quality Promoters (QPs) (There were 1,100 QPs as of March 31, 2014.) The basic role of QPs is to examine the company's activities from the viewpoint of customers and continually promote improvements that enhance the value of business activities.

QPs participate in the CS Promotion Committee, which plans CS activities at the company level, and defines issues for deliberation and decision-making within the business units. Particularly important items are also put before the Business Strategy Committee, which is comprised of top management from the president down.

In fiscal 2014, the progress of CS No. 1 activities and plans for future activities were reported to top management and deliberated on by the Business Strategy Committee at its November meeting.

Related Link

- [Entire Workforce in Pursuit of Higher Quality](#)

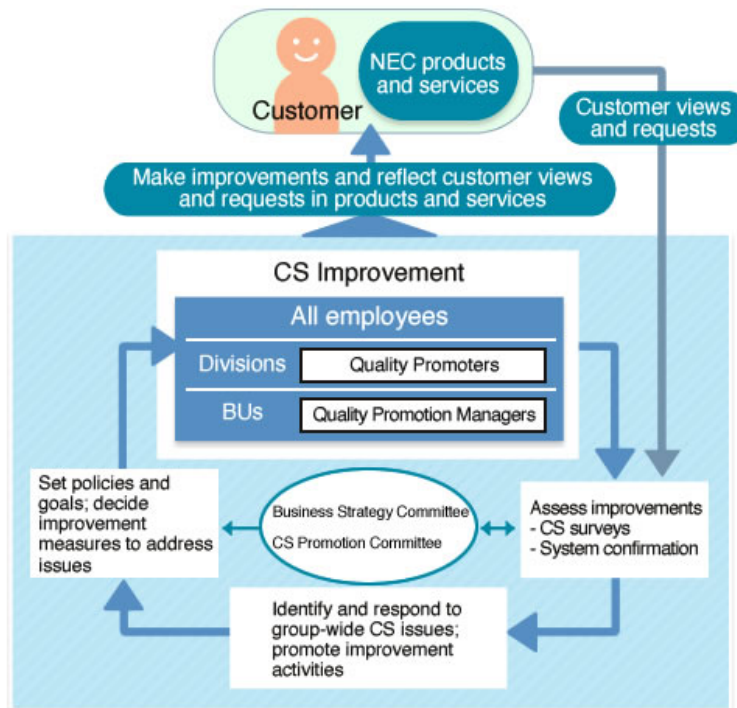
Surveys are not the only source of customer feedback: we also receive information from customers through a variety of organizations and activities. We have established separate specialized contact points for each key product and service where customers can ask questions, provide opinions and make requests.

At each contact point we respond based on customer feedback to improve product and service specialization.

Related Link

- [List of Inquiry Contact Points](#)

Group-wide CS Promotion Framework and CS Improvement Cycle



Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Main Activities and Results (Fiscal2014)

At NEC, one of the ways we improve the level of customer service is to use customer feedback from CS surveys and customer contact points to identify issues and study ways to improve them, thereby leading to improvements in the products and services divisions. We analyze customer feedback to determine latent needs and propose new businesses.

Improvement Initiatives Based on CS Surveys and Opinions Received From Clients and Consumers

Every year, NEC conducts the NEC Group Customer Satisfaction Questionnaire, targeting corporate and public-sector clients in Japan. The survey is designed to find out how these clients evaluate NEC, with responses reflected in future improvement initiatives and new business proposals.

Omotenashi support in restaurants

We received many requests from customers in the food services industry for a system that would allow them to easily monitor their restaurants and improve coordination between waiting staff and the kitchen, with terminals resistant to grease and detergents.

In 2013 NEC strengthened the functions of FoodFrontia*, a total solution for the restaurant business, in response to these requests from customers.

The main reinforcement points were as follows:

- The terminals are now equipped with a case that is highly chemical resistant (grease and detergents included) thanks to a highly airtight structure that can be used in kitchens where there is steam and greasy smoke.
- Gaps were eliminated between the case and touch panel and a flat display is used that is grime resistant and easy to clean, making it possible to meet restaurant requirements for sanitary operations.
- Orders appear on a color display with exceptional visibility to shorten the lines of traffic within the kitchen.
- Terminals are equipped with screen display modes for different positions (in the kitchen, at the service hatch, etc.) and time slots, and the overall system enables more efficient kitchen operations and reduces order errors, service delays and other problems because food preparation volume at each position can be verified, and warnings are displayed when a certain amount of time elapses.

*FoodFrontia is a total solution that includes a restaurant system that can process orders from handheld and self-order terminals, transmit those orders to the kitchen, output to the kitchen printer, and conduct settlement processes at POS registers, as well as a head office system that creates quantitative visual renderings of restaurant productivity.

Related Link

- <http://www.necinfrontia.co.jp/press/2013/130520.html> (In Japanese only)

Supporting business globalization with cloud services

Fuji Xerox produces digital multifunction devices, printers and other products in China and Japan that it sells in Japan and Asia-Pacific countries and exports to North America, Europe and other regions. Fuji Xerox would receive urgent requests for delivery from overseas sales outlets and other distributors and would respond by checking with its factories or export agents for every request. Sales outlets resorted to carrying extra stock to offset potential shipping delays. Through use of cloud services, however, Fuji Xerox was able to substantially improve the situation and raise its customer service performance.

Using GXS Managed Services, a comprehensive B2B integration solution developed by NEC, shipping status data from roughly 40 shipping companies is collected and registered in the NeoSarff/Logistics database, allowing the status of products during shipment to be constantly monitored. Control numbers from any division involved in logistics (sales companies, supply/demand divisions, production sites, etc.) can be used for data searches.

Fuji Xerox is now able to precisely manage its shipments, even international shipments with long lead times, for a faster response to delivery inquiries and reduced inventory. The system also allows orders to be assigned to products being shipped at sea, raises the precision of production planning, and overall provides for better control of supply and demand. GXS Managed Services has already connected with over 1,600 shipping and delivery companies.

Related Link

- http://jpn.nec.com/press/201305/20130516_01.html (In Japanese only)

Activities Within NEC

NEC focused on the Quick Response initiatives in fiscal 2013, and this was continued and further developed in fiscal 2014 as a company-wide CS No. 1 activity.

Workplace Roundtables Held

At Workplace Roundtables in fiscal 2014, initiatives were considered at each workplace, with an emphasis on increasing response speeds, bolstering proposal capabilities, and strengthening information-sharing internally, and then put into practice. A total of 22,316 employees in 2,160 teams participated.

A number of employees commented on the project and tended to emphasize the teamwork involved: "We identified hidden administrative problems and were able to come up with solutions to them as a team;" "Each person brought in information and this led naturally to identifying issues and finding solutions." The roundtables were successful then in building awareness of solving problems as a team.

Case Studies and Group-wide Applications

Other employees indicated a desire to learn from more concrete cases of success and failure, so examples of practices at the division, project, team and individual levels were publicized internally on the CS No. 1 Activities portal site.

The site introduces various CS No. 1 activities, including examples of quick response and Workplace Roundtable initiatives, as well as activities for individuals, teams and divisions. Employees commented on how the problems and solutions of other projects are valuable as reference and how the efforts of other divisions have been instructive for their own division's initiatives.

Instituting a Customer-Oriented Corporate Culture

People are the basis of developing and supplying products and services that deliver high customer satisfaction. At NEC, we offer various kinds of education and training by occupation and grade so that we can develop employees capable of taking notice of issues and making improvements. Moreover, NEC implements measures to recognize CS improvement initiatives undertaken from the standpoint of the customer, as well as the "customer beyond the customer" (i.e., as general public and as consumers), with the aim of further motivating employees.

*Please follow [this link](#) for further details on CS education and training.

CS Education and Training for All NEC Group Employees

Training seminars to foster a customer-oriented mindset (Customer Satisfaction (CS) Mind Training Program) (Activities of CS Promoters)

Continuing in 2013 was Education and Training to Foster a Customer-Oriented Mindset — What NEC Places Importance on. This was implemented the previous year, but with more detailed contents to use for training in overseas subsidiaries.

The program has two sections, one, Customer Satisfaction (CS) Mind Training Program, for regular employees and the other, Activities of CS Promoters, aimed at those responsible for activities to promote enhanced customer satisfaction (CS).

For regular employees, the aim is to gain a firmer grasp of the Universal CS Mind, keywords that express the key points for realizing customer satisfaction that had been learned in 2012. Using case studies, they learn about the five key points from the perspective of customers, sales staff, system engineers and maintenance officials.

For those in charge of promoting CS, training is conducted using "nbook," an in-house SNS, assembling expertise and frequently asked questions (FAQ) in a PDCA cycle that goes from planning to enhance CS (including policies and objectives), visualizing CS and clarifying issues, countermeasures for issues and implementing improvements. Among the thoughts expressed by those who have undergone the training were, "It was simple, but clear and detailed," "The contents fitted reality," and "The case studies focusing on daily events we're likely to experience were great." In the coming year, we want to incorporate these opinions and continue this training for all employees.

People-centered Education to Foster a Customer-Oriented Mindset

Internal Awards for Outstanding CS Activities

NEC has established an internal awards system, with the aim of fostering a corporate culture where employees find it worthwhile to help customers and share the joy of helping customers within the NEC Group. NEC provides internal awards to business groups and individuals who work from the customer's standpoint and are applauded by customers. The awards are granted once a year, with criteria including the extent of collaboration with other divisions and the difficulty of activities.

An example of awards

NEC Platforms Corporation : Reducing System Failure for 7-Eleven, Inc. of North America with Order Terminal (GOT/HHT) Development

NEC received a contract for order terminals (GOT/HHT) from 7-Eleven, Inc. of North America, licensee of Seven-Eleven Japan. Areas of dissatisfaction with existing terminals were rigorously identified and a product developed specifically to meet the company's needs. The new system upgrades were applauded by the stores themselves and 7-Eleven top management expressed its appreciation by saying that they had never had a device upgrade project proceed so smoothly.

Particular issues were improving wireless LAN connectivity, lengthening battery life, making devices more reliable, and lowering repair costs.

With the release of the new system, engineers were made available full-time at NEC America for rapid response to SE testing, user testing and pilot testing, and support was provided under this framework during the roll-out phase as well, which served to further raise customer satisfaction.

Comment from Award Recipient

How fast a company can respond when problems occur is a very important part of customer satisfaction.

The project involved creating a system for making engineers available full-time from an early stage. This allowed confirmation and monitoring of the situation in the field when problems would occur and also enabled accurate information to be shared with engineers in Japan, which in turn led the project to earn high marks for quick response.

Going forward, NEC intends to draw on this experience to continue providing even higher quality products for its customers.



NEC Platforms Corporation
Appliance Development Business Department
Masatsugu Takahashi

Related contents

- [Basic Policy,Framework](#)
- [Objectives and Achievements](#)

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objective	NEC aims to become the corporate entity preferred by customers by ensuring that all employees are aware of their customers and striving group-wide to contribute to greater levels of customer satisfaction through its CS No. 1 initiatives.
Fiscal 2014 Objective 1	Strive to enhance NEC's ability to address problems, enhance responses and improve proposal-making capabilities in order to execute improvement initiatives based on CS surveys and opinions received from customers and consumers.
Achievements and Progress	Workplace Roundtables were held at the division level on four themes: strengthening responsiveness when trouble occurs, improving response, bolstering proposal capabilities and information-sharing. The activities decided on at the Workplace Roundtables and their results were posted on the CS No. 1 Activities portal site and the information was shared and utilized throughout the Group. However, according to a survey by an outside research firm, the initiative did not achieve significant results.
Degree of Completion	Mostly achieved
Fiscal 2014 Objective 2	Strive to foster a customer-oriented mindset among employees and share information on best practices with the view to ensuring that all Group activities in Japan and overseas are based on customer needs, in order to entrench a customer-based corporate culture.
Degree of Completion	Overseas, training was conducted to deepen understanding based on the previous year's training curriculum and approximately 3,700 employees took part. Through the training, expertise on promoting CS improvement activities was imparted to promoters. At group training in Japan, conventional Customer-Oriented Mindset training was held but with partial changes to the curriculum aimed at improving response and bolstering proposal capabilities. The training was conducted 19 times during the year and approximately 400 employees participated. In fiscal 2014, NEC also offered Web-based training. With an access count of approximately 12,000 per month, this training helped to foster a CS-oriented mindset.
Degree of Completion	Mostly achieved

Fiscal 2015 Objectives

Fiscal 2015 Objective 1	Strive to enhance NEC's ability to address problems, enhance responses and improve proposal-making capabilities in order to execute improvement initiatives based on CS surveys and opinions received from customers and consumers.
Fiscal 2015 Objective 2	Strive to foster a customer-oriented mindset among employees and share information on best practices with the view to ensuring that all Group activities in Japan and overseas are based on customer needs, in order to entrench a customer-based corporate culture.

Related contents

- [Basic Policy,Framework](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Ensuring Quality and Safety

Basic Policy

Since its founding in 1899, NEC has been developing a corporate culture under the motto "Better Products, Better Services," in which all employees understand and consider customers' expectations and act with the targeted result being the provision of products and services that exceed customers' expectations.

Take note that "Better Products, Better Services" does not mean "best." "Better" means to always strive to find something superior for customers instead of something that stands out above others at a single static moment in time. This sense of values is called the "NEC of Quality" and has earned us trust. We aim to have all employees participating in raising the quality of their own work to lift the quality of products and services to attain the NEC Group Vision and mold a much-loved NEC.

Philosophy and Guidelines

NEC has established the following Quality and Safety Philosophy and Action Guidelines to thoroughly ensure quality and safety.

Quality and Safety Philosophy

NEC will continuously provide high-quality and safety products based on the motto of "Providing Better Products, Better Services; Putting Customer Satisfaction First."

Action Guidelines

1. Quality management
 - 1) Take action from the customer's perspective
 - 2) Maintain and develop the NEC brand
 - 3) Strive to improve quality on an individual basis
 - 4) Ensure compliance with laws, regulations and rules
2. Safety management
 - 1) Recognize the importance of product safety on an individual basis
 - 2) Strive to ensure product safety
 - 3) Respond sincerely to problems concerning product safety

Framework and Systems

Quality and Safety Risk Management System

NEC views its readiness to address quality and safety risks associated with products, systems and services as a key issue.

Consequently, there has been a Company-wide rebuild of the Quality and Safety Risk Management System since October 2000 and this is being operated thoroughly. Specifically, to clarify the management framework for this area, NEC has established company-wide rules and standards and has appointed managers responsible for safety and quality management at each business division to ensure that the mechanisms and systems for legal compliance, especially those related to product quality and safety, have been properly established and are being operated appropriately. Based on quality and safety risk management action policies, NEC has instituted programs to prevent serious quality issues, and their recurrence. These efforts include improving safety and reliability technologies, standardizing critical components and conducting programs to share expertise.

NEC is prepared to respond to serious systems disruptions and serious product incidents that have a large societal impact. In these cases, NEC will issue an urgent risk management report (via rapid escalation to management) along with holding Emergency Action Meetings to formulate responses in terms of communication with customers and regulators, the mass media and the general public, and so forth. These meetings will be attended by not just the relevant business divisions, but also the principal corporate staff divisions. In this way, NEC has established a framework for determining company-wide policy in response to such serious issues by promptly deliberating responses.

Furthermore, quality and safety management systems are monitored and audited internally by the internal auditing division based on company-wide rules and standards. In October 2010, NEC revised its rules for responding to serious systems disruptions and serious product incidents at customers' sites by requiring the relevant business divisions to ensure the direct escalation of information to management. The goal is to strengthen the escalation of critical quality issues that have occurred at customers' sites. With this step, we operate a system that assures a rapid response as "One NEC."



Safety Education (HR development for realizing safety and security)

Skills training programs and other types of human resource development are a vital part of our ongoing efforts to raise the quality and safety of NEC products. Therefore, in-house training in this area is organized in 16 courses by role and by field of specialization, with the aim of helping participants acquire basic and specialist knowledge of quality/safety management standards and related technical standards, and to improve practical skills in the fields of design and manufacturing. In particular, NEC managers responsible for safety and quality management are crucial to quality and safety risk management. Accordingly, all of these eligible managers receive specialized training courses.

NEC also nurtures a large number of safety technology experts by providing safety technology training through safety review practice using actual devices.



Test of power cord fixing strength
(Safety review practice)



Voltage measurement
(Safety review practice)

Ensuring Product Safety

The NEC Group has a global first basic policy when it comes to worldwide product capabilities, ensuring it complies with international standards from the outset based on the standpoint of ensuring product safety.

Accordingly, the NEC Group strives to ensure the safety of hardware products, including those for the domestic market, based on the IEC 60950-1 (JIS C 6950-1) international standard of safety. IEC 60950-1 is an international safety technology standard that is broadly recognized as the global standard for IT equipment.

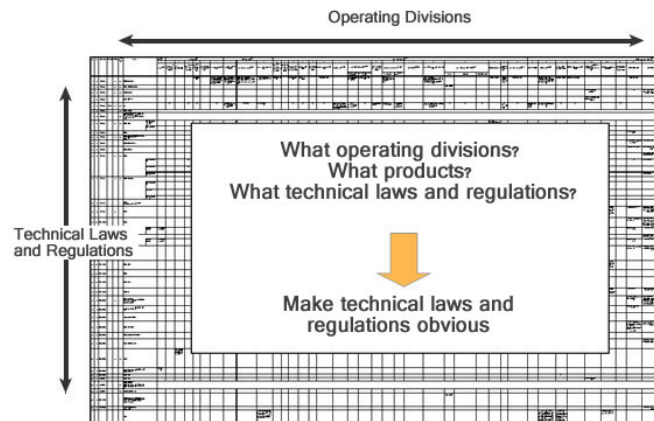
Furthermore, to augment the IEC 60950 standard, NEC has established the Group Safety Standards, which include additional proprietary safety measures, as well as the Basic Safety Standards at an even higher level. Based on these standards, NEC implements risk assessments and designates the necessary Group safety standards. Through these measures, NEC is working to prevent product safety incidents, with the aim of ensuring product safety.



NEC's Safety Technology Standards System

Compliance With Relevant Laws and Regulations

In regard to compliance with the technical laws, regulations and other rules applicable to products, we have prepared a "map of technical laws and regulations" (44 regulations related to domestic products and 901 regulations related to staff) within the NEC Group in order to visualize the technical laws and regulations that each product must comply with. This is to ensure that products conform in detail to laws and regulations in Japan, such as the Electrical Appliances and Materials Safety Act, Voluntary Control Council for Interference by Information Technology Equipment (VCCI) standards, the Radio Act and the Telecommunications Business Act. Products for overseas markets must also conform in detail with the laws and regulations of various countries. Through these and other measures, NEC strives to ensure compliance with technical laws and regulations.



Technical Laws and Regulations Map

(*) VCCI : Voluntary Control Council for Interference by Information Technology Equipment

The VCCI is Japan's regulator of interference (noise) generated by IT equipment and the like

Design Friendly to Humans and the Earth

Basic Policy

The NEC Group has declared in its NEC Group Vision 2017 that it will “leverage the power of innovation to realize an information society friendly to humans and the earth,” and with a focus on the “Solutions for Society” business, which provides advanced social infrastructure utilizing ICT technology, the Group is working to contribute solutions to the many challenges currently faced by society.

The NEC Group has worked for some time to develop products that incorporate universal design principles, so that they can be used by anyone, anywhere and at any time regardless of gender, nationality or disability.

The world however has a host of problems needing solutions, problems associated, for example, with population increases, urbanization, food supplies and energy. In addition, to address such changes taking place in society, NEC has come to believe that our conventional approach rooted in the perspective of the person or individual is not enough. It is essential that we possess a vision for our cities and a picture of the ideal society from the standpoint of society itself, which encompasses corporations and the national and local governments, and that this approach also raises the value of systems and services.

The NEC Group has therefore instituted a new approach called Social Value Design that it will incorporate into the planning and development of new products and services to create products and services with greater social value.

The Concept behind Social Value Design

Social Value Design is a vision for the future based on two perspectives. The first, user experience, is the utilization of human-centered design and design concepts to raise the experience value of users from an individual or personal standpoint. The second, social experience, involves raising the value of systems and services from the broader standpoint of society. Ultimately, Social Value Design aims to create new value for society and for the businesses of NEC customers.

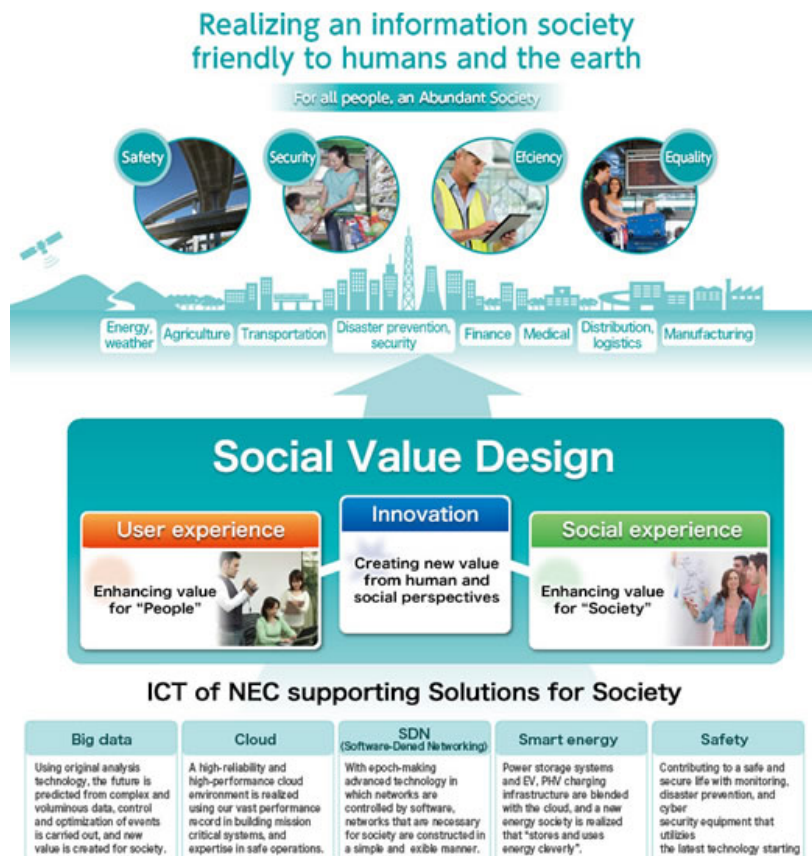
* Related Link: Please follow [this link](#) for details about the universal design development process

* Please follow [this link](#) for a video presentation of an outline of universal design at the NEC Group.

Policy

When all divisions and employees of the NEC Group work from the standpoint of Social Value Design, we believe that it will give rise to the creation of innovation and social value distinctive to NEC.

For this reason, NEC is promoting the establishment of systems for the sustained practice of the methods and processes of human-centered design and design concepts throughout the NEC Group.



*Achieved 1st place in the accuracy evaluation conducted by the United States National Standard Technology Research Institute (Fingerprint authentication 2009, face authentication 2010)

System and Process

The NEC Group established a design strategy division (currently the Production Control Division) within the Corporate Marketing Division in July 2011 to promote human-centered design, or HCD, in the planning and development process for products and services. Basing planning and development processes on HCD is an extremely important part of realizing Social Value Design. For this reason, we have created a support system for projects that include universal design considerations or the application of HCD, through coordination among related divisions at NEC Group companies.

Moreover, by analyzing completed projects and creating case studies based on them, initiatives are shared on intranet sites and used to enhance training programs and promotional frameworks.



In addition, at the planning and research stage, the living and usage environments of target customers are considered, concrete feedback received and core needs identified with precision. Then, at the development and design stage, ideas are developed, prototypes created and evaluations received from customers. This is subsequently fed back to the development division and further improvements made.



By utilizing this human-centered design process, NEC creates new value for society and customer businesses.

Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Main Activities and Results (Fiscal 2014)

NEC Group Social Value Design Case Studies

Case Study 1

Argentina's "Tigre Vision 2030" Project Aiming to Create a Lively City

Creating value together with customers requires that we think with the customer about its own future and the issues it faces. Value is then created by working with the customer to solve its issues. NEC created "Vision 2030" for the city of Tigre, Argentina, which has a population of around 400,000 and is located approximately 30 kilometers north of the capital, Buenos Aires. It is a vision for the safe, secure and highly livable city the municipal government plans to provide to city residents by the year 2030. The city of Tigre is actively working to create a highly appealing city by addressing major issues that include an expected increase in its population, environmental protection in the nature-rich Delta Area, enhanced public services in the Continental Area, which is primarily residential, and the maintenance of law and order throughout the city. In this project, NEC used backcasting to define an ideal city for the city's citizens and the larger society, and then examined the current situation based on this future target to identify the issues that must be overcome to make the ideal a reality. A plan was then created and solutions proposed to realize the vision. The project also involved finding areas of research aimed at solving future issues.

To create this vision, a team of NEC researchers and human-centered design specialists carried out work in four stages: onsite observation, interviews with city officials, creation of a vision draft, and workshops to polish the vision.



Drawing of the city and vision draft



Utilizing an affinity diagram in the workshop



Workshop participants

After going through this process, a two-part concept book we named "2030 Tigre Vision" was collated. The first part takes the form of a travel diary and envisions a Japanese student visiting Tigre in 2030, writing about the city's appearance and lifestyles there. The latter half is an action plan outlining what will be necessary to make "2030 Tigre Vision" a reality. This section contains information about "Solutions for Society" that NEC can contribute related to healthcare and safety and security.

Case Study 2

Convenience Store ATMs Easily Accessible for the Elderly and Visually Impaired

ATM machines at convenience stores have become an indispensable part of people's lives for their proximity and 24-hour availability.

The convenience store ATM developed jointly by NEC and Seven Bank, Ltd. has continued to evolve since its debut in 2001. Most recently, the user interface has been improved to conform color schemes to universal design principles and thereby make the screens easier to read and use.

To make ATMs easier to use, they must accommodate the increasing diversity of convenience store customers and changes in lifestyle patterns. In the past, convenience stores were generally seen as places frequented by young, single people, but more recently senior citizens and women are using the stores in increasing numbers.

Updating the ATM screens involved applying the human-centered design process to gain a better understanding of increasingly diverse ATM users. Group interviews and user assessments were conducted for people age 50 or older and for the elderly in particular. The project was organized around a set of objectives: to make fonts larger and text easier to read, to provide screen instructions that make the ATMs easy to use even for first-time users, and to make screens easier to use in general.

As a result of the improvements, fonts were enlarged (up to 1.5 times) and instructions simplified to make the screens easier to read and shorten the time required for users to comprehend them. In addition, to make the screens easier to read for people with color vision deficiencies such as a color weakness, Color Universal Design certification was acquired and a more advanced design adopted.

Color Universal Design certification is issued by the non-profit Color Universal Design Organization and is intended to promote easier-to-view screens in sectors like banking and securities for people with a color vision deficiency such as color weakness.



Screens use bigger letters and information is simplified



Screens improved with colors making them easier to read

Develop Human Resources to Promote Social Value Design

Human-centered Design Certification System

The NEC Group has established the human-centered design certification system, an internal qualification system to develop promoters of Social Value Design. This certification system has been in operation since the end of November 2011 and by the end of March 2014, 905 people had obtained this qualification. Furthermore, the Japanese NPO Human Centered Design Organization certifies a specialist external qualification in human-centered design. Utilizing this qualification system, 6 experts and one specialist working in the NEC Group were awarded this qualification in fiscal 2014. To date, a total of 25 specialists from the NEC Group have been awarded this qualification.

Employee Education and Awareness Raising

Since fiscal 2009, NEC has been conducting Web-based "Universal Design Training," a training program designed for all NEC Group employees (including temporary staffing and seconded employees). In fiscal 2014, NEC continued to offer the Web-based "Universal Design Training," to new graduate and mid-career recruits, as well as temporary staffing. This program was also offered as follow-up training for returning seconded employees from NEC Group companies. The total number of participants was 2,859 employees.

Furthermore, we held in-house seminars for participants to study various human-centered design techniques, and learn about development processes from outstanding examples within the Group. In this manner, we strove to enhance the awareness and skills of employees centered on software and hardware development personnel.



Fiscal 2014 Results

	Times	Division / Occupation
Universal design training (Web-based)	1	NEC Group employees (2,859 employees)
Seminar for product planning and development personnel	22	NEC Group employees (approx. 1,123 employees)
Human-centered design internal certification system	Year-round	NEC Group employees (25 employees)

Stakeholder Communication

Presenting NEC product examples through external lectures and seminars

We present examples of the NEC Group's Social Value Design initiatives at external lectures and seminars in Japan, as well as international conferences such as North America's International Conference on Human-Computer Interaction 2013, in an effort to publicize the Group's activities in this area. In addition, we create opportunities to listen to the voice of event participants and various other stakeholders.

For example, knowledge acquired through discussions with representatives of support groups for people with disabilities is fed back and utilized in universal design-based proposals for new solutions for society.

Disseminating Information

NEC's Social Value Design concept for creating social value through human-centered design was publicized in November 2013 and information on it was made available on NEC's website, at exhibitions and through other media.

In addition, the Social Value Design – Contributing to Social Value Innovations feature in NEC Technical Journal (Vol.8, No. 3) introduced initiatives to date, including methods, processes, promotional frameworks and case studies related to Social Value Design.

In addition, at the accessibility seminars held in October and December 2013 by the Web Accessibility Infrastructure Committee, NEC gave talks on accessibility initiatives taken for the NEC website, which announces its accessibility policy conforming to JIS regulations and thus was presented as a model corporate site.

Related Link

- [Technical Journal \(Vol.8, No. 3\)](#)

Participation in activities of outside organizations

NEC plays an active role in the International Association for Universal Design (IAUD) as a member of its board, and in March 2014 took part in the IAUD Results Presentation and Annual Seminar, which was held at the NEC head office building. The event, which was held to report on the association's activities, was attended by IAUD Patron HIH Princess Yoko and included an address by Takeo Hirata, director of the Cabinet Secretariat's Office for the Promotion of the Tokyo 2020 Olympic and Paralympic Games. In addition, as the chair of the IAUD Certification Committee, NEC further contributed to the promotion of universal design by hosting the 5th "UD Certification-Beginner's Level" (Seminar & Certification Exam) in conjunction with the event.



HIH Princess Yoko (center)
listening to the presentations



Mr. Takeo Hirata addressing the seminar

The 5th International Congress of International Association of Societies of Design Research (IASDR) was held in Toyosu, Tokyo between August 27-30, 2013. IASDR was established in 2005 by Asian and European design associations and holds an international conference every two years. This was the first time the conference was held in Japan and around 700 researchers and others participants from 41 countries attended.

At the IAUD booth, NEC conducted a demonstration of the PaPeRo communication robot and introduced its initiatives in the area of universal design. The Crown Prince attended the opening ceremony on August 27, and later visited the IAUD booth, where he engaged in a delightful conversation with PaPeRo.

Related Contents

- [Basic Policy, Policy, Framework and process](#)
- [Objectives and Achievements](#)

Design Friendly to Humans and the Earth

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objective	Build systems (regulations, guidelines, management system and training, etc.) for continuously developing innovative products and services based on outstanding universal design
Fiscal 2014 Objective 1	Incorporate universal design and "user-centered design" into development processes in collaboration with the relevant development process management division(Create corporate SI solution design rules, build into development environment, develop accessibility criteria for the whole of NEC)
Achievements and Progress	The NEC Group formulated rules on the exterior design of hardware products. In the most recent revisions, rules were added on UD fonts for accessibility, colors for operation areas, Color Universal Design compliance, Braille display and more. In addition, judgment criteria and handling methods have been defined for target-setting related to the design quality of packaged software products.
Degree of Completion	Achieved
Fiscal 2014 Objective 2	To promote adoption of universal design and "user-centered design" within the NEC Group, study the effectiveness of using concepts in actual projects and undertake related cross-development.
Achievements and Progress	A process guide was created for utilizing human-centered design in software product planning, SI concept proposals and other work. It was applied to an actual project and the results of its adoption verified. The findings of this analysis were then utilized as internal training content and this has helped increase the efficiency of effective development based on human-centered design and produced greater recognition and understanding of raising customer satisfaction.
Degree of Completion	Achieved
Fiscal 2014 Objective 3	Improve skills of development personnel in area of "user-centered design" (Revise and upgrade content of internal training materials; organize seminars held by guest instructors from inside and outside the NEC Group.
Achievements and Progress	<ul style="list-style-type: none"> ▪ Seminars for employees involved in product planning and development were held approximately 20 times throughout the year to promote human-centered design and raise skill levels throughout the Group. ▪ University professors and consultants from the U.S. were invited to give seminars and workshops on human-centered design. ▪ The human-centered design certification system was continuously implemented, with 7 individuals obtaining this qualification.
Degree of Completion	Mostly achieved
Fiscal 2014 Objective 4	Promote adoption of information on universal design and "user-centered design" activities within the NEC Group, and actively disseminate this information externally.
Achievements and Progress	Promote adoption of information on universal design and human-centered design activities within the NEC Group, and also actively disseminate this information outside the Group. The human-centered design initiatives of the NEC Group were introduced at domestic and overseas conferences and seminars, including the International Conference on Human-Computer Interaction 2013 held in North America. Also, the concept of Social Value Design was announced publicly and information on it was actively provided through exhibitions, the NEC website, NEC Technical Journal and other media.
Degree of Completion	Achieved

Fiscal 2015 Objectives

Fiscal 2015 Objective 1	Incorporate human-centered design into development processes in collaboration with the relevant development process management division. (Revise and develop guidelines, and develop accessibility criteria for the whole of NEC.)
Fiscal 2015 Objective 2	In an effort to promote adoption of human-centered design within the NEC Group, study the effectiveness of using concepts in actual projects, including those overseas, and strive to undertake related cross-development.
Fiscal 2015 Objective 3	To improve skills of development personnel in the area of human-centered design, revise the content of internal training materials and upgrade the qualifications system.
Fiscal 2015 Objective 4	<ul style="list-style-type: none">▪ Promote adoption of information on human-centered design activities within the NEC Group, and also actively disseminate this information outside the Group.▪ Strengthen disclosure of information overseas.

Related Contents

- [Basic Policy, Policy, Framework and process](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

For Communities

Basic Policy

NEC will seek to accurately grasp social issues through dialogue with stakeholders including local communities, as it promotes social contribution activities that solve those issues. At the same time, it will fulfill its social responsibilities as a "good corporate citizen."

Four Medium-Term Themes for Social Contribution Activities

NEC established four medium-term themes for social contribution activities that it ought to undertake based on seven CSR initiatives. These four are to "establish a safe and secure society," "address climate change and environmental preservation," "include everyone in the digital society," and "Nurturing diverse human resources" with the aim of "realizing an information society friendly to humans and the earth."



Specific programs are developed based on a number of fundamental policies, including the effective use of management resources, partnership with NPOs and NGOs, alliances with NEC Group companies and employee participation, and ensuring programs contribute to improving corporate value. A wide range of initiatives are then implemented in line with each theme.

NEC has established an assessment index to ensure the effective management and ongoing improvement of these programs, and each program is reviewed at the end of every fiscal year is improved if necessary.

Basic Policy

In its "Mid-term Management Plan 2015" announced in April 2013, NEC indicated its intention to focus on the "Solutions for Society" business, declaring its commitment to transform into a "Social Value Innovator." To achieve this, each and every employee must maintain a perceptive social awareness to understand the issues and needs of local communities, residents and consumers. Employees participating in social contribution activities focus on real issues affecting local communities and discover how NEC's ICT technologies can contribute to solutions. NEC believes that a commitment to serving society will lead to innovation and contribute to the development of a sustainable society and further enable employees to engage enthusiastically in their work while taking pride in their company.

Related Contents

- [Main Activities and Results \(Fiscal 2014\), Monitoring and Improvement](#)
- [Objectives and Achievements, Social Contribution Expenses](#)

Main Activities and Results (Fiscal 2014)

The following sections will examine four programs in greater detail: the NEC "TOMONI" Project (reconstruction support activities); the NEC Social Entrepreneurship School; the NEC Social Entrepreneurship School Business Supporters (NEC's Pro Bono) and the NEC Make-a-Difference Drive (MDD).

NEC "TOMONI" Project (Reconstruction Support Activities)

In fiscal 2014 as well, the NEC Group acted as One NEC in pursuing togetherness with people in disaster-affected regions under this project that have continued since 2011, engaging in ongoing efforts toward recovery and reconstruction from the Great East Japan Earthquake.

This project is comprised of two programs, one involving volunteer activities in support of the disaster-affected regions, and the other social contribution initiatives supporting recovery and reconstruction.

(1) Volunteer activities in support of disaster-affected regions

Volunteer activities in support of disaster-affected regions included collaboration by fiscal 2012 graduates of the NEC Social Entrepreneurship School, which develops young social entrepreneurs, in reconstruction initiatives with Lambs, an NPO engaging in restoration in Minamisanriku Town, Miyagi Prefecture.

Support for disaster-affected regions was led by MDD coordinators from various NEC Group companies, who formed a task force and worked together as One NEC. Task force members plan and conduct recovery and reconstruction study sessions and regular volunteer activities in the affected regions.

NEC has provided support for the Fukkoichi reconstruction program, a monthly market in Minamisanriku Town, Miyagi Prefecture, since March 2012, and this support was continued in fiscal 2014 as well. We also continued our support for the herb garden in Hadenya, Minamisanriku Town, which was begun in November 2012. Moreover, in July 2013 a rice paddy cultivation event was held with other companies in Kumata, Minamisanriku Town and in November 2013 a cherry tree-planting event was held in the town's Hadenya district.



Employees mixing with local residents in Fukkoichi



A herb garden in the Hadenya district

Documentary Screening to Avoid Forgetting

Nearly into the fourth year since the Great East Japan Earthquake, a documentary on the reconstruction, "The Radio of Hope", was shown to employees at the NEC Head Office building on February 26, 2014. With three years having elapsed since the earthquake and memories beginning to lose their sharpness, the film was shown to refresh the memory of employees so that they could help others to learn and to convey.

Approximately 130 employees came to the screening. Comments included the following: "The film was very good. It was moving and brought tears to my eyes." "I'm firmly convinced that everyone who participated will serve as a missionary for 'learning and conveying.'" "I want to find something I can do and continually be actively involved in the Tohoku reconstruction."

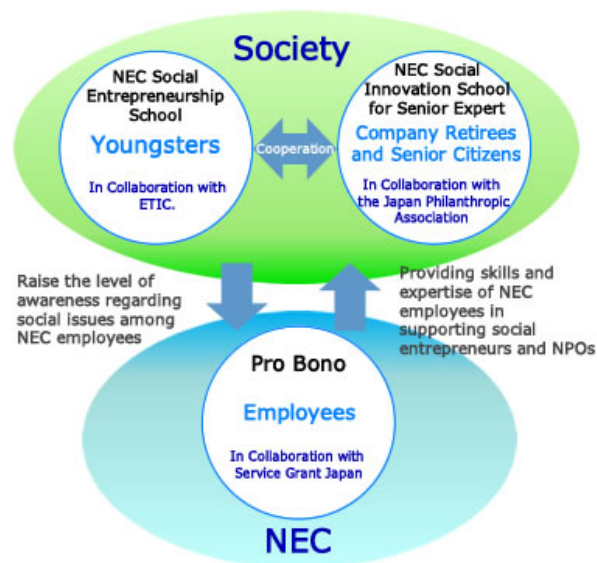
At the memorial ceremony held for the Great East Japan Earthquake on March 11, 2014, a video message of support was sent from NEC to all the people in the affected region.

(2) Social contribution programs tied to support for restoration and recovery

A variety of programs in support of people with disabilities, children and the elderly were conducted in fiscal 2014 as well. In the Tokyo metropolitan area, the NEC Charity Concert was held to benefit children in Fukushima Prefecture through music, and in areas affected by the earthquake, NEC Kids workshops were conducted to help children cultivate creativity and the ability to express themselves. In addition, the Tokyo metro area was connected to the region via video conferencing and retired employees from the metro area served as instructors for the NEC IT Workshop for Mothers, which provides work support for mothers raising children in the region.

NEC Social Entrepreneur Support Activities

NEC is focused on instilling a strong social awareness in its personnel through its social contribution activities as well, with a view to transforming into a “Social Value Innovator.” As a part of this, NEC’s activities in support of social entrepreneurship are conducted through three programs: NEC Social Entrepreneurship School, NEC Social Entrepreneurship School Business Supporters (Pro Bono) and NEC Social Innovation School for Senior Expert.



(1) NEC Social Entrepreneurship School

Started in 2002, the NEC Social Entrepreneurship School is the core program of NEC’s support activities for social entrepreneurship and is focused on fostering young social entrepreneurs. Members of 49 organizations have completed the program thus far and are now actively involved in working toward solutions to social issues in various fields.

In fiscal 2014, steps were taken to create business collaborations between NEC Social Entrepreneurship School students and the company’s business divisions and Group companies to thereby strengthen ties between the students and NEC as a company. In addition, students were invited on March 17, 2014 to visit NEC research laboratories for a dialogue with social entrepreneurs in which lively discussions were held with researchers.

The research laboratories are promoting a partnership with the NPO Cross Fields, which is run by a graduate of the fiscal 2012 NEC Social Entrepreneurship School, and in fiscal 2014, two researchers participated in the work abroad program developed by the organization. The participants were dispatched to India to work under local social entrepreneurs and NGOs for a period of time and leverage skills cultivated in their regular jobs to help find solutions to issues affecting the local community and Indian society in partnership with local residents. By participating in this work abroad program, the research laboratories hope to create new businesses from the starting point of social issues in developing and emerging countries.

The program, which has been continued for over 10 years since its inception in fiscal 2003, received the Foundation Award for Social Change at the 11th Corporate Philanthropy Awards for fiscal 2014, for both its longevity and its successes.

* Overseas Work Program

Personnel working at companies are assigned to NPOs and other organizations in developing and emerging countries for a period of time and apply the skills they have cultivated in their regular jobs to take on the challenge of solutions to social issues together with the local community. Participants are able to contribute to the development of local communities by utilizing the skills and resources of their companies while the companies gain a more concrete understanding of the lives of people living in developing and emerging countries, which helps them train their employees to be capable of producing new businesses and excelling in a global environment.

(2) NEC Social Entrepreneurship School Business Supporters, Pro Bono

In 2010, NEC launched NEC Social Entrepreneurship School Business Supporters, a Pro Bono program.

The program has three objectives. The first is to provide continuous support for the activities of NEC Social Entrepreneurship School graduates. The second is to create opportunities for NEC employees to engage with and support social entrepreneurs. The third is to encourage NEC to generate new products, services and solutions by enhancing employee understanding of the perspectives of consumers through participation on the social reform frontlines. The program aims to draw on the skills and expertise of NEC employees in supporting social entrepreneurs and solving social issues.

In fiscal 2014, NEC supported three organizations undertaking social entrepreneurship efforts to help reconstruct the Tohoku region following the Great East Japan Earthquake, WATALIS, GRA Inc. and Project YUI Consortium. The support specifically consisted of consulting on member management, searches, and reservation system implementation.

We will continue to foster restoration from the Great East Japan Earthquake by strengthening our program.



The team from GRA Inc.

(3) NEC Social Innovation School for Senior Expert

The above NEC Social Entrepreneurship School is a program for fostering young social entrepreneurs, but NEC Social Innovation School for Senior Expert is aimed at extending to new horizons knowledge and know-how that has already been cultivated. The program was started in fiscal 2011 in partnership with the Japan Philanthropic Association and has been included as one of NEC's social contribution programs. Program participants are company retirees and senior citizens who want to use the skills and experience they have acquired to benefit society in their post-retirement lives and are seeking to become expert volunteers for NPOs or NGOs (pro bono) or take on the challenge of starting a social business. Participants are able to gain actual experience through internships at NPOs or with social entrepreneurs, not only classroom learning, and this is a feature of the program. Thus far 25 seniors have taken part.

In fiscal 2014, NEC Social Innovation School for Senior Expert was highlighted in a report given at the Davos meeting by Professor Yoko Ishikura of the Graduate School of Media Design, Keio University entitled "Reinvigorating Japan's Economy with More Women and Older Workers" as an example of a progressive initiative in this area.



At the completion ceremony

 [The Davos meeting report that picked up on NEC Social Innovation School for Senior Expert](#)

Related Links

- [NEC Social Entrepreneurship School](#)
- [NEC Social Entrepreneurship School Business Supporters, Pro Bono](#)
- [NEC Social Innovation School for Senior Expert](#)

NEC's Biodiversity Preservation Programs

The following will introduce three representative programs from among NEC's biodiversity protection activities: the NEC Paddy Making Project, NEC Nature Quest and NEC World Children's Nature Club.

(1) NEC Paddy Making Project

NEC works to raise the environmental awareness of all employees in order to form a foundation for realizing the goal of an information society friendly to humans and the earth. This program, started in partnership with the non-profit Asaza Fund in fiscal 2005 enables employees to experience nature firsthand over the course of a year, with activities ranging from rice cultivation to sake brewing.

Employees experience the fundamental roots of monozukuri (production) through direct contact with nature, acquiring a sense of its splendor and sharing in the joy of the harvest. Its aim is also to develop and demonstrate ecology and biodiversity solutions that use IT and network technologies possessed by NEC to contribute to ecological observation and preservation of biodiversity.

Over 11,000 employees and their families have participated in the program to date.

In fiscal 2014, it received the Special Environment and Corporations Jury Prize at the 1st Good Life Awards sponsored by the Ministry of the Environment for its progressive program content and history of results.



Harvesting rice stalks

(2) NEC Nature Quest

NEC has been working on a biodiversity garden project "NEC Nature Quest" in Shiba Park, near the NEC headquarters, together with the Tokyo Metropolitan Park Association and the NPO Green Works since fiscal 2012. Employees use their lunch breaks and other times to do weeding or plant bulbs to protect biodiversity.

In fiscal 2014, approximately 350 new employees took part in cleaning activities and biodiversity protection activities in Shiba Park as one aspect of their training. This was the first time that fieldwork had been incorporated into the new employee training program.



Biodiversity Preservation Activities at Shiba Park during Lunch Breaks

Comments From Participating Employees

- I was extremely interested in this activity and really gave it my all.
- I could learn about the nature and history of the area around the headquarters and I want to go to work paying more attention to the surroundings.

(3) NEC World Children's Nature Club

In partnership with KEEP, Inc., NEC has held club activities every year since 2008 to foster in children a sensitivity for the natural environment and a global perspective as well as to verify the potential of utilizing IT in environmental education. In fiscal 2014, children from Beijing, China participated for the first time, along with children from Japan, Malaysia and Taiwan. Local NEC affiliates were also involved at each site and a three-day nature program was held. The children at the different sites also had the opportunity to interact with one another via video conferencing. They shared their impressions and discoveries with each other and this provided the opportunity to nourish both a local perspective for understanding one's own environment and culture and a global perspective for understanding differences with other sites where the environment differs.



Children exchanging through teleconferencing

NEC Make-a-Difference Drive (MDD)

Based on the slogan of "Let's start with a small step," the "NEC Make-a-Difference Drive (NEC MDD)" is a corporate citizenship program that started in 1999 to mark NEC's 100th anniversary directed at local communities in which all NEC Group employees participate on a global basis. Through NEC MDD, NEC Group employees around the world take part in activities that make a valuable social contribution to local communities. This helps employees to discover something new on a personal level, while helping to cultivate stronger group cohesiveness as "One NEC" and a corporate mindset of high social commitment. In turn this helps NEC to achieve the goal of creating enhanced corporate value.

In fiscal 2014, around 48,269 participants on a cumulative basis donated a total of 67,452 hours of their time in 12 countries. In particular, to offer support for the victims of Typhoon Haiyan in the Philippines, the NEC Group donated more than ¥24 million (including donations from the employees) through the NPO Japan Platform and the Red Cross in each country. In fiscal 2015, we will continue to conduct activities centered on providing support for recovery efforts from the Great East Japan Earthquake, as well as implementing biodiversity preservation programs.



NEC TOKIN Electronics (Philippines) Inc. Employees Visit Senior Citizens Facility

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Number of participants	54,557	61,746	48,269
Volunteer time (hours)	90,972	80,556	67,452

The aforementioned number of participants and participation time are based on voluntary activities (programs planned independently at each base, such as blood donations, cleaning and tree-planting activities)e. They do not include collection (of items such as used stamps or postcards) activities.

Related Links

- [NEC Make-a-Difference Drive](#)

Monitoring and Improvement

Improvement in Social Contribution Program Evaluation System

Each year, NEC evaluates the effectiveness of its social contribution programs from two points of view, that of society and that of NEC. NEC clarifies any issues for the following year's activities, as part of efforts to improve the programs.

In fiscal 2014, in order to more rigorously implement improvement measures devised in evaluating social contribution programs from fiscal 2013, regular monitoring of the progress of such measures was conducted and this served to improve many of the programs.

Improvement Examples

(1) The number of places implementing program increased by changing the way classes are held

NEC Internet Safety Classes had involved teaching children how to use the Internet (etiquette and ethics, etc.) using actual computers, but this required providing computers, so there were many schools that wanted the program but could not accommodate it, and the number of participants was limited. So the format was changed and a new sugoroku game was developed and used to teach the children about the Internet. The sugoroku game does not require use of a computer, so the number of schools implementing the program increased as did the number of participants per school.

(2) Joining Social Contribution Programs Created a Synergetic Effect

- Example of Linking the High School Sign Language Speech Contest with the NEC Social Entrepreneurship School

At the site of the High School Sign Language Speech Contest held in August 2013, a graduate of the NEC Social Entrepreneurship School set up a booth introducing the activities of Link, which is involved in support for people with hearing impairments and adult-onset hearing impairments. The booth helped even contest participants gain a better understanding of people with these challenges.

- Example of Linking the NEC Nature Observation Corps and NEC Student Birdathon

College students involved in organizing the NEC Student Birdathon were enlisted to provide bird-watching advice to participants in the NEC Nature Observation Corp, which meets once a quarter, and this further deepened their understanding of biodiversity preservation.

The evaluation criteria are as follows:

Point of view for evaluation	Evaluation criteria
Society's point of view	<ul style="list-style-type: none">▪ Public interest: Social inclusion (consideration for socially vulnerable groups), etc.▪ Effectiveness: Output, outcome and impact, etc.
NEC's point of view	<ul style="list-style-type: none">▪ Strategy: Collaboration with NPOs▪ Effectiveness: Contribution to business, contribution to human resources development, and improvement in corporate image, etc.

Related Contents

- [Basic policy, Four Medium-Term Themes for Social Contribution Activities, Achievements of Social Contribution Activities](#)
- [Objectives and Achievements, Social Contribution Expenses](#)

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objective	<p>Promote programs that contribute to solving social issues based on the following themes</p> <ul style="list-style-type: none"> ▪ Establish a safe and secure society ▪ Addressing Climate Change and Environmental Protection ▪ Eliminating the Digital Divide ▪ Nurturing Diverse Human Resources
Fiscal 2014 Objective 1	<p>Promote beneficial impacts of social contribution programs on business activities</p> <ul style="list-style-type: none"> ▪ Strengthen disclosure of information ▪ Conduct in-house lobbying activities and encourage greater involvement by others
Achievements and Progress	<p>Conduct in-house lobbying activities and encourage greater involvement by others NEC encouraged employees and others to take part in mainly the following programs.</p> <ul style="list-style-type: none"> ▪ The NEC Working Mothers Salon had been a program primarily for women in the general public raising children, but in fiscal 2014 an equivalent program was conducted by the NEC labor union as a part of its welfare activities for union members and 24 members with children participated. ▪ NEC Takumi Juku had been a program targeted primarily at retirees and senior citizens in the general public, but in fiscal 2014 a mechanism was added to encourage broad participation by NEC employees as well, and as a result a total of 63 employees attended the program. <p>Promoting Contribution to the Project Activities of Social Contribution Programs</p> <ul style="list-style-type: none"> ▪ In fiscal 2014, two researchers from NEC laboratories participated in a work abroad program that came out of a partnership between the NPO Cross Fields, run by a graduate of the NEC Social Entrepreneurship School, and NEC laboratories.
Degree of Completion	Achieved
Fiscal 2014 Objective 2	<p>Invigorate NEC MDD</p> <ul style="list-style-type: none"> ▪ Continue providing Tohoku reconstruction support and implementing biodiversity preservation programs in cooperation with business divisions and Group companies as “One NEC” ▪ Promote activities linked with businesses
Achievements and Progress	<p>The NEC Group continued its collective support for the Fukkoichi reconstruction program, a monthly market in Minamisanriku Town, Miyagi Prefecture, as part of efforts to revive industry and create employment in the earthquake-affected region.</p> <p>Also, quarterly biodiversity preservation activities were held at NEC’s Abiko Plant (in Abiko, Chiba Prefecture) and Shiba Park (in Tokyo’s Minato Ward).</p>
Degree of Completion	Achieved
Fiscal 2014 Objective 3	<p>Expand global activities</p> <ul style="list-style-type: none"> ▪ Plan a new global social contribution program ▪ Expand existing programs globally
Achievements and Progress	<p>The NEC World Children’s Nature Club partnered with NEC China for the first time to conduct a nature experience program with a global reach, using the Internet to connect China (Beijing), Taiwan, Malaysia and Japan.</p>
Degree of Completion	Achieved

Fiscal 2015 Objectives

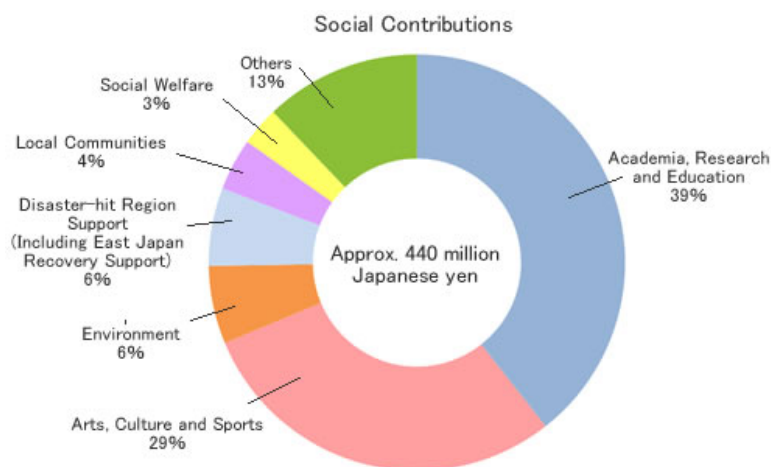
New Medium-Term Objective	<p>Promote programs that contribute to solving social issues based on the following themes</p> <ul style="list-style-type: none"> ▪ Establish a Safe and Secure Society ▪ Address Climate Change and Environmental Preservation ▪ Include Everyone in the Digital Society ▪ Nurturing Diverse Human Resources
Fiscal 2015 Objective 1	<p>Contribute to business activities through social contributions</p> <ul style="list-style-type: none"> ▪ Continue recovery support activities ▪ Create opportunities to engage opinions with NPOs and NGOs ▪ Conduct in-house lobbying activities and promote the understanding of activities
Fiscal 2015 Objective 2	<p>Invigorate MDD to foster social sensitivity within Group employees</p> <ul style="list-style-type: none"> ▪ Implement measures to expand participants and enhance quality ▪ Strengthen dissemination of participants' opinions ▪ Exchange opinions among MDD coordinators and create communities
Fiscal 2015 Objective 3	<p>Expand global activities</p> <ul style="list-style-type: none"> ▪ Transmit program information globally (through several countries) and promote collaborations ▪ Expand existing programs globally

Social Contribution Expenses

In fiscal 2014, the NEC Group's total social contribution expenses were approximately 440 million Japanese yen. We conducted activities in various regions around the world in five main areas, including Academia, Research and Education; and Arts, Culture and Sports.

Social contribution expenses include the following:

a) financial assistance b) charitable donations of products (quoted on a unit price basis) c) 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)



FY2012	FY2013	FY2014
Approx. 500 million Japanese yen	Approx. 400 million Japanese yen	Approx. 440 million Japanese yen

Related Contents

- [Basic policy, Four Medium-Term Themes for Social Contribution Activities, Achievements of Social Contribution Activities](#)
- [Main Activities and Results \(Fiscal 2014\), Monitoring and Improvement](#)

Empowering Our People

NEC is working to promote quality workplaces that respect diversity, and to cultivate HR on a global basis. Programs to maintain the health and safety of employees are ongoing.



Promoting Diversity

The NEC Group believes that promoting diversity will become increasingly important to addressing globalization, achieving innovation and creating new value. The NEC Group has defined "Respect each individual," as a key principle of action for promoting diversity within the NEC Group Core Values.

Health & Safety

Based on the fundamental principle that "NEC will maintain and enhance comfortable and supportive workplaces to ensure the health and safety of all people working at its business sites," NEC implements various activities with emphasis on preventive health programs. The General Affairs Division, which oversees occupational health and safety (OH&S), the Health Care Centers, and OH&S management organizations at business sites at NEC Corporation lead and coordinate these initiatives.

Human Resources Development

Based on a self-development approach (an approach where employees take the initiative to develop their own skills), NEC aims to develop human resources who contribute to businesses by implementing The NEC Way.

Communication with Employees

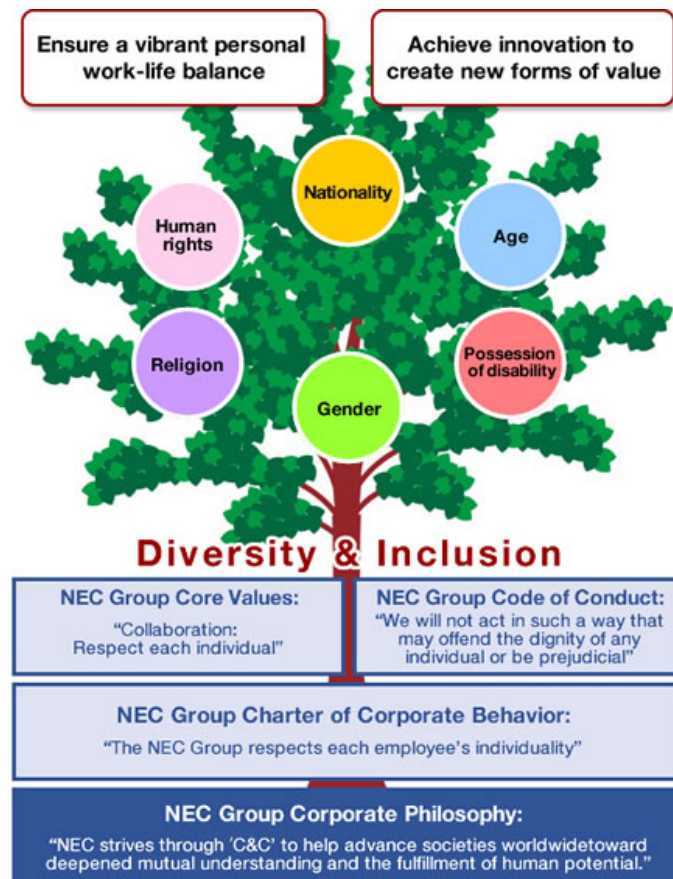
By listening to employees and establishing two-way communication, the NEC Group tries to reflect employee thinking in its business activities and in measures to revitalize the organization.

Promoting Diversity

Policy

Diversity means mutual respect and mutual recognition for individual differences, in personality or personal attributes, and is based on the thinking that everyone should respect difference because everyone is truly different. In terms of attributes, people differ by race, gender, age, nationality, ethnicity, religion and ability or disability, but there is also diversity of working styles, careers, perspectives, values and more.

Besides addressing changes in the working population and demands from society, such as changes to labor laws and regulations, the NEC Group is fostering an environment that promotes the success of a diverse array of human resources in various organizations and divisions along with incorporating multiple perspectives and ideas. We see this as an important management strategy, as well as a crucial approach to creating a foundation for growth that will enable us to compete globally, as set forth in "Mid-term Management Plan 2015".



Framework and Systems

In July 2013, NEC established the Diversity Promotion Group within the Personnel Affairs Division as a dedicated unit to promote diversity across the Company. The Group considers its most important mission to be leveraging the personalities and characteristics of the diverse human resources within the group and creating an atmosphere enabling maximization of abilities and a system that supports doing so. The Diversity Promotion Group is responsible for implementing initiatives concerning the following diversity-related themes and building frameworks for cooperation among the relevant divisions.

Promoting global recruitment of human resources

NEC Corporation is working to recruit non-Japanese individuals who possess the skills and specialized knowledge needed by the Company in the areas of research, technology, sales and corporate administration, with the view to achieving global business expansion. Through these efforts, NEC strives to increase the quality of its workforce and promote diversity in each area. NEC Corporation has proactively provided opportunities for employees of overseas subsidiaries to work at NEC Headquarters to facilitate interaction with these personnel and develop human resources. For further details on other initiatives to develop global human resources, please see the [Human Resources Development](#) section of this Website.

Promoting women's success in the workplace

NEC has appointed and promoted personnel irrespective of gender even before the enactment of the Equal Employment Opportunity Law in 1985. The ratio of female managers to the total number of managers has been increasing every year. Many women have also been appointed to senior management positions and have proven highly successful in these roles. Examples of such positions include Division leader and branch manager.

NEC is taking a range of initiatives to promote women's success in the workplace. NEC will systematically appoint and strengthen training of female managers holding the post of general manager or higher, while supporting and strengthening career development focused on mid-career and younger employees, and the building of personal business networks both internally and outside the company.

Promoting employment of people with disabilities

NEC Corporation has established a central committee to promote hiring of people with disabilities, chaired by the senior executive vice president, while the director with responsibility for personnel affairs serves as the vice chairman of the committee. The Company is building a system to deliberate and formulate basic initiatives relating to recruiting people with disabilities and promote their employment.

When recruiting for such positions, NEC provides a contact point for the employment of people with disabilities, and conducts company presentations giving due consideration to the needs of the disabled, through such means as dispatching sign language interpreters. In addition, NEC provides support to people with disabilities during the selection process and after they join the company. NEC also provides opportunities for a diverse array of people to apply for jobs, including through participation in joint job interviews for people with disabilities that are organized by public employment security offices (Hello Work) and other organizations.

Since the beginning of fiscal 2014, NEC has been stepping up recruitment of people with disabilities nationwide, including sales offices. NEC has also been working to develop worksites where the people with disabilities can succeed as a driving force behind business operations through active efforts to expand occupational fields in step with business expansion.

In other initiatives, NEC is broadening the scope of recruitment of people with disabilities by continuing to increase its knowledge Group-wide on the characteristics of disabilities and related work aptitude in cooperation with experts and support organizations such as unemployment offices and non-profits. At the same time, NEC is also working to diversify working styles through such means as adopting new employment formats.

(About Specialized Company NEC Friendly Staff, Ltd)

In March 2003, NEC established NEC Friendly Staff, Ltd, as a specialized company for employing people with disabilities. This company actively employs people with intellectual disabilities. The company had hired 31 such people as of April 1, 2014. Its main business activities entail providing administrative support services at offices within the NEC Fuchu Plant, cleaning and greenification services, and support services for Company-wide social contribution activities.

Going forward NEC plans to continue its proactive hiring practices while also considering expanding job locations in line with further business expansion. In fiscal 2015, NEC plans to separate off administrative support activities at NEC Headquarters and launch operations anew in June.

Supporting diverse work styles for seniors

NEC Corporation has implemented systems that enable employees to individually choose their career support programs or to extend their employment beyond retirement age. These systems are designed to meet the diverse array of needs among employees seeking to start a new career outside the company or those approaching retirement age.

For employees voluntarily planning and preparing for new careers outside the Company, NEC Corporation has provided systems that support these sorts of proactive life planning initiatives by providing assistance with the associated financial and time requirements. Since 1998 NEC Corporation has developed three systems that provide support by granting periods of leave to employees aged 45 or over for skills training and development, providing financial assistance for post-retirement career support, and subsidizing the costs of related skills training. In addition, NEC Corporation provides a system that enables employees who wish to work beyond the age of 60 or older to extend their employment up to the maximum age of 65. The system is provided from the standpoint of giving highly motivated and skilled personnel the opportunity to continue to succeed on the job.

Promoting a Healthy Work-life Balance

NEC Corporation strives to enhance various schemes that can be utilized by both male and female employees to support them in achieving a balance between work, childcare and nursing care. NEC Corporation has offered childcare and nursing care leave systems ahead of other companies and before such systems were mandated by law. Since fiscal 2006, NEC Corporation has implemented various policies based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Specifically, in 2005 NEC introduced the following systems: (1) fee subsidies payable to employees using local public childcare support services (subsidies for family support service usage fees) and (2) subsidies for relocation expenses incurred to provide childcare (childcare support system). To increase the number of employees using these systems, NEC relaxed certain usage conditions in 2012.

And as a result of initiatives that included management training on work-life balance and brush-up training for employees on childcare leave, these programs were recognized and the company received the next-generation accreditation mark ("Kurumin") in fiscal 2008 and fiscal 2013.

Furthermore, with the increase in the population of the elderly and rising numbers of people certified yearly as requiring nursing care or support, NEC considers nursing care of older generations as crucial and is working toward enhancing nursing care projects that will enable employees to engage in nursing care while continuing to work.

Specifically, NEC has implemented three main initiatives. First, NEC has introduced the "Nursing Care Relocation Expense Subsidies" system, under which NEC will provide subsidies for relocation expenses incurred by employees who have their parents move in with them or move nearby so that they can provide nursing care.

Second, NEC Corporation has implemented a "Nursing Care Setting Development Assistance Payment" system to help alleviate the financial burden of nursing care. Under this system, NEC provides subsidies for large costs incurred by employees due to changes in nursing care methods for parents requiring a high degree of nursing care support, such as home renovations, or relocation into nursing homes.

Third, NEC Corporation has launched a nursing care support website to help reduce any feelings of isolation or frustration experienced by nursing care providers. The website is a portal site mainly providing in-depth nursing care-related information and a forum for nursing care providers to share their views in their own words.

History of introduction of systems to support balance of work with childcare or nursing care of NEC Corporation

FY	Systems Introduced
2011	<ul style="list-style-type: none">▪ Introduced nursing care leave—Employees can obtain up to 5 days multiplied by the number of family members requiring nursing care▪ Added reasons of sickness prevention for children before entering elementary school to the Family Friendly Leave system▪ Exempted employees raising children younger than the age of 3 from overtime work▪ Increased the number of times childcare leave can be obtained—up to twice per child▪ Offered subsidies for relocation expenses incurred to provide nursing care▪ Provided a subsidy program for expenses (up to ¥200,000 a year) related to changes in nursing care methods, such as home renovations or relocation into a nursing home▪ Launched a nursing care support website
2013	<ul style="list-style-type: none">▪ Add reasons of special days off due to substitute holidays of schools and temporary class closures to the Family Friendly Leave system▪ Extend applicable period for telecommuting system —(Extend from the end of third grade to the end of sixth grade)▪ Extend applicable period for subsidies for family support service usage fees—(Extend from the end of third grade to the end of sixth grade)▪ Enhance childcare support system —(Revise requirements for the application of the system to “daycare centers providing childcare until 20:00”)

*For details on activities in years prior to the above, please follow this [link](#).

Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Promoting Diversity

Main Activities and Results (Fiscal 2014)

Promoting global recruitment of human resources

Between fiscal 2007 and fiscal 2013 NEC hired around 15 international students each year on average. Since then the company has set a target of having international students account for 10% of planned new hires and has conducted hiring activities on this basis. In fiscal 2014 the number climbed to 47 students, or 13% of hires. Moreover, the target was raised to 15% in fiscal 2015 and as a result of starting to directly hire from overseas universities, in addition to continuing to hire international students in Japan, the company greeted 64 graduates as new members of the company, or 17% of total new graduates hired.

NEC has created a system that allows foreign students, as well as Japanese students not graduating in March (as is the custom at Japanese universities) due to having attended or studied abroad at a university overseas, to join the company in October. Moreover, with more foreign nationals being hired and joining the company, NEC has worked to create the conditions that allow for diverse human resources. These efforts have included making available English versions of procedural documents used when employees are initially hired and various other company documents, as well as conducting a portion of new employee training in English.

Promoting women's success in the workplace

President Endo's Positive Action Declaration was posted on the Ministry of Health, Labor and Welfare's website for promoting women's career development in September 2013. It is as follows.

"NEC promotes diversity as one of our management strategies and conducts corporate management in a way that enables diverse human resources to excel in global business domains. The active performance of diverse personnel, particularly women, in the workplace is essential to a company's sustained growth, and we intend to be a company that enables each and every employee to fully demonstrate their respective abilities."

- Strengthen the commitment of top management and promote initiatives clearly positioned as management strategy
- Put in place a system for systematically appointing female managers holding the post of department manager or higher, with the view to them becoming corporate officers in the future.
- Facilitate career development and personal networking among mid-career and younger employees for the next generation
- Raise awareness and promote mutual understanding through management training for manager-level employees

On the basis of this declaration, NEC intends to take on the issue from a more micro perspective, addressing for example the question of how to increase the number of women in management positions that are close to the decision-making level and how to provide effective support for women who wish to continuing working after marriage and raising a family but who are confronted by barriers along the way. The company also intends to provide opportunities for every employee to further raise their awareness of this issue.



Promoting employment of people with disabilities

In fiscal 2013, NEC began the shared use of recruitment support services through the contact point NEC Professional Support, Ltd., with the aim of strengthening Group-wide cooperation on the NEC Group's recruitment of people with disabilities. From the second half of fiscal 2013 onward, NEC Group job interviews were held regularly in the Tokyo and Osaka areas. NEC recruitment had conventionally focused on the Keihin area (Tokyo and Yokohama), but from fiscal 2014 is strengthening hiring at sales bases. In other initiatives, we provide assistance such as consultations with NEC Group companies on a case-by-case basis. As of June 1, 2014, the ratio of employees with disabilities was 2.00% at NEC Corporation and 2.03% on average for domestic consolidated subsidiaries.

As part of efforts to train and to continue employing people with disabilities, NEC arranges sign language interpreters and PC-based text interpreting for training and recruitment seminars held by the Company or its Group companies when trainees with hearing disabilities are in attendance. Moreover, in the course of daily work at the company, NEC is barrier-free and gives consideration to commuting via automobiles and addresses facility and equipment improvements where possible to allow people with disabilities to commute normally to work.

Promoting a Healthy Work-life Balance

In addition, as a new initiative, NEC implements "Work Style Innovation" activities. This program aims to drive innovation in business processes and reform work styles with the view to advancing the NEC Group to new growth. As part of implementation measures, NEC aims to share individual kaizen (improvement) activities carried out at the individual, team and worksite levels throughout the company. Best practices will be utilized as benchmarks to expand the circle of activities, in an effort to promote actions that lead to a change in awareness of every employee and higher operating efficiency.

Promoting diversity

In 2013, with the aim of promoting diversity, NEC invited Kaori Sasaki, one of the company's outside directors, to run a training seminar (lecture) on promoting diversity within the NEC Group. Hosted by NEC's Personnel Affairs Division, the seminar focused on the connection between promoting diversity and corporate growth. Some 600 employees took part, either in person at the head office's auditorium or at various venues via the Intranet. Attendees included promotion committee members and management-level employees of each of NEC's business units and human resources supervisors and diversity promotion representatives from Group companies in Japan.

Almost all those who attended described the seminar as "very productive." The following comments were also received.

- I really sensed how important it is to understand the other person's position and way of thinking and to listen to the opinions of all sorts of people.
- I realized that diversity of thought—thinking from various perspectives—is really necessary.
- I gained a better sense of the importance of building a culture that respects diversity.

Also, in fiscal 2014 online training and slogan-making activities were conducted to facilitate a greater understanding of true diversity.



At the seminar

Related Contents

- [Policy, Framework and Systems](#)
- [Objectives and Achievements](#)

Promoting Diversity

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Promoting diversity in the workplace

Medium-Term Objective	<p>(1) Promote women's success in the workplace</p> <ul style="list-style-type: none"> ▪ Put in place a system for systematically appointing and strengthening training of female managers holding the post of general manager or higher, with the view to them becoming corporate officers in the future. <p>(2) People with disabilities</p> <ul style="list-style-type: none"> ▪ NEC Corporation: Achieve a ratio of employees with disabilities of 2.2% in fiscal 2016 (including specialized company) ▪ Domestic consolidated subsidiaries: Achieve the statutory ratio of employees with disabilities at all consolidated subsidiaries
Fiscal 2014 Objectives	<p>(1) Promote women's success in the workplace</p> <ul style="list-style-type: none"> ▪ Launch a promotion organization ▪ Conduct career development and support seminars ▪ Develop and implement diversity training courses (for newly appointed managers, etc.) <p>(2) People with disabilities</p> <p>In view of a change in the statutory ratio of people with disabilities from 1.8% to 2.0% from April 1, 2013, the NEC Group will conduct activities based on the following objective:</p> <ul style="list-style-type: none"> ▪ NEC Corporation (including specialized company): Maintain an effective ratio of people with disabilities at the 2% level. ▪ Domestic consolidated subsidiaries: Achieve the statutory ratio of people with disabilities at all consolidated subsidiaries. <p>(3) Recruitment of non-Japanese individuals</p> <ul style="list-style-type: none"> ▪ Conduct new graduate recruitment activities targeting non-Japanese recruitment of 50 individuals, representing 15% of the planned total number of recruits.
Achievements and Progress	<p>(1) Promoting women's success in the workplace</p> <ul style="list-style-type: none"> · The Diversity Promotion Group was established in the Personnel Affairs Division (July 2013). · Posted the internal/external commitment of top management to the Ministry of Health, Labor and Welfare's Positive Action Declaration (September 2013). · Conducted training on promoting diversity for management-level employees and employees involved in promotion at Group companies. · Sent more employees to women's leadership training (held externally). · Held career seminars and cross-sector networking events for young sales staff nationwide. · Enabled greater participation in executive training* in the Sales Division (established a quota for women). <p>*Training established with the objective of passing on sales philosophies, instill sales philosophies and bearing of executives, and foster the development of personal charisma among those of the next generation. Executives in charge of each business unit lead the training, which consists of repeated direct discussions with participants.</p> <p>(2) Employment of people with disabilities</p> <ul style="list-style-type: none"> · The actual employment ratio at NEC was 2.00% as of June 1, 2014. · The ratio of employees with disabilities at domestic consolidated subsidiaries was 2.03% on average as of June 1, 2014. · A study seminar for NEC Group employees involved in the employment of people with disabilities was held on visual impairments and mental disabilities (June 2013). <p>(3) Recruitment of non-Japanese individuals (new graduate recruits)</p> <ul style="list-style-type: none"> · The NEC Group recruited 64 non-Japanese individuals, representing more than 15% of the total number of new graduate recruits.
Degree of Completion	mostly achieved

Promoting a healthy work-life balance

Medium-Term Objective	Further promote a healthy work-life balance
Fiscal 2014 Objective	Further promote activities for reducing extensive overtime hours
Achievements and Progress	<ul style="list-style-type: none"> ▪ Due to a slump in the number of annual paid leave days actually taken by employees, measures were promoted to encourage employees that had taken minimal leave to take more. ▪ Reductions in average overtime hours and the number of employees who worked long hours was largely unchanged
Degree of Completion	Some progress

Fiscal 2015 Objectives

Promoting diversity in the workplace

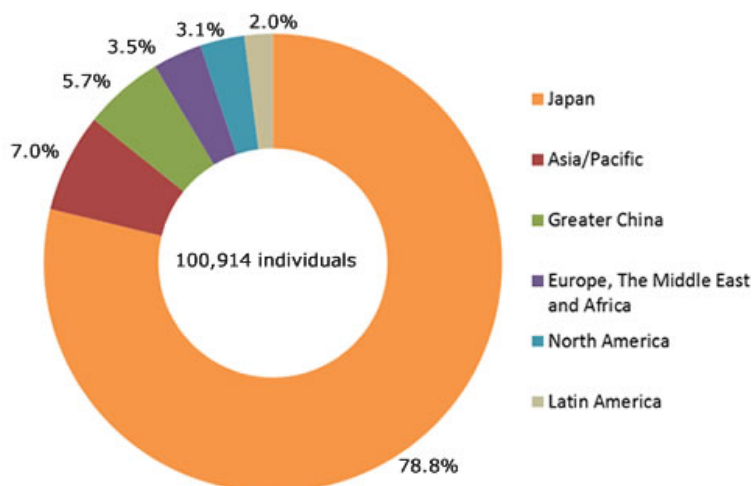
Fiscal 2015 Objectives	<p>(1) Promoting women's success in the workplace</p> <ul style="list-style-type: none"> ▪ Execute a medium-term development plan for candidate employees for the purpose of producing a succession of senior-level managers. ▪ Conduct career development and support seminars for mid-career and younger employees ▪ Conduct management training for supervisors (career development, work-life balance, etc.) <p>(2) Employment of people with disabilities</p> <ul style="list-style-type: none"> ▪ Continue to bolster hiring, including at sales offices ▪ Develop new job categories and expand employment centering on the special subsidiary ▪ Domestic consolidated subsidiaries: Achieve the statutory ratio of people with disabilities at all consolidated subsidiaries. <p>(3) Recruitment of non-Japanese individuals (new graduate recruits) Conduct new graduate recruitment activities targeting non-Japanese recruitment that represents 15% of the planned total number of recruits.</p>
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Promoting a healthy work-life balance

Fiscal 2015 Objective	Further promoting reform of work styles
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Data

Ratio of employees by region as of March 31, 2014 [Scope: NEC Corporation and Consolidated Subsidiaries]



Workforce by gender [Scope: NEC Corporation]

	FY2012	FY2013	FY2014
Male	19,663	19,195	19,947
Female	4,305	4,166	4,290
Total	23,968	23,361	24,237

Number of female managers and ratio of female managers to the total number of managers (%) [Scope: NEC Corporation]

Fiscal Year	FY2012	FY2013	FY2014
Managers	366(4.9%)	379(4.9%)	397(5.1%)
Department manager or higher	92	98	105

Number of people utilizing systems [Scope: NEC Corporation]

	FY2012	FY2013	FY2014
Childcare leave	415	409	382
Reduced working hours for childcare	772	770	753
Nursing care leave	28	18	25
Reduced working hours for nursing care	18	17	22

Annual paid leave usage rate for unionized employees[Scope: NEC Corporation]

FY2012	FY2013	FY2014
78%	73%	74%

Ratio of employees with disabilities [Scope: NEC Corporation, domestic consolidated subsidiaries]

	FY2012	FY2013	FY2014
NEC Corporation	2.03%	1.90%	2.00%
Domestic consolidated subsidiaries (average)	1.90%	1.90%	2.03%

Related Contents

- [Policy,Framework and Systems](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Fundamental Principle

Based on the fundamental principle that "NEC will maintain and enhance comfortable and supportive workplaces to ensure the health and safety of all people working at its business sites," NEC provides various occupational health and safety (OH&S) and health enhancement activities with an emphasis on preventive health programs.

Company-wide Occupational Health & Safety (OH&S) Policy

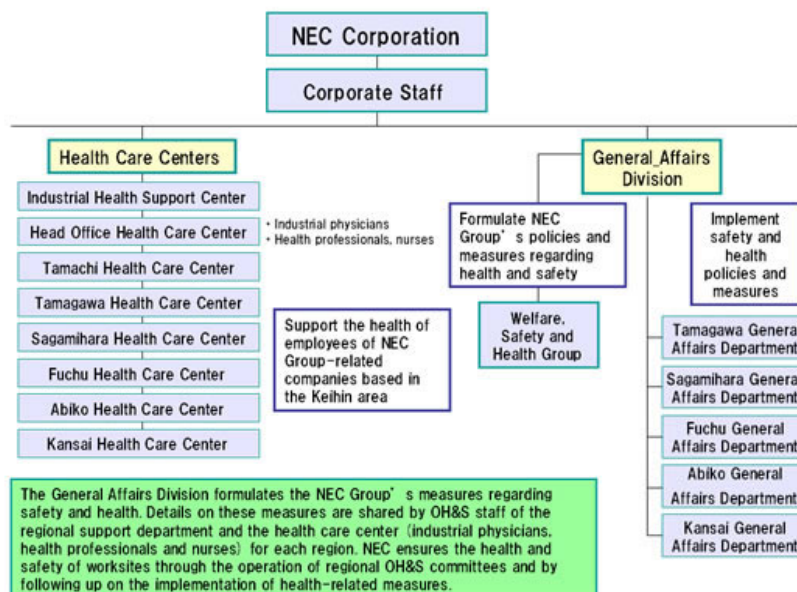
[Action Guidelines]

1. Improve OH&S management systems by continuously and efficiently implementing OH&S activities
2. Promote the identification of sources of danger, as well as risk assessment and risk management, with the aim of reducing labor accidents to zero.
3. Comply with laws and regulations, and other rules and decisions regarding OH&S.
4. Strive to make OH&S obligations known to ensure understanding and fulfillment of these obligations.
5. Actively provide disclosure of information regarding OH&S activities.
6. Endeavor to enhance the mental and physical health of workers and develop comfortable workplaces.
7. Ensure the appropriateness and effectiveness of these policies and OH&S management systems through regular reviews.

Framework

At NEC, the General Affairs Division, which is responsible for Group-wide health and safety-related operations, and the Health Care Centers, which oversees Group-wide industrial health activities, formulate the NEC Group's policies and measures regarding health and safety. The general affairs divisions of each NEC worksite and the personnel and general affairs divisions of each NEC Group company cooperate on implementing these policies and measures to conduct health enhancement activities and ensure workplace safety.

In terms of global initiatives, NEC is working to build frameworks for regularly exchanging information on health issues and labor accidents, with the CSR Promotion Unit serving as the contact point. NEC will continue to implement and promote global initiatives, along with operating OH&S management systems that have already been introduced.



Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Major Employee Training and Awareness Raising Initiatives in Fiscal 2014

- Physical and Mental Health Promotion Activities by Age
 - 20s: Implemented New Employee Interviews (all new employees are interviewed by a public health nurse) as part of the employee entry medical check-up and health training.
 - 30s: Health College 30, group training on self-care for all employees who have just turned 30
- Implementation of education of new recruits and health consultations for all new recruits (health guidance based on results of health examination results provided when joining the company)
- Education of OH&S Committee members (held at individual business sites)
- Web-based mental health education (for all employees)*
- Mental health training for managers (for managers with subordinates who have mental health disorders)
- Mental health training for managers (primary care)
- Lifestyle disease seminar (conducted by business site, for certain designated ages or by request)
- (Example: the Fuchu business site has health improvement programs aimed at people of 25, 30, and 35 years of age (incorporating lectures, stretching, physical fitness measurement, etc.))
- Smoking cessation seminar (conducted separately by business site for smokers or people who wish to quit)

* Group courses in all cases except web-based mental health education

Labor Accidents and Disasters [Scope: NEC Corporation, figures for results in parentheses represent domestic NEC Group companies]

Labor accidents at NEC Corporation are mostly minor, such as tripping on stairs at train stations or falling in the street during business trips or sales calls. There have been no major disasters. Looking ahead, in order to raise awareness concerning occupational safety, the Company intends to continue conducting OH&S Committee activities, daily workplace inspections and cross-checking, while aiming to reduce the number of labor accidents and disasters.

	FY2012	FY2013	FY2014	FY2015 (target)
NEC frequency (*1)	1.09 (0.36)	Actual : 1.01 (0.14)	Target : 0.40 Actual : 1.00 (0.09)	0.40
Nationwide manufacturing sector(100 or more employees) frequency rate	1.05	—	—	
NEC severity rate (*2)	0.00 (0.00)	Actual : 0.00 (0.03)	Target : 0.00 Actual : 0.00 (0.00)	0.00
Nationwide manufacturing sector(100 or more employees) severity rate	0.08	0.10	—	

(*1) Frequency rate:

Number of deaths and injuries due to industrial accidents divided by total working hours times one million

(*2) Severity rate:

Number of lost working days divided by total working hours times one thousand

Related Contents

- [Fundamental Principle,Framework](#)
- [Objectives and Achievements](#)

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objectives	<ul style="list-style-type: none"> OH&S: Introduce and operate OH&S management systems within the NEC Group Health management: Strive to enhance employees' mental and physical health by implementing mental and physical health measures based on the life stage of each age group across the entire NEC Group.
Fiscal 2014 Objective 1	<ul style="list-style-type: none"> Introduce OH&S management systems at NEC Group companies
Achievements and Progress	<ul style="list-style-type: none"> NEC Kansai Building and NEC Group-related companies acquired OHSAS 18001 certification. Introduced OH&S management systems based on the Occupational Health and Safety Management Regulations at other NEC Group-related companies.
Degree of Completion	Achieved
Fiscal 2014 Objective 2	<ul style="list-style-type: none"> Metabolic syndrome improvement rate 15% Cancer screening rate 30%
Achievements and Progress	<ul style="list-style-type: none"> Significantly surpassed targeted metabolic syndrome improvement rate and cancer screening rate.
Degree of Completion	Achieved

Fiscal 2015 Objectives

Health management

Fiscal 2015 Objective 1	OH&S: Make preparations to put OH&S management systems into operation at NEC Group companies.
Fiscal 2015 Objective 2	Health Management: Implement mental and physical health measures and improve various types of health indicators through a PDCA of operation assessments.

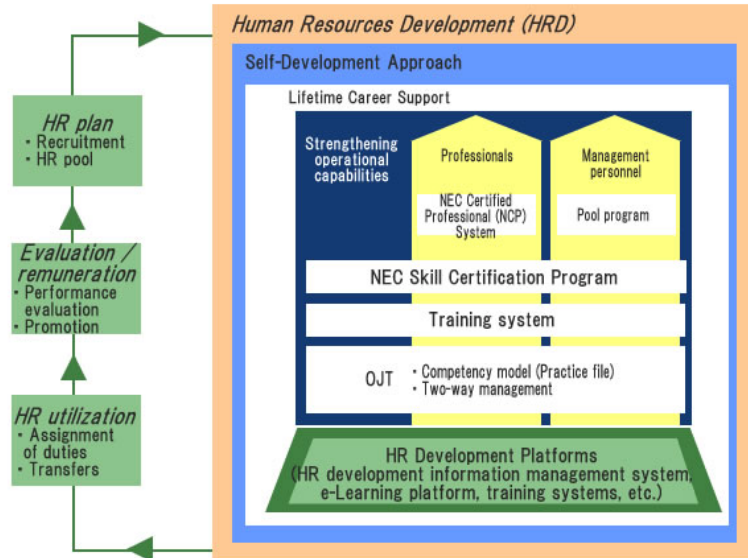
Related Contents

- [Fundamental Principle, Framework](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Human Resources Development

Policy

Based on a self-development approach (an approach where employees take the initiative to develop their own skills), NEC aims to develop human resources who contribute to businesses by implementing The NEC Way. To this end, NEC implements various human resources (HR) development programs, which are organized around the three core objectives of "strengthening operational capabilities," "cultivating professionals" and "developing management personnel."



Framework

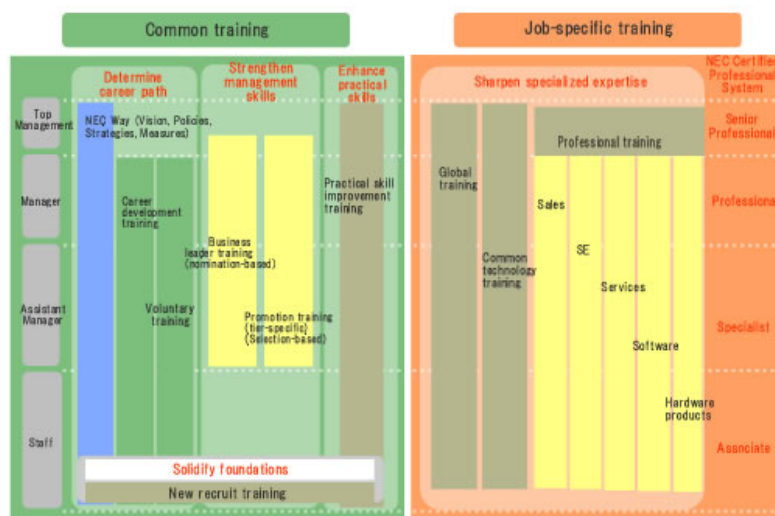
The executive-led HRD Steering Committee discusses and determines shared Company-wide HR development issues and training initiatives.

Based on policies determined in this way, HR development activities are implemented through cooperation among the HR Development Division of NEC Corporation, the divisions responsible for HR development within each Business Unit (BU) and NEC Group company, and NEC Learning, Ltd., an NEC Group company that specializes in promoting human resource development across the NEC Group.

In order to promote human resources development according to the business characteristics of each business unit, the HR Development Promotion Committee is convened for each business unit including NEC Group companies.

Systems

Our training organization, which plays an important part in achieving the above objectives, is comprised of common training courses that all employees of NEC Corporation take or select from and job-specific courses that are developed for each different type of occupation to hone job-specific professional skills.



A wide range of common training courses is offered, from those aimed at employees throughout the company, to courses taken upon promotion or for which employees are specifically selected. Job-specific courses fall into the category of enhancement of expertise for those employees seeking to become professionals in a specific field. The following is a description of some of the key programs and related policies in each of these categories.

HR Development Programs

Global Cultivation of Human Resources

NEC conducts business around the world, and implements a variety of global human resources enhancement programs. For domestic employees, examples include management training for staff targeted for key management positions at overseas subsidiaries; a global personnel expansion program, designed to develop staff capable of promoting global business; and the "EI-1 Challenge," an English-language program to give staff an interest in and basic skills for doing business overseas. NEC also proactively provides overseas training assignments and short-term study abroad opportunities to employees.

In recent years, NEC has also been upgrading programs to provide local staff at overseas subsidiaries with job training at the head office in Japan.

NEC Certified Professional (NCP) System

Recognizing that people are the most significant resource, the NEC Group believes it is important to develop highly specialized professionals who can deliver true value to customers. The NEC Certified Professional (NCP) system was introduced for this purpose. Approximately 13,000 individuals have been certified as career professionals under the NCP system as of the end of March, 2014.

For each personnel category such as SE or service personnel, the NCP system divides qualifications into four grades that define increasing degrees of specialization corresponding to higher market value. Within each grade, separate personnel qualifications are defined for each category based on an analysis of which business processes are critical to a field. Qualifications specify in detail the levels of skills and performance required for certification at that grade.

SIES, an HR Development Information Management System

NEC is currently promoting the domestic roll-out of its Self Innovation and Empowerment System (SIES), an information management system for HR development that serves as a platform for all HR development activities. The system has been adopted by 37 Group companies.

The number of training days per employee registered in SIES for fiscal 2014 was 3.8 days and 3.5 days for employees of the parent company and NEC Group companies, respectively.

HR Utilization Programs

Selecting NEC Group Key Positions (GKPs) and Developing Executive-Level Personnel

To promote the selection of the right people for the right jobs in key positions across the Group, whether domestically or abroad, NEC identifies certain key positions, systematically recruiting employees to fill those positions while also nurturing their successors.

Internal Recruitment System

NEC's internal recruitment system helps to promote dynamism in the organization by providing independent career support to individual employees while enabling greater diversity in personnel assignments.

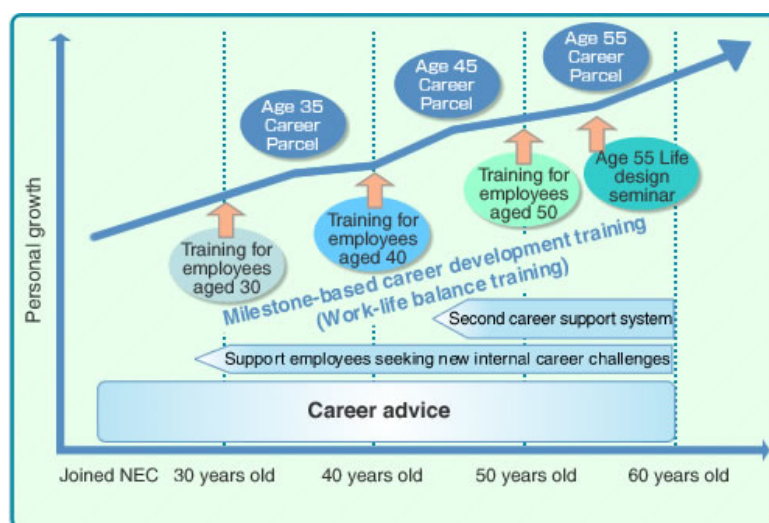
Under the system, recruiting divisions provide information on vacant positions, including related duties, conditions and other terms over the NEC intranet. Employees who wish to apply for such positions based on personal career aspirations may do so without having to consult a superior. Selection is based on materials submitted to and interviews conducted by the recruiting divisions. Selection leads to transfer within the organization.

Career Development Support Programs

Lifetime Career Support

Independent growth at the level of individual employees requires a continual process of self-analysis, personal change and skills development. NEC Corporation introduced the lifetime career support system (career design support) in 2002 with the aim of helping individual employees to take independent actions to promote career-long personal growth.

Work-life balance training targets NEC employees at the important career milestones of ages 30, 40 and 50 years (see below for details). The Career Parcel® system of career development-related information packages aims to help employees reaching the intermediate milestone ages of 35, 45 and 55 (see below). NEC Corporation has also appointed specialist career advisors to provide career-related advice to employees.



(1) Milestone-based Career Development Training

NEC organizes work-life balance training for employees reaching career milestones at the ages of 30, 40, and 50 years. This training offers opportunities for employees to reevaluate their own careers and set skill development goals. For example, in addition to reviewing career progress, training for those aged 30 looks at actions necessary for long-term career development. In fiscal 2014, approximately 900 employees participated.

(2) Career Parcel®

NEC's Career Parcel® system delivers information via e-mail that provides an opportunity for employees reaching the key intermediate milestone ages of 35, 45, and 55 years to take a new look at their career paths. By offering career-related and other information appropriate to each age group, Career Parcel® gives these employees the chance to consider their future careers and life planning. To employees aged 55, NEC has also begun offering the Life Design Seminar Course, a self-guided Web-based training course on retirement benefits and pension plans.

(3) Mid-career leave and career planning allowances

As part of efforts to provide employees with both time-based and financial assistance related to career development, NEC Corporation offers short, mid-career leave to employees at each career milestone at 30, 40 and 50 years of age. Employees aged 50 are also eligible to receive special "career design" allowances as financial assistance to support further career planning and development.

(4) Career Advice

Since 2002, NEC has implemented an internal system to provide employees with career advice as a way of supporting self-guided career development. A dedicated team of advisors provides specialist advice to individual employees to assist with career planning and development. The advice covers topics such as work-life balance and making objective, value-based career-related decisions. Approximately 700 employees each year receive career-related advice from NEC's five (as of March 2014) career advisors.

Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Human Resources Development

Main Activities and Results (Fiscal 2014)

In fiscal 2014, we implemented the following measures based on the four key themes of our medium-term HR development targets (fiscal 2014 to fiscal 2016).

Medium-term HR development targets (fiscal 2014 to fiscal 2016)

- Upgrade and expand the pool of global leaders
- Strengthen professionals
- Strengthen training of young employees who can act independently with enthusiasm
- Develop a global human resources development platform

Upgrade the entire management personnel training framework and redevelop tier-specific training designed to quickly train management personnel

Revisions to NEC Management Academy (Pool-2 Training)

As one element of NEC's personal development system upgrade for GKP candidates, the 25th NEC Management Academy targeting organizational leader development training program candidates was held from October 2013 to February 2014.

The program's curriculum helps employees acquire business knowledge and a management mindset as they evolve from function professionals to management professionals. It incorporates multiple standpoints—strategy, people, goods and money—and is composed of individual study on formulating a growth strategy for one's own division, group study on making proposals on cross-organizational initiatives to realize the "Mid-term Management Plan 2015", and a leadership assessment and feedback component.

In fiscal 2013, NEC also launched follow-up sessions to ensure that the participants retain the valuable personal connections, information, ideas, and relationships acquired through the NEC Management Academy after completing the training program. Follow-up sessions for previous graduates from both the 24th and 25th academy graduates were held again in fiscal 2014, becoming a meaningful place for connecting relationships and ideas.

Also at the academy, in conjunction with devising strategy for one's own division, starting in fiscal 2015 the focus of training for new divisional managers will shift from strategic planning to change management.

Enhance the systematic training of young employees

NEC has implemented the 3 Years Fundamental Program (3FP) from fiscal 2014 to strengthen the foundations of young employees and make sure they become human resources who embody the NEC Group Core Values by the end of their third year in the Company.

Under 3FP there are a variety of programs available, such as employees looking back at their careers at key intermediate milestones (keywords being broaden, heighten and probe), frontline practical education learned at factories or in sales, or taking on problem-solving using knowledge acquired to solve problems encountered in the workplace. Moreover, to foster a good atmosphere of developing younger employees throughout the workplace, on the job development (OJD) periods (a system where each employee is given a mentor of management class and supervisor level to coach them) have been extended to three years, while seminars are held for supervisors (managers and coaches) and there is an email magazine issued with information useful for development.

Make Global Professionals More Visible and Train These People

To further support its global growth from the personnel side, in fiscal 2011 the NEC Group began building a framework for developing professionals based on what is optimal for the global organization.

NEC has set out a global standard human resources and skills framework, intended to provide a common global scale for gauging human resources. The system involves use of a Web-based SaaS-style human resource and skill management tool to improve the visibility of personnel at overseas subsidiaries with professional skills, and their utilization across the global organization.

In fiscal 2014, the organizational scope of the program and the scope of participants were expanded beyond NEC Telecom Software Philippines to include primarily local subsidiaries involved in systems integration and software development in the Asia-Pacific region.

Redevelopment of Global Web-based Training Platform

NEC also redeveloped its "LearningDoor" Web-based training platform, which serves as a common human resource development platform for One NEC globally, and in June 2011, launched a new version for use overseas. A new version for use in Japan was launched in April 2012.

In March 2012, NEC began offering customer satisfaction training, a common requirement for all employees worldwide, using this global Web-based training platform. Since then, NEC has progressively held information security training, brand training and other programs attended by a total of 119,523 employees of 142 NEC Group companies.

Cultivation of Key Global Personnel

Developing New Employees Into Key Global Personnel Through the "Global Track to Innovator (GTI) " Program

Since fiscal 2009, NEC has implemented the Global Track to Innovator (GTI) program, a training program designed to foster globally viable innovators by stationing new employees overseas for a period of one to two years. To date, NEC has sent a total of almost 100 employees, and plans to continue offering this program every year going forward.

Program overview

- Selection of new employees with potential to become a key part of future global operations.
- Global business skills training conducted in Japan for about 20 days (all in English).
- Participants transferred to overseas operational training for 1–2 years at overseas subsidiary or office from around one year after joining NEC (involving working alongside local overseas employees in the participant's area of expertise) .

Comments by training program participants

- Having participated in this program, I am no longer bothered by busy periods of work and the speech and actions of others. I am highly motivated, and I now want to take on any challenge, while continuing to venture into new fields. Through this program, I feel that I have found my calling in terms of the fields where I would like to compete.
- The program made me think deeply about how to support overseas business sites. After returning to Japan, I was able to envision the background to questions from overseas sites. I can now propose supportive solutions without talking at length with overseas personnel.
- I was impressed with differences in proper communication from country to country. One of my challenges will be to make the most of this experience in future.
- Before I was stationed overseas, I could see only the overseas salespeople in charge of customer accounts. Having worked overseas, I now have a better understanding of details. For example, I now appreciate where requests to Japan are coming from, in terms of the circumstances faced by overseas customers, and what issues are faced by overseas personnel on the ground.

R&D Frontier Program

NEC's R&D Division has started a work abroad program administered by the NPO Cross Fields in which corporate employees are sent for a period of time to an NPO or NGO in a developing or emerging country where they leverage the skills cultivated in their own jobs to work toward solutions to social problems together with members of the local community. Cross Fields' members studied at the NEC Social Entrepreneurship School in fiscal 2012. In fiscal 2014, two employees were dispatched to India, where they worked with local social entrepreneurs to improve distribution services in farming villages and facilitate the employment of young people and people with disabilities. Both the employees who participated gained direct experience of the perspectives, vision, thinking and behavior that are needed in taking on the challenge of using the capabilities of ICT to solve social issues in an emerging country.



A dispatched employee holds a public hearing at a privately-owned store



Proposing a handy POS system using a tablet PC

Monitoring and Improvement

Various meetings are held within NEC to ensure that the needs of each business division are reflected in HR development programs. Programs are also evaluated and improved based on the needs of each job category.

In addition, in cooperation with NEC Management Partner, Ltd., an NEC Group company responsible for group-wide HR development, NEC seeks to evaluate and revise training courses periodically based on evaluations by course participants.

Related Contents

- [Policy,Framework,Systems](#)
- [Objectives and Achievements](#)

Human Resources Development

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objectives	<ul style="list-style-type: none"> ▪ Upgrade and expand the pool of global leaders ▪ Strengthen professionals ▪ Strengthen training of young employees who can act independently with enthusiasm ▪ Develop a global human resources development platform
Fiscal 2014 Objective 1	Upgrade the entire management personnel training framework and redevelop tier-specific training designed to quickly train management personnel
Achievements and Progress	<ul style="list-style-type: none"> ▪ In fiscal 2012, NEC started establishing Key Positions and clearly identifying successors on a global basis. ▪ The global version of the NEC Management Academy ("Drive NEC") was held in May 2013 and the domestic version was held from October 2013 to February 2014. ▪ The organizational leader development training program was strengthened for the next term's divisional manager candidates. ▪ NEC earned high marks for initiatives designed to quickly train management personnel.
Degree of Completion	Achieved
Fiscal 2014 Objective 2	Enhance the systematic training of young employees
Achievements and Progress	<ul style="list-style-type: none"> ▪ The new 3 Years Fundamental Program (3FP) was started in fiscal 2014.
Degree of Completion	Achieved
Fiscal 2014 Objective 3	Make Global Professionals more visible
Achievements and Progress	Common global systems for personnel and skills were prescribed. Using online human resources management tools, the organizational and job scope were expanded beyond NEC Telecom Software Philippines to include primarily local overseas subsidiaries in the Asia-Pacific region involved in systems integration and software development.
Degree of Completion	Mostly achieved
Fiscal 2014 Objective 4	Upgrade and expand the HR development platform to achieve global business expansion
Achievements and Progress	<ul style="list-style-type: none"> ▪ Planning was conducted on a new human resources database to serve as a platform for human resources development activities for One NEC globally. The database was planned and designed in fiscal 2014. It will be built in fiscal 2015 and activities will be promoted so that it can be deployed in fiscal 2016.
Degree of Completion	Achieved

Fiscal 2015 Objectives

Fiscal 2015 Objective 1	Expand training program for senior-level management
Fiscal 2015 Objective 2	Develop human resources for the "Solutions for Society" business
Fiscal 2015 Objective 3	Train young employees to embody the NEC Group Core Values
Fiscal 2015 Objective 4	Build integrated global platform for human resources development

Related Contents

- [Policy,Framework,Systems](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Communication with Employees

Policy

By listening to employees and establishing two-way communication, the NEC Group tries to reflect employee thinking in its business activities and in measures to revitalize the organization.

Framework

One NEC Survey

Every year, the NEC Group conducts the One NEC Survey, an opinion survey targeting the employees of NEC Group companies. The Company uses the survey materials to identify issues and devise action plans for conducting Group-wide management and performing evaluations based on NEC Group Vision 2017 and Core Values. The survey materials are also used to comprehensively understand employee thinking at each Group company about the company, workplaces, duties and other matters, and consider the need and direction for personnel initiatives and measures to revitalize the organization.

The Company discloses survey results in terms of compiled data and analyses to all employees via the NEC intranet, and provides feedback on survey results compiled for each organization in the form of an "Organizational Diagnosis." This information is put to good use in promoting increased understanding of strategy and revitalizing communication within the organization.

Labor-Management Councils

At these councils, NEC Corporation explains its business policies, business conditions, and other matters to the union representatives and listens to their opinions. The Central Labor-Management Council and the labor-management councils of business units are each held twice yearly. In addition to the labor-management councils, a "Work System Study Group" meets several times a year. This Work System Study Group serves year-round as a forum for labor and management to study working-level matters, primarily concerning the adoption and restructuring of various systems.

Overseas Group companies have also put in place policies to foster communication between labor and management as well as between employees themselves. For example, in Europe, NEC Europe Ltd., the regional headquarters for this area, holds a European Forum (Labor-Management Council in Europe) each year.

Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Communication with Employees

Main Activities and Results (Fiscal 2014)

One NEC Survey

The fiscal 2014 survey, conducted in July and August 2013, obtained responses from 51,473 people, representing 82% of all employees polled. The survey identifies the extent to which each employee “embraces core values,” “feels motivated” and gauges the extent to which the “Mid-term Management Plan 2015” formulated in 2013 is being shared, and aims to identify key factors in improving those attributes. NEC feeds the results back to each organization of the NEC Group to reinvigorate these organizations and help materialize mid-term management plans.

Labor-Management Councils

The Central Labor-Management Council was held in July 2013 and February 2014, where there was an explanation given to the labor union of matters such as the current business situation and management policies going forward before a lively exchange of opinions. Labor-management councils were also held in each business unit with explanations of policies, strategies and measures followed by exchanging of opinions. Labor-management councils discuss the overall situation and within each business unit, with each being held regularly twice a year and fulfilling a vital role sharing management policies and business issues from a position between the labor union and company.

Related contents

- [Policy,Framework](#)
- [Objectives and Achievements](#)

Communication with Employees

Objectives and Achievements

Fiscal 2015 Objectives

Fiscal 2015 Objective	Description
	The NEC Group conducts the One NEC Survey, an opinion survey targeting employees, on overseas subsidiaries.

Related Contents

- [Policy,Framework](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Strengthening Risk Management and Enforcing Compliance

NEC must strengthen risk management and compliance practices to ensure that business management is always sound from the standpoint of society. To this end, we will develop more secure internal systems and procedures across the NEC Group, and strengthen supply chain initiatives.



Internal Control (Compliance and Risk Management)

To ensure systematic risk management throughout the Company, every year NEC selects risks that require group-wide priority countermeasures from a management perspective, examines those risks, and implements countermeasures. Each division reinforces its risk management activities based on individual activities it has engaged in to date.

Fair Trading

NEC is actively involved in promoting fair trade by reinforcing systems for compliance with competition law and regulations for preventing bribery in order to continue to exist as company with a strong reputation in society.

Partnering with Suppliers

NEC has established the [NEC Group Procurement Policy](#) and is using this policy to develop internal controls for CSR and expand them to suppliers. NEC has surveyed the status of CSR-related activities at a suppliers using the supply-chain CSR check sheet since fiscal 2007.

Business Continuity

NEC provides numerous information and communications systems that support social infrastructure. Accordingly, NEC has a social responsibility to maintain those systems in the event of a natural disaster, as well as fulfill its responsibility to help maintain supply chains that have become increasingly complex and technically advanced. To this end, the NEC Group as a whole is systematically formulating business continuity plans (BCPs) and conducting business continuity management (BCM) to maintain and improve BCPs.

Information Security

NEC recognizes that it must protect the information assets it keeps for its customers and business partners as well as its own information assets, in order to contribute to society through the provision of better products and services. Accordingly, NEC has built an information security management system by establishing the [NEC Information Security Statement](#).

Personal Information Protection

For NEC, appropriately protecting personal information received from customers, shareholders, investors, business partners, employees and others during the course of business constitutes one of its major responsibilities to society, and in July 2000 on the basis of this commitment the company formulated the [NEC Privacy Policy](#).

Internal Control (Compliance and Risk Management)

Policies and Rules

NEC has established the Basic Policy on Internal Control Systems stipulated under the Company Law of Japan as a guideline for developing systems for ensuring that the performance of directors' duties complies with laws and regulations and NEC's Articles of Incorporation, and systems for ensuring the appropriateness of other operations. (Article 362, Paragraph 4, Item 6 of the Company Law of Japan, etc.) Furthermore, NEC conducts annual evaluations of the establishment and operation of the internal control systems under this basic policy, as well as implementing the measures necessary for its improvement. In addition, NEC conducts consistent reviews of this basic policy in response to changes in the business environment and other developments. In this way, NEC confirms that the internal control systems have been established and are operating effectively at a higher level.

Two key themes with respect to internal control systems are compliance (responding to society's requirements, including laws and ordinances) and risk management (examining and assessing risks and taking measures against them). NEC believes that compliance is essential for a company to coexist with society and fulfill the expectations of stakeholders. Moreover, the NEC Group Charter of Corporate Behavior sets forth key corporate activities required of members of the NEC Group from the perspective of fulfilling the NEC Group's social responsibilities. Furthermore, the NEC Group Code of Conduct specifies the behavior expected of each and every officer and employee of the NEC Group. The NEC Group Charter of Corporate Behavior and the NEC Group Code of Conduct have been established at all consolidated subsidiaries in Japan and overseas, and as one aspect of The NEC Way are positioned within NEC and its subsidiaries inside and outside of Japan as the foundation of all of the NEC Group's business activities.

Guided by the key concepts of "awareness" and "information sharing," the NEC Group's basic approach to implementing compliance is to foster an awareness among every officer and employee so that irregularities are recognized as "abnormal," and to encourage officers and employees to consult with supervisors, related departments and the Compliance Hotline without brushing under the carpet any issues they may have noticed, with the view to resolving and improving those issues collectively as an organization.

Furthermore, NEC Corporation has established the Rules of Basic Risk Management. Under these rules, NEC effectively and comprehensively conducts risk management on the basis of an integrated, group-wide policy. Each division reinforces its risk management activities based on individual activities it has engaged in to date. For the company as a whole, every year NEC selects risks that require group-wide priority countermeasures (referred to as "Priority Risk") from a management perspective, examines those risks, and implements countermeasures.

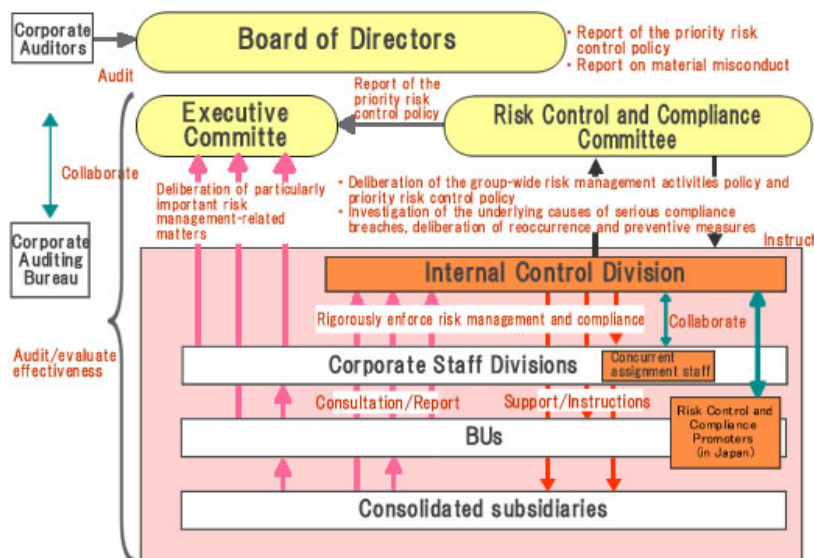
Related Link

- [Basic Policy on Internal Control Systems](#)
- [NEC Group Charter of Corporate Behavior](#)
- [NEC Group Code of Conduct](#)
- [The NEC Way](#)

Framework

To enforce compliance and implement effective risk management, NEC Corporation conducts activities led by the Risk Control and Compliance Committee, the Internal Control Division and the Risk Control and Compliance Promoters.

- **The Risk Control and Compliance Committee**
The committee, whose members are officers, investigates the underlying causes of serious compliance breaches, studies related preventive measures, and discusses policies for risk management activities and measures to select and address priority risks.
- **The Internal Control Division**
This division exchanges opinions on various occasions with designated employees in corporate staff and other divisions specializing in matters described in the NEC Group Code of Conduct as concurrent assignment staff, and plans, formulates and implements various initiatives designed to enforce compliance, including instilling knowledge of the NEC Group Code of Conduct. In addition, the Internal Control Division provides necessary support and coordination, as well as guidance, to ensure that risk management at business divisions and corporate staff divisions is implemented systematically and effectively.
- **The Risk Control and Compliance Promoter**
NEC's Risk Control and Compliance Promoters assigned to business divisions (322 people*) and NEC Group subsidiaries in Japan (128 people*) serve as points of contact for the Internal Control Division and ensure individual employees are aware of policies and measures related to NEC Group compliance and risk management. (* As of March 31, 2014)
- **The Executive Committee**
The Executive Committee deliberates important risks related to NEC's management strategies.
- **Board of Directors**
Given its oversight role with respect to business execution, the Board of Directors receives reports related to material misconduct along with reports on priority risks.
- **The Corporate Auditing Bureau and Corporate Auditors**
The Corporate Auditing Bureau and Corporate Auditors perform internal audits according to each of their roles to check whether there are any problems in the execution of business operations by NEC and NEC Group companies from the viewpoints of accounting and legal compliance.



Related Contents

- [Main Activities and Results \(Fiscal 2014\), Participation in Activities of External Organizations](#)
- [Objectives and Achievements](#)

Main Activities and Results (Fiscal 2014)

Compliance

Education and Awareness-Raising Programs

- Briefings on the items contained in the NEC Group Code of Conduct
NEC fully revised the "Explaining the Code of Conduct" publication, which provides specific explanations of the items contained in the NEC Group Code of Conduct, so that the content can be used globally. An English version was also published.
- Web research related to compliance
We offer annual web-based compliance training programs to all officers and employees of NEC Corporation. Risk Control and Compliance Promoters encourage participation in each business division. Almost all of our employees participated in the training within the allotted period of time, with 98% completing the training in fiscal 2014. In addition, we have put in place an environment in which even employees unable to complete the web-based training during the allotted period can engage in self-study over the Internet at any time.
NEC subsidiaries in Japan also use the program. In fiscal 2014, approximately 32,000 employees at 41 NEC Group companies participated in the training, with 98% of those employees completing the training during the fiscal year. In addition, other NEC Group companies have offered their own compliance training programs with reference to this program. In this manner, compliance training programs are being actively implemented across the entire NEC Group.
- NEC business ethics and education
Moreover, once a year, the Company holds the NEC Business Ethics Forum. In 2014, NEC President Nobuhiro Endo gave the keynote address at the thirteenth NEC Business Ethics Forum, where he stressed that the sense of ethics of every employee is the foundation of a company's economic activities under the theme of "What Kind of Company Can Survive for Over 100 Years?" Achieving Mid-Term Management Plan 2015.
- Furthermore, NEC also uses opportunities provided by new graduate recruit programs, programs specific to rank, and training upon promotion to management positions to impress upon its employees the importance of complying with the NEC Group Code of Conduct.
- Risk Control and Compliance Communications
NEC is also striving to improve internal communications about risk control and compliance. A section of the NEC intranet is dedicated to the latest compliance issues. NEC has posted more than 160 realistic case studies of possible incidents on this intranet site titled "What Would You Do If You Were Involved?" This initiative continuously raises compliance awareness by familiarizing employees with case examples of ethical and legal issues that could arise during every day work. In addition to disclosure on the intranet, NEC distributes booklets to new employees each year for training purposes. The booklets are also used as educational materials for training employees upon promotion to management posts. NEC also issues inside and outside of the company the bi-monthly e-mail magazine Compliance News, which contains two case sheets with timely details in each edition to alert and enlighten employees about risk control and compliance. Furthermore, every quarter, NEC prepares a compliance quiz that is posted on the NEC intranet. The compliance quiz is designed to increase employees' familiarity with compliance issues by having them casually answer compliance-related quiz questions.

Disclosure of Information and Prevention of Incident Reoccurrence

From the standpoint of preventing the reoccurrence of incidents, NEC has developed materials that use charts and illustrations to easily explain past incidents of improper transactions and accounting practices within the NEC Group. These materials have been disclosed internally via e-mail and the intranet to make these incidents known to all NEC Group officers and employees, and raise their awareness of such incidents.

Recently, it was found that an employee of an affiliate of consolidated subsidiary NEC Networks & System Integration Corporation had been embezzling the company for the past eight years. NEC regards this incident with seriousness and will again thoroughly implement compliance to prevent recurrence in addition to further strengthening internal controls across the Group.

 http://www.nesic.co.jp/ir/pdf/20140214_1.pdf

Addressing Global Business Expansion

As global business expansion proceeds, the enforcement of compliance at overseas business sites has become an ever more urgent priority. For this reason, NEC has helped to raise compliance awareness among employees of overseas NEC Group companies by conveying messages from top management, such as by distributing multilingual (Japanese, English, Chinese, Portuguese and Spanish) transcripts of the NEC president's keynote address at the NEC Business Ethics Forum to overseas subsidiaries to raise employees' awareness of compliance. Moreover, NEC has provided individual compliance guidance to personnel who will be stationed at overseas subsidiaries as senior executives. NEC strives to ensure that these personnel are well aware of warnings specific to the regions where they will be stationed.

In addition, NEC presents a list of examples of high-risk issues as regards compliance at meetings of presidents of overseas subsidiaries, with the view to preventing compliance breaches. At the meetings, countermeasures for each issue and other related topics are discussed.

NEC formulated the "NEC Group Code of Conduct" in fiscal 2005 for the entire Group, including subsidiaries in Japan and overseas. In fiscal 2013, NEC prepared the "Explaining the Code of Conduct (English Version)" publication and distributed copies to overseas subsidiaries, with the view to fostering a deeper understanding of the background and purpose of the NEC Group Code of Conduct. From fiscal 2012, NEC began developing compliance systems at its five regional headquarters around the world, in order to further strengthen how it addresses compliance in step with global business expansion. For example, NEC has delegated internal audit, compliance and legal affairs functions to the regional headquarters after clarifying once again the job descriptions for each of these three functions. Moreover, NEC has clarified the system for escalating information to headquarters in Japan by developing escalation channels to be followed in the event of a compliance-related issue arising, at each regional headquarters.

Furthermore, given that regulations regarding bribery prevention and enforcement have been tightened in various countries, NEC established the Basic Guidelines on Prevention of Bribery and Competition Law Compliance Policy in October 2011, with the view to developing and building systems to address these issues. NEC is also working to increase knowledge of this issue through implementing measures such as continuously providing training.

In fiscal 2014, NEC prepared multilingual training materials (Japanese, English, Chinese, Portuguese and Spanish) related to competition law and bribery prevention. We also provided face-to-face training for executives at overseas subsidiaries, mainly in Asia.

Compliance Hotline (Whistle-blowing system for employees and business partners)

NEC believes that creating a positive working environment for all is important to enforcing compliance. Accordingly, we are thoroughly raising employee awareness so that they can discuss any issues that may arise in the workplace with their superiors, colleagues, and people from related divisions. In addition, the Corporate Auditing Bureau has established the Compliance Hotline to provide a system that is easy for consultations from employees who have come into direct contact with cases of known or suspected violations of the NEC Group Code of Conduct.

NEC has also established an additional contact point for the Compliance Hotline at a third-party institution in order to enhance convenience and to address a broader range of risks at an early stage. This contact point fields consultations and reports from not only NEC employees, but also NEC Group companies and suppliers in Japan.

In establishing the contact point, complete measures were taken to set up a system where whistleblowers would not be subjected to disadvantageous treatment due to facts they have consulted about or reported.

In fiscal 2014, the number of cases reported to the Compliance Hotline contact points reached 54. Also, to ensure that officers and employees know that the system is functioning effectively, we post on the NEC intranet examples of cases where consultations and reports with the system triggered fact-finding inquiries that led to the correction of problems.

As in Japan, internal consultation and reporting systems have been set up at NEC Group companies overseas. Third-party consultation and reporting systems have also been established in North America, South America, EMEA (Europe, Middle East and Africa) and China, and have been made available to officers and employees of multiple overseas subsidiaries in these regions.

Survey on Corporate Ethics Initiatives

NEC Corporation conducts online surveys on an annual basis to gauge ethical awareness among officers and employees and to evaluate the status of information sharing on this important subject. The results are put to good use in developing and implementing business ethics policies.

According to the results of the survey conducted in fiscal 2014, a large number of respondents reaffirmed the importance of being aware of compliance and want to actively engage in the issue going forward. We disclose information to NEC Group officers and employees by posting some of the survey results on the NEC intranet.

Risk Management

Selecting Priority Risks and Countermeasures

Every year, the Internal Control Division identifies group-wide important risks, selected from the perspective of the need for countermeasures and magnitude of impact on business continuity, on the basis of risk assessments for each organization obtained through a questionnaire-based risk management survey and interviews, the risk management effectiveness evaluation by the Corporate Auditing Bureau, findings of the corporate auditors and accounting auditors, and other information.

From among group-wide important risks, NEC Corporation selects priority risks following deliberations by the Risk Control and Compliance Committee and the Executive Committee on risks deemed to require new countermeasures, including improvement of existing countermeasures, and on risks that may significantly impact the NEC Group's continuity. The division nominated by the Risk Control and Compliance Committee then takes the lead in devising countermeasures.

Risk Management Activities

NEC Corporation verifies the status of risk management in all divisions using the risk management survey. Specifically, (1) with respect to the risks that each division prioritized in a given fiscal year, we verify risk countermeasures and divisional self-evaluations of implementation status and (2) with respect to risk to be prioritized in the subsequent fiscal year, we confirm scheduled risk countermeasures, including those already implemented or begun.

The Internal Control Division regularly feeds back the survey results to various divisions, with the aim of sharing information on improving and enhancing risk management activities. The Division also interviews core divisions every six months to verify the progress and effectiveness of measures reported in the risk management survey. Furthermore, the Risk Control and Compliance Committee receives quarterly reports on the status of examining specific priority risk countermeasures and progress of implementation from each division in charge. Through these reports, the committee supervises the group-wide implementation of risk management by verifying the implementation status of countermeasures, related activity improvements and remaining issues, activity plans and other matters, and by issuing instructions as necessary on the direction of improvement and reinforcement measures.

Through the annual risk management survey for each division at NEC Corporation and interviews with subsidiaries in and outside Japan, NEC Corporation will strive to gauge the extent to which risk management is an integral part of each division, while offering continuing support to divisions, including subsidiaries, chiefly by providing them with its extensive expertise. In this manner, NEC Corporation aims to bolster the entire group's risk management capabilities.

Risk assessment exercise in EMEA

In fiscal 2014, NEC Europe Ltd., its subsidiaries and branch offices in EMEA (referred to collectively in this text as NEC EMEA) launched a group-wide risk assessment exercise.

This exercise was developed by a project team that involved members of the regional head office's CSR, Legal and Compliance Departments. It was implemented across the group with the assistance of the support functions, sales and the heads of the main NEC Europe Ltd.'s subsidiaries.

The exercise comprised a self-assessment, interviews and detailed analysis of risks specific to each entities. Based on the result of this exercise, RHQ's senior management identified common and high priority risks. Additionally, management commissioned an exercise to address these high priority risks.

The identified priority risks relate to following topics - Business Continuity, Access Control and Governance.

A positive effect of this collaborative exercise was the development of a business continuity process for the whole group. This included the creation and rolling out of a Business Impact Analysis (BIA) with the objective of determining the most cost effective Business Continuity and Disaster Recovery solutions for NEC EMEA.

An indirect benefit of this exercise was that it helped us materialize the connections between business as usual and several CSR core items such as human rights and fair trading.



NEC EMEA(Europe, Middle East and Africa)

Participation in Activities of External Organizations

Business Ethics Research Center (BERC)

NEC Corporation has been a member since the center was established in 1997. We participate in a variety of study groups and committees, where we introduce examples of NEC's ethics activities. NEC Chairman of the Board Kaoru Yano has been appointed as Chairman of the Board.

 [Business Ethics Research Center](#)

Caux Round Table-Japan

NEC Corporation has been a member of this committee since it was established in 2006. At the round table, NEC exchanges information and collaborates in promoting the spread of CSR in Japan. In addition, these meetings help in proposing measures to promote CSR activities in NEC.

 [Caux Round Table-Japan](#)

Related Contents

- [Policies and Rules,Framework](#)
- [Objectives and Achievements](#)

Internal Control (Compliance and Risk Management)

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

Medium-term Objective	<p>NEC aims to achieve a uniform level of internal control across the NEC Group by working to increase efficiency, while raising employee awareness by enhancing internal control systems and their operation globally.</p> <ul style="list-style-type: none"> ▪ Continuously develop and operate internal control systems ▪ Continuously implement compliance promotion measures and improve the Group-wide implementation level ▪ Continuously operate the Compliance Hotline and improve awareness Group-wide ▪ Continuously implement risk management activities
Fiscal 2014 Objective 1	<p>In Japan, internal control systems and their operation are sufficient. However, certain issues remain unresolved overseas. Accordingly, NEC will continue to implement various measures to resolve these issues. (The same applies for objectives 2 through 5). Promote PDCA cycles for internal control systems</p>
Achievements and Progress	<p>NEC investigated the status of establishment and implementation of internal control systems at business units and corporate organizations, a total of 31 divisions.</p>
Degree of Completion	Achieved
Fiscal 2014 Objective 2	<p>In Japan, continuously implement annual web-based compliance training, while maintaining and improving the training completion ratio</p>
Achievements and Progress	<p>In Japan, web-based compliance training was completed by 98.2% of employees, surpassing the 98% of the previous year, but still not reaching 100%. Follow-ups will be made with those who have not completed training. Survey results showed that 99.5% sufficiently understood the training details, almost unchanged compared with the previous year.</p>
Degree of Completion	Achieved
Fiscal 2014 Objective 3	<p>Overseas, continuously conduct compliance education and awareness raising activities led by regional headquarters</p>
Achievements and Progress	<p>Prepared multilingual training materials (Japanese, English, Chinese, Portuguese and Spanish) related to competition law and bribery prevention ahead of global business expansion and actively supported compliance education and awareness raising activities in local communities.</p>
Degree of Completion	Achieved
Fiscal 2014 Objective 4	<p>Continue to encourage broader use of the Compliance Hotline</p>
Achievements and Progress	<p>The Compliance Hotline awareness rate was 90.7%, a 4-point increase on the previous year's 86.8%. We will continue a variety of awareness-raising activities to lift this rate to 100%.</p>
Degree of Completion	Achieved
Fiscal 2014 Objective 5	<p>Continue to implement risk management activities focused on priority risks</p>
Achievements and Progress	<p>Select priority risks based on the Rules of Basic Risk Management and manage the progress of responses to these and promote execution of certain countermeasures.</p>
Degree of Completion	Achieved

Fiscal 2015 Objectives

Fiscal 2015 Objective 1	In Japan, various systems and measures related to the maintenance and operation of internal controls are continuously operating and improving. However, certain issues remain unresolved overseas. Accordingly, NEC will continue to implement various measures to resolve these issues. (The same applies for objectives 2 through 4). Promote PDCA cycles for internal control systems and continuously improve the compliance framework
Fiscal 2015 Objective 2	Continue risk management activities, such as responding to priority risks and overcome issues facing the NEC Group.
Fiscal 2015 Objective 3	Continue compliance training in Japan and overseas and gain employee acceptance of compliance awareness.
Fiscal 2015 Objective 4	Continue activities to popularize and inform about the Hotline, discover problems and issues early and promote early solutions.

Related Contents

- [Policies and Rules, Framework](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Basic Policy

NEC believes that ethics is the basis of economic activity, and top management emphasizes this fact at every opportunity. For a company to continue to exist, it must continue to be valued by society for its contributions to customers and the market. When unethical actions take place, they are censured by society and the company involved may ultimately be expelled from the market. The NEC Group conducts business operations on a global basis and faces stiff competition everywhere around the world. We believe that in the midst of this competition it is essential to maintain constant awareness of compliance and practice it accordingly. This is because if sales or profits are based on unethical actions that ignore the rules, we will not only be subject to monetary penalties for breaking the rules, specifically fines and/or compensation for damages, but also almost instantly lose the social credibility the NEC Group has built up over the years and even potentially cease from existing as a company.

Policies and Regulations

Countries around the world have reinforced execution of competition laws and anti-bribery regulations in recent years. Since 2008, NEC Group has encouraged overseas Group companies to formulate competition policies. In Japan, NEC has for some time had a compliance manual to accommodate the Antimonopoly Act. It additionally formulated a Competition Law Compliance Policy in October 2011 mindful of complying with overseas competition laws.

The Competition Law Compliance Policy is comprised of a main text section with basic, enumerated reminders on compliance with competition law in Japan and overseas as well as commentary on each section. The policy is intended to raise the compliance awareness of corporate officers and employees of NEC and NEC Group companies in Japan while reducing the risk of competition law infractions.

NEC has also established the Rules for Contacts with Competitors and the Basic Rule on Anti-bribery. The Rules for Contacts with Competitors are intended to restrict unnecessary interactions with competitors to reduce the risk of being suspected of, or becoming involved in, collusion or cartel-like practices. The Basic Rule on Anti-bribery establishes basic systems for preventing bribery and corruption at NEC and basic rules for corporate officers and employees in order to ensure that bribes are neither offered nor received in Japan or abroad in connection with the business activities of the NEC Group.

NEC Group is actively involved in promoting fair trade by reinforcing systems for compliance with competition law and regulations for preventing bribery in order to continue to exist as company with a strong reputation in society.

Competition Policy

(Contacting Competitors)

1. Contact competitors only if it is absolutely necessary.

(Exchanging Information and Entering into Agreements with Competitors)

2. Do not exchange information or agree with competitors on matters important for competition such as prices, quantities, sales territories, allocation of customers and intention to (or not to) deal with a specific customer (including eagerness for an order or bid).

(Illicitly Obtaining Bid-Related Information)

3. Do not obtain or request confidential information from the national or local government or other public entity that would facilitate bid-rigging among the competitors or information about a bidder to whom such government or public organization is intending to award a contract before participating in a bid offered by such government or public organization.

(Recording and Keeping Records of Contact with Competitors)

4. Appropriately record the sequence of events and interaction when contacting a competitor and keep copies of those records.

(Interfering with Transactions between Distributors or Licensees and Their Business Partners)

5. Do not unjustifiably restrict prices, quantities, sales territories, business partners, sales methods or other matters in transactions between our distributors or licensees and their customers.

(Unjustifiably Discriminating against Distributors or Other Business Partners)

6. Do not unjustifiably discriminate among distributors or other business partners regarding transaction conditions such as prices, quantities, payment conditions and rebates, conditions for participating in sales promotion campaigns and others.

(Dumping)

7. Do not sell products and services at an unjustifiably low price ignoring profitability.

(Abusing Dominant Bargaining Position)

8. Do not push unjustifiable conditions onto materials suppliers, subcontractors, distributors and other business partners using your dominant bargaining position.

(False Labeling)

9. Do not attach labels or make statements that are not based on the fact or are exaggerated or unsubstantiated in sales activities and advertisements.

(Advance Consultation)

10. If you have doubts or cannot make a judgment regarding competition law, immediately consult with the Company's fair trade promotion department.

Systems

Competition Law Compliance

It takes effort on various fronts to comply with competition law, including sales, technology transactions and materials procurement. NEC promotes compliance with the law through cooperation and coordination among multiple divisions involved in each of these areas. Specifically, the Legal Division serves as the lead management division (for overseas transactions, including licenses and technology related transactions such as joint developments), and the Risk Management Department in the Sales Planning Division (for domestic transactions), the Purchasing Process Innovation Department in the Solution Elements Purchasing Division (for materials procurement) and other departments cooperate to promote compliance with competition law throughout NEC and the NEC Group.

Bribery Prevention

Led by the Legal Division and with the cooperation of the Internal Control Division, NEC enforces the Basic Rule on Anti-bribery and provides related instruction, support, direction and training for internal divisions and NEC Group companies. Checking daily operations is an important part of preventing corruption, so guidelines have been established by the General Affairs Division (for entertainment, gifts and donations), the planning divisions of each Business Unit (for operating expenses), and the Materials Division (for materials expenses), and expenditures requested by the company's divisions are checked to ensure there are no problems.

Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)

Main Activities and Results (Fiscal 2014)

When the Competition Law Compliance Policy, Rules for Contacts with Competitors and the Basic Rules on Anti-bribery were formulated in October 2011, group training was held a total of 75 times for approximately 6,100 NEC employees, including corporate officers and upper level managers, to ensure full awareness of the rules. Continuing to perform this kind of training is critical to rigorously promoting fair trade.

Group training was also conducted internally in fiscal 2014 related to competition law compliance and corruption prevention. Approximately 3,200 employees participated.

The entire NEC Group must be involved in promoting fair trade. Led by NEC's Legal Division, we also actively held group training for NEC Group companies in Japan. Sessions were held 8 times in total for 5 companies during fiscal 2014. Approximately 300 corporate officers and employees participated.

Overseas, NEC works to train all executives and employees of Group companies on promoting fair trade through e-learning courses held in coordination with regional management companies and thereby raise awareness of the issue.

In addition, for compliance with competition law, we created the Competition Law Compliance Policy Card to further raise awareness of NEC's Competition Law Compliance Policy. The card is the size of a business card so it is easy to carry around, and it has been passed out to all corporate officers and employees of NEC and NEC Group companies in Japan.

NEC created the Basic Rule on Anti-bribery in October 2011 to prevent bribery and corruption, and we have also instructed NEC Group companies, both in Japan and abroad, to create their own equivalent regulations and build appropriate systems for that purpose. As a result, as of the end of fiscal 2014, nearly all of our domestic subsidiaries* had created basic regulations for preventing bribery.

At overseas subsidiaries, the relative risk of bribes as well as applicable anti-corruption laws differ depending on the region, so appropriate rules must be created after surveys have been done. As of the end of fiscal 2014, approximately 90% of overseas subsidiaries* had created regulations.

NEC intends to continue to provide instruction and support going forward, so that all NEC Group companies promptly formulate and enforce these basic regulations for preventing bribery and corruption.

In addition, NEC created the Anti-bribery Manual for Business Divisions on the basis of the Basic Rule on Anti-bribery. It stipulates the roles of divisional managers and specific methods for preventing bribery, which include bribery risk assessment at the business and process levels, and due diligence on third parties employed in the company's business operations. In fiscal 2014, bribery risk assessments were again conducted on the businesses and processes of all business divisions, and for divisions assessed as high risk, the abovementioned group training was rigorously enforced for all affiliated employees. Going forward, NEC will continue to ensure appropriate application of the manual as it works to prevent bribery throughout the NEC Group and down its value chains.

Moreover, the Basic Rule on Anti-bribery establishes strict systems for responding in the event a case of bribery is discovered; it sets forth a reporting route from the person that discovered the incident to the Legal Division, the managing division for anti-bribery initiatives.

No cases of bribery were found to occur at the NEC Group in fiscal 2014.

* Excludes listed companies and their subsidiaries, and subsidiaries being liquidated, etc.

Dialogue with an NGO

On February 27, 2014, NEC met with representatives from Transparency International UK and Transparency International Japan for dialogue on anti-corruption initiatives, discussing expectations and more regarding improvements to NEC's initiatives. NEC will continue dialogue with NGOs going forward to respond to society's expectations.



Dialog with Transparency International about Anti-Corruption

Related Contents

- [Basic Policy, Policies and Regulations, Systems](#)

Partnering with Suppliers

Policy and Guidelines

NEC Group Procurement Policy

NEC has formulated the NEC Group Procurement Policy and is using this policy to develop internal controls for CSR and expand them to suppliers. Regarding purchasing ethics and other forms of internal control, NEC has established the Basic Rules for Procurement and ensures that all employees remain in compliance with the regulations. To strengthen procurement-related internal controls, we have established specific business regulations in the purchasing process, and are striving to make all staff members involved in purchasing activities fully aware of them by holding regular training sessions.

▶ [NEC Group Procurement Policy](#)

Supply-Chain CSR Guidelines

NEC has formulated Supply-Chain CSR Guidelines to promote CSR-related activities together with its suppliers. Using these guidelines and the Supply-Chain CSR Check Sheet, we are continuing to make efforts to nurture partnerships from a long-term perspective so that steady progress is made while deepening mutual understanding.

In addition, NEC has established the Conflict Minerals Guideline to promote responsible procurement of mineral resources against a backdrop of international human rights issues, and related activities are carried out in partnership with suppliers.

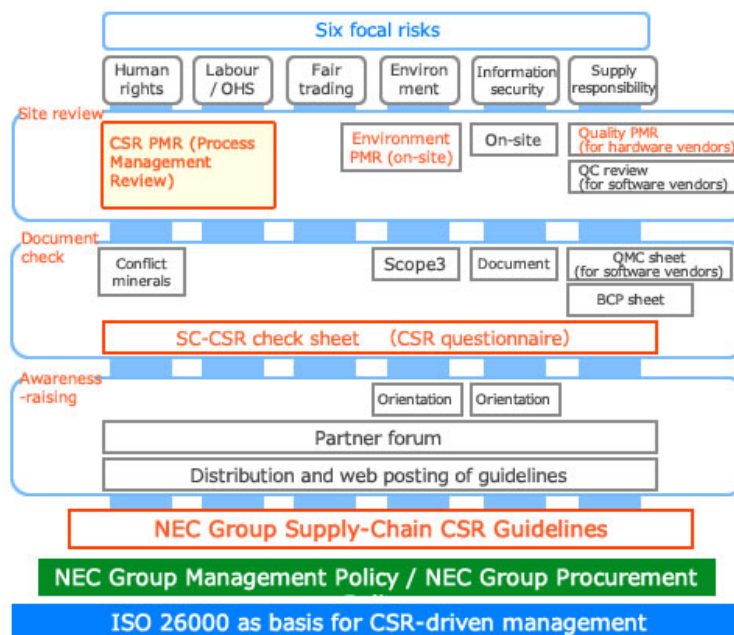
 [Supply-Chain CSR Guidelines](#)

CSR Procurement Framework

NEC promotes CSR procurement based on CSR management in accordance with ISO 26000.

Based on the above policies and guidelines, and pivoting on six priority risk categories, initiatives are promoted at the stages of awareness-raising, document review and onsite auditing.

For this reason procurement staff are appointed as assessors to evaluate the CSR performance of suppliers using NEC's onsite CSR assessment program for suppliers.



CSR Procurement Framework

CSR Promotion Framework

NEC's CSR activities in the area of procurement are carried out by staff members responsible for purchasing. The Consolidated Procurement Management Meeting and The Supply-Chain CSR Subcommittee are convened every six months to propose and promote specific measures in this area.

From fiscal 2013 the CSR department has been added to subcommittees to strengthen inter-divisional connections. In fiscal 2014 we trained Chinese assessors. These training activities have deepened the connection between procurement and the CSR division in China.

Related Contents

- [Main Activities and Results \(Fiscal 2014\), Monitoring and Improvement](#)
- [Objectives and Achievements](#)

Partnering with Suppliers

Main Activities and Results (Fiscal 2014)

Communication With Suppliers

On-site CSR Assessments of Suppliers Implemented

Surveys based on the Supply-Chain CSR Check Sheet

Focus was placed on human rights and occupational safety and health, which were clearly revealed by previous written surveys as areas of weakness, and an onsite assessment program (CSR-PMR assessment) was started to improve supplier management. This program is a multi-faceted onsite assessment that included interviews with contractor employees and onsite factory inspections. Assessments are conducted by trained in-house employees who visit supplier sites for direct observations and discussions.

Assessments are not unilateral, but are based on NEC and suppliers understanding one another's circumstances in keeping with a commitment to the concept of Co-Capacity Building in CSR, which seeks to raise respective CSR capabilities.

For both NEC and suppliers to understand one another's situation, initiatives must be promoted while coordinating between CSR issues affecting suppliers and the reality of conflicts and tradeoffs in how management resources are allocated. Given this, assessors should ideally be procurement staff with extensive knowledge of what is behind procurement transactions, including the scale involved and policies on supplier relations.

Fiscal 2014

In fiscal 2014, nine NEC China procurement staff members from Beijing, Shanghai and Shenzhen assembled to be trained as assessors and lay a foundation. The training consisted of 1) CSR-PMR assessment training, 2) training on techniques for interviewing supplier employees, and 3) training on points of emphasis during factory inspections.

CSR-PMR assessment training involved learning the general principles of Co-Capacity Building and discussing technical aspects such as assessment items and time management.

Next, in the training on interview techniques, NEC enlisted the help of outside experts and conducted training on practical interviewing skills that included role-playing exercises and emotion management. CSR staff from NEC China also took part as instructors and discussions were held on the importance of taking into consideration China's culture and customs.

The third part of the training, on points of emphasis during factory inspections, involved conducting peer assessments with the cooperation of two local NEC factories in Wujiang Economic Development Zone. Peer assessments are factory assessments in which NEC employees, peers of the factory's employees, act as assessors. Inspections conducted in this way tend to have a somewhat stronger third-party perspective than internal audits conducted by the factory's own employees. Under the direction of supervisors with extensive experience in factory management, training was provided on risks and points to emphasize in the inspections.

A secondary effect of the training was that it deepened ties between procurement and CSR divisions in China.

At the two Chinese affiliates where peer assessments were conducted, some minor health and safety issues were discovered, but it was confirmed that there were no major CSR-related problems. It has also since been confirmed that improvements have been made to the issues found in the assessments.

Fiscal 2015

In fiscal 2015, NEC is preparing to extend its onsite assessment program to local subsidiaries and manufacturing contractors in China, Thailand and India.



Assessor training given by an NGO



Assessors on a factory inspection



Manager and document check

We have received messages from the two representatives of Inno Community Development Organisation, the NGO that conducted the assessor training in Shanghai, China, on Oct. 28, 2013.



Mr. Dee Lee, Director, Inno Community Development Organisation



Ms. Haidi Xie, Deputy Director, Inno Community Development Organisation

Through basic instruction and practice, employees of NEC procurement divisions learned the theory and technique of interviewing supplier employees and acquired a foundation for practical application. Employees were very positive about receiving the training, almost surprisingly so, and they were able to absorb a great deal through lively question-and-answer and discussion sessions. The role-playing with assessors and factory officials offered an exciting challenge that left a real impression.

If there is the opportunity, I hope to be able to sit in on interviews at factories and be of some assistance at actual worksites.

Going forward, I expect to see initiatives and improvements in the area of human rights and labor not only at manufacturing facilities but in other areas of procurement as well.

New Year Business Partner Forum

NEC's 2014 New Year Business Partner Forum was attended by 446 executives of 197 domestic and overseas suppliers. At the event, NEC's president and senior executive vice president explained NEC's business policies and policies on supply chain strategies, and sought the understanding of suppliers regarding its CSR management practices.

NEC's president has called for the company, as a provider of "Solutions for Society," to work together with its suppliers to create social value, positioning solutions to social issues as a growth opportunity. And, the company's senior executive vice president and chief supply chain officer has asked for renewed recognition of quality and reliability in the "Solutions for Society" business.

Activities in EMEA

In fiscal 2014, the NEC Group in the EMEA region (Europe, the Middle East and Africa) commenced a series of activities aimed at improving supplier assessment and selection through collaborative engagement.

The activities were planned through collaboration between the CSR, legal, procurement, compliance, sales and financial divisions of NEC Europe.

The NEC EMEA Group Vendor's Charter of Responsible Business Conduct, which is applied to all suppliers, makes understanding international codes of conduct and regulatory compliance a precondition for doing business. It covers quality, health and safety, the environment, society, governance, ethics and other areas. The charter was formulated based on the NEC Group Procurement Policy and NEC Group Supply-Chain CSR Guidelines while also referring to ILO, OECD and ISO 26000 regulations, the UN's Guiding Principles on Business and Human Rights, the UK Bribery Act, and the UN Global Compact as well as other laws, regulations and international codes of corporate conduct.

In addition, a comprehensive assessment questionnaire, which covers CSR in addition to typical business and technical matters, was incorporated into company surveys conducted at the start of new transactions. The assessment is positioned as the first step of engagement with middle market suppliers and requires an understanding of CSR.

Going forward NEC EMEA plans to enhance its activities through buyer training, awareness-raising for middle market companies, quarterly reviews and other initiatives.

Education and Training

Education and training for purchasing staff

The plan covered training content closely related to purchasing tasks, such as corporate ethics and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (the Subcontracting Act), and courses needed to enhance operational skills. In fiscal 2014, NEC continued providing the same training.

Compliance training related to procurement

NEC's compliance training related to procurement puts special emphasis on onsite contracting, dispatch staffing and the Subcontracting Act. In connection with accepting employees from suppliers in the form of onsite contracting or dispatch staffing, training is conducted so that the employees learn the compliance requirements at their respective workplaces. Since fiscal 2008, all newly appointed management personnel each year are provided e-learning training. And, they must also take an e-learning training course on the Subcontracting Act.

In the course of enforcing compliance with purchasing-related laws and regulations by NEC Group companies and meticulously addressing such laws and regulations, NEC has appointed Compliance Promoters specialized in purchasing-related laws and regulations at NEC Corporation and the NEC Group. These Compliance Promoters rigorously enforce legal compliance within the divisions of their companies. In particular, Compliance Promoters are also trained to enhance the level of compliance promotion regarding on-site contracting and dispatch staffing and the Subcontracting Act.

In fiscal 2014, NEC continued to conduct e-learning training for new managers and training for Compliance Promoters.

Initiatives Addressing Individual Issues

Promoting green procurement and Scope3

Since fiscal 1998, NEC has been promoting green procurement of parts and materials, and has operated a green certification system based on the Green Procurement Guidelines that since fiscal 2003 has covered the procurement of not only hardware, but also software and services. We have maintained a green procurement rate of 100% for product-related materials, excluding some supplies for internal use.

To comply with chemical substances regulations around the world, notably the European RoHS (Restriction on Hazardous Substances) Directive, and European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Regulation, we continuously conduct chemical substance content surveys covering purchased items.

In addition, dealing with global warming has assumed greater urgency, which prompted NEC to get involved in environmental impact reduction activities at upstream suppliers under Scope 3 from fiscal 2013.

In fiscal 2013, CO₂ emissions were considered in all the categories of Scope 3. Some categories were not relevant, so emissions were calculated for 12 categories, with the results released to the public.

In fiscal 2014 to further raise the precision of calculations and apply Scope 3 activities to software procurement, 30 large software vendors conducting a considerable volume of work for NEC were selected and asked to cooperate in monitoring their energy consumption, including electricity use.

As a result, NEC now has a framework for grasping carbon loads in outside procurement that includes both hardware and software. Going forward, we plan to work closely with the CSR and Environmental Management Promotion Division to further raise the precision of calculations.

Related Links

- [Scope3](#)

Strengthening information security

To date, ongoing activities have included holding briefings on CSR and information security measures (16 briefings held in 11 locations across Japan, attended by about 1,700 companies and approx. 2,200 people); organizing seminars for information security instructors (seminar materials were downloaded by around 1,100 companies); conducting assessments of implementation status through document and on-site inspections (about 1,800 companies); and implementing rigorous management of subcontracting. NEC will continue to implement these measures.

As a new support measure in fiscal 2013, NEC began publishing a newsletter summarizing information security-related information (three times a year). Besides NEC's briefings on information security measures, NEC has also been compiling security-related information useful to suppliers, such as pointers on preventing information security incidents based on seasonal themes such as the New Year's festivities, as well as case studies. For fiscal 2014, the three issues were downloaded a total of 2,077 times.

Addressing the Issue of Mineral Resources that Fuel Conflict

Since fiscal 2012, the NEC Group has clarified its policy to ensure that no mineral resources obtained illegitimately in conflict regions shall be procured or used in NEC's products, and has also sought the understanding and cooperation of its suppliers in this regard by establishing the Conflict Mineral Guideline (for Suppliers). Moreover, NEC has joined the Industry Collaboration Team of the Responsible Mineral Procurement Study Group organized by JEITA and promoted activities, as in the previous fiscal year. Full-scale conflict mineral surveys started in fiscal 2014. NEC has replied to all requests for conflict mineral surveys from customers, and has a system in place to address this issue in coordination with sales and business divisions within the company.

Regarding survey progress, top priority was placed on tantalum, and surveys of smelters were completed for all products containing the substance. In addition, visits were made to tantalum smelters in Japan to learn from those directly involved about the physical, global movement of tantalum, from mine extraction to smelting, the smelting process and smelting facilities. It was also verified firsthand that supervisors at smelters are very aware of the conflict minerals issue and are making progress in addressing it.

At the same time, surveys for tin, gold and tungsten have proven difficult and this has been recognized as a major issue for the coming fiscal years. It has been explained to customers who have requested the surveys that it is a top priority and progress is being made and customers have been appreciative of the efficiency of NEC's approach. Going forward, we will continue to collect industry information from JEITA and other sources and carry out survey activities in coordination with upstream companies.

Dialogue with Customers (Stakeholder Dialogue)

With regard to the conflict minerals issues, NEC explained its initiatives to a customer from a supplier's standpoint and held discussions on issues and future plans.

The customer responded by saying they understood NEC's efficient initiatives while also continuing to request improvements.

Going forward, NEC will work to help solve the problems facing society as a whole through continued dialogue with customers.



Promoting Business Continuity Plan (BCP)

The NEC Group provides critical social infrastructure in the form of information and communications. When information and communications are temporarily cut off due to a natural disaster or other such incident, it has an enormous impact on society. As a company with this critical role, it is essential that NEC work together with suppliers to fulfill its supply responsibilities. Supply chains have grown increasingly complex and sophisticated, so meeting this obligation requires both measures at NEC and business continuity planning at suppliers.

Fiscal 2013

In fiscal 2013, NEC began implementing integrated purchasing, production and logistics activities by forming the Supply Chain Measures Office as a virtual organization, with the view to enhancing its responsiveness to the entire supply chain.

In the event that a damaging accident occurs in the supply chain, based on its business continuity plan (BCP), NEC will post "Information about Damage at Suppliers (operational status of plants, information on damages as well as on difficult-to-obtain procurement materials, etc.)," which is gathered by each procurement division from suppliers, on an information-sharing database (Disaster and Pandemic Response Information Sharing System) accessible to the NEC Group. NEC will make effective use of this database to exchange information so as to stabilize the procurement of materials, with the view to minimizing the impact of damage on its business operations.

Fiscal 2014

In fiscal 2014, to facilitate information exchange along the supply chain, NEC has begun to build a supplier emergency information sharing system as a subsystem of the abovementioned information sharing system.

Suppliers themselves will be able to register emergency information on the subsystem, making it possible for timely information to be shared without the direct involvement of NEC procurement staff. This subsystem's basic functions have been verified and it is expected to go into full operation in fiscal 2015.

Improving the business continuity planning capacities of the supply chain

At the same time, to improve the business continuity capacities of the supply chain, awareness-raising activities for suppliers are especially important. Initiatives in collaboration with the industry have begun, and in fiscal 2014, a working group was established under the JEITA Procurement Committee that has begun work on formulating the Supply Chain BCP Checklist.

Seventeen companies, including assembly and parts manufacturers, are taking part in the process, and risk management items are being compiled from a procurement standpoint focused on the supply responsibilities of the supply side for each category of disaster or other type of emergency.

NEC supports this industry-wide initiative and is participating actively in the working group. The checklist is set to be released by the JEITA Procurement Committee in May 2014, and NEC plans to actively utilize it in supplier relations.

Through continuing to enhance procurement flexibility, including by increasing supply options, and strengthen information sharing capacities, which includes close information exchange with suppliers and improving system operation, NEC will work to minimize the impact of disasters and other supply chain emergencies on customers and society as a whole.

Monitoring and Improvement

Compliance Hotline (for Suppliers)

The [Compliance Hotline](#), a point of contact for compliance consultation and reporting, has been made available to suppliers since 2003. In coordination with the Internal Control Division, this mechanism provides an independent channel for transaction-related complaints and consultation by suppliers. The Compliance Hotline has been made easily accessible from NEC's website.

Internal Auditing for Onsite Contracting and Dispatch Staffing

We continued to conduct internal auditing activities in fiscal 2013 to further promote appropriate on-site contracting and dispatch staffing practices. In regard to ensuring appropriate dispatch staffing practices, NEC worked closely with personnel divisions to revise the audit details based on the amended Worker Dispatching Act. Internal audits conducted at NEC Corporation and the NEC Group revealed no major problems pertaining to on-site contracting and dispatch staffing practices.

Related Contents

- [Policy and Guidelines, Procurement Framework, Promotion Framework](#)
- [Objectives and Achievements](#)

Partnering with Suppliers

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objective	Build systems for autonomously promoting CSR at suppliers
Fiscal 2014 Objective 1	Formulate the on-site CSR assessment program for suppliers (human rights, labor, the environment and anti-corruption)
Achievements and Progress	<ul style="list-style-type: none">▪ The Assessor Training Scheme part of the on-site CSR assessment program (CSR-PMR assessment) was established.▪ Conducted assessor training for NEC China procurement staff and established a foundation for carrying out assessments in greater China.▪ Conducted peer assessments at two local China affiliates.
Degree of Completion	Achieved
Fiscal 2014 Objective 2	Begin surveying CO2 emissions and other parameters of software contractors
Achievements and Progress	<ul style="list-style-type: none">▪ Completed development of survey scheme (survey form and result analysis methods).▪ Completed survey of key software vendors and grasped carbon loads.
Degree of Completion	Achieved

Fiscal 2015 Objectives

Fiscal 2015 Objective 1	Expand the on-site CSR assessment program for suppliers to the Asian region
Fiscal 2015 Objective 2	Start building a platform for coordinating with NPOs and specialists inside and outside Japan through participation in stakeholder engagement programs. (Activities to raise solutions capacities for child labor and other material issues on the supply chain)

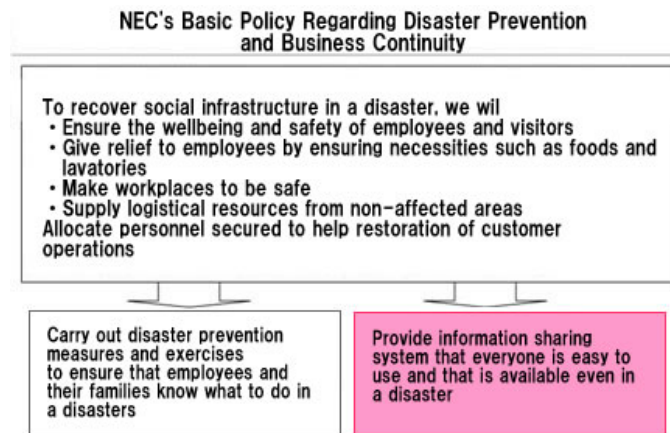
Related Contents

- [Policy and Guidelines, Procurement Framework, Promotion Framework](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Business Continuity

Policy

NEC provides a lot of highly reliable systems for utilities companies and telecommunications carriers. Therefore, it is our responsibilities to quickly recover and continue their systems and operations.



To promote business continuity, we;

1. Assume threats and infrastructural damage scenarios
2. Develop company-wide policies
3. Organize BCP teams and clarified their roles
4. Take measures to reduce potential damage based on damage assumptions of each workplace
5. Review emergency operational plans
6. Draw up guidelines for employees and BCP teams, considering the above
7. Make the guidelines well known to each employee by conducting exercises and e-learning
8. Develop business continuity plans based on the above considerations

Due to the above, the NEC Group resumed maintenance operations in some areas on the day of the Great East Japan Earthquake, and restored production and shipping at 6 production plants in affected areas in just 11 days.

This fact proves that our disaster prevention measures were effective and we could share information on damage, IT restoration, distribution and procurement with people concerned.

Framework

NEC maintains proactive and flexible business continuity through the following three organizations.

The Headquarters for Business Continuity and Disaster Recovery

Administers the BCP for management function to maintain top management decision-making and restore operations.

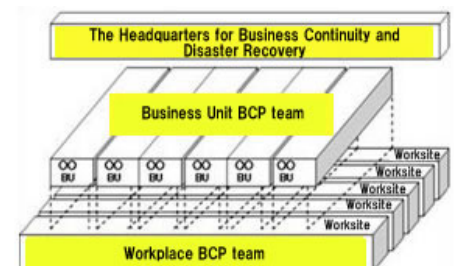
Business Unit BCP team

Administer the BCP for each business to recover specific businesses such as collecting information on damage to customers and operations, securing the personnel needed, and securing materials supply and distribution routes.

Workplace BCP team

Administer the BCP for each workplace. Secure the safety of workplaces, confirm the safety of employees, support employees' life and collaborate with communities.

In the Business Unit BCP team, there are the BCP Promoters and the BC Team Members who promote Business Continuity Management Systems (BCMS) under the BCDR managers.



Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Main Activities and Results (Fiscal 2014)

Activities in Japan

ICT-based Information Sharing for Enabling Business Continuity

It can be difficult to communicate and share information in a disaster, because of the interruption of telecommunications.

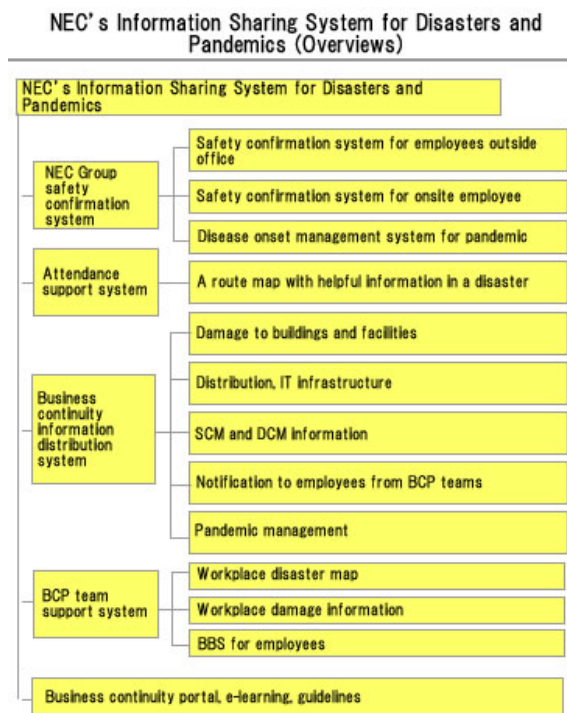
NEC improves the communication way in a disaster by using an emergency information sharing system.

This system enables each company, division, and employee to see and download necessary information because the servers of the system are two different locations that is unlikely to suffer from same disaster.

Currently, 127,000 people at 57 companies use this system.

In the Great East Japan Earthquake in 2011, not only 5,600 employees in affected areas but BCP team members in Tokyo used this system.

Over 20 days after the earthquake, the system was accessed 510,000 times, playing a major role in sharing information.



Developing and Improving BCP

NEC has been developing BCPs for all NEC Group consolidated subsidiaries in Japan since FY 2007. We developed more than 400 BCPs for all significant businesses in FY 2008. In FY 2009, we have developed BCPs to cover the new influenza at all business units in Japan and overseas.

NEC currently has the HQ, plants, and more than 350 business divisions that should recover and continue their businesses in a disaster. We don't think that developing a BCP is the end goal. We consider it important to continue training and keep improving our BCPs to enhance effectiveness and recover our business more quickly through BCM activities such as exercises, internal audits and management reviews.

In fiscal 2014, we promoted continuous improvements, worked on ISO 22301 and carried out exercises to encourage employees to act proactively in a disaster.

1. Exercises and training

Our basic approaches for business continuity and disaster recovery are as follows.

1. Conduct exercises involving top management to restore our business quickly in a wide area disaster.
2. Carry out exercises to encourage employees to act proactively in a disasters.
3. Provide e-learning simulation of items that is difficult to carry out at each workplace.

We conduct various exercises such as confirmation of safety at nights and on holidays, disaster prevention meetings in workplaces, disaster imagination games for BCP teams, e-learning for disaster prevention, and notification for all Group companies. Through these exercises, we identify gaps between BCPs and actual disaster so that we can act more effectively and practically. More than 138,000 people from 54 Group companies participated in exercises for the NEC group common disaster scenario. The exercises covered initial responses, actions in cooperation and notification to top management.



2. Internal audit

NEC conducts internal audits of all BCPs to confirm the proper implementation of business continuity management systems (BCMS).

We carry out the training of internal audit for approximately 160 internal auditors assigned by Business Unit and NEC group companies. The aim of this training is to audit all BCPs in the same way.

The internal auditors use common guidelines and checksheets. Through these audits, they point out improvements of BCPs to restore and continue businesses in a shorter time.

International Certification

NEC has obtained the third-party certification (BS259999-2) in February 2009 for the main businesses. Since then, we have continuously been updating the third-party certifications. The NEC Group acquired third-party qualification on February 24, 2014, of the international standard for business continuity management systems, ISO 22301:2012, for a total of 44 business units in the telecom carrier and system construction and software development businesses.

The 44 business units to have acquired the qualifications are the most of any corporate group in Japan and make NEC Group the first place in Japan with one-stop certification acquisition spanning a wide range, from design and production, through to system construction to maintenance.

- Name of standard: ISO 22301: 2012
- Certificate number: BCMS 539922
- Certified organization: NEC Group
- Certification scope (as of fiscal 2014): 13 businesses 18 BCPs, in the Telecom Carrier Business Unit 1 Business, 26 BCPs in the SI and Software Development Business



Activities Outside Japan

In various overseas regions, there have been frequently occurred natural disasters, serious accidents and pandemic. Meanwhile, the NEC Group's supply chains have become increasingly complex and technically advanced as the Group has promoted the globalization of its business operations. This has led to concerns about the possible impact of global risk factors on the NEC Group's business operations.

The NEC group addresses all NEC group companies of the notification rules in a disaster and assigns the persons in charge in each company. We have constructed a system to understand and share information on the damage status of overseas subsidiaries under 5 regional headquarters, namely Greater China, APAC (Asia Pacific), EMEA (Europe, the Middle East and Africa), North America, and Latin America. At the same time, we have a web system to collect and analyze information during initial-response phases at the Headquarters in Japan. To verify the effectiveness, we have conducted the notification exercise for all overseas subsidiaries twice a year since 2012. In March 2014, we have conducted the exercise on more practical level, such as considering the measures for quick recovery and support subsidiaries by the RHQs.

We have prepared BCPs to cover country and regional risks for main overseas subsidiaries, such as production plants. We are prepared to quickly resume businesses by minimizing their damage in a disaster. For example, floods affected NEC subsidiaries in Thailand in 2011. These businesses included NEC TOKIN Electronics (Thailand) Co., Ltd., and NEC Infrontia Thai Limited at the Navanakorn Industrial Estate in northern Bangkok. Since all subsidiaries had BCPs, they were able to activate their BCP, and quickly gather information at alternative offices. We were able to discuss measures properly and promptly because they reported daily situation to the HQ in Japan. NEC and subsidiaries will re-examine disaster scenarios and measures to reduce damage with the view to raising the effectiveness of BCPs through this experience.

Related contents

- [Policy, Framework](#)
- [Objectives and Achievements](#)

Business Continuity

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objective	Obtain ISO certification on business continuity for the entire NEC Group, while entrenching effective BCM activities based on the ISO approaches.
Fiscal2014 Objective 1	Keep improving BCPs and BCM activities and work on ISO 22301 at NEC Corporation and its subsidiaries in Japan based on issues and measures arising from the Great East Japan Earthquake.
Achievements and Progress	<ul style="list-style-type: none"> ▪ We revised BCPs, administered BCMS and worked on ISO 22301 led by the BCDR managers assigned by business units and each company. ▪ In fiscal 2014, we conducted the following exercises to verify and review BCM activities <ul style="list-style-type: none"> September 2013 For top management and BCP teams, assembling, notification and decision-making outside business hours. January-March 2014 For the NEC Group employees, safety confirmation, sharing information on disaster damage and restoration and e-learning simulations. February 2014 Switched certification to ISO 22301
Degree of Completion	Mostly achieved
Fiscal2014 Objective 2	Review and improve BCPs and conduct BCM activities at overseas subsidiaries.
Achievements and Progress	In September 2013 and March 2014, we conducted notification exercises for all subsidiaries to verify the effectiveness of rules and systems.
Degree of Completion	Mostly achieved

Fiscal 2015 Objectives

Fiscal 2015 Objective 1	Implement measures to improving BCPs and BCM activities of NEC and the NEC Group companies.
Fiscal 2015 Objective 2	Continue to reviewing and improving BCPs and conduct BCM activities at overseas subsidiaries.
Fiscal 2015 Objective 3	Continuously implement BCDR exercises worldwide and e-learning.

Related contents

- [Policy, Framework](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Basic Policy

As a global corporation that provides information and communications technologies essential to social infrastructure, the NEC Group serves society as a whole by protecting information assets received from customers and suppliers, and by delivering trusted products, services and information security solutions. Positioning information security as an effective management activity for creating a prosperous society in which everyone benefits from information and communications technologies, NEC remains committed to being a leading information security company that is broadly trusted by society.

Policy

NEC recognizes that it must protect the information assets it keeps for its customers and suppliers as well as its own information assets, to contribute to society through the provision of better products and services. NEC has codified this duty in the NEC Information Security Statement.

It has also established the Basic Policy on Internal Control Systems (2. Matters regarding the retention and management of information relating to the performance of duties by directors) in connection with the information security management.

Moreover, we will establish an information security promotion framework and information security management systems (the formulation, operation, review, and improvement of policies and measures to maintain and improve information security) and put in place information security infrastructure. Through these measures, NEC will strive to fulfill the duty set forth in the NEC Information Security Statement.

Related Link

- [NEC Information Security Statement](#)
- [Basic Policy on Internal Control Systems](#)

Framework

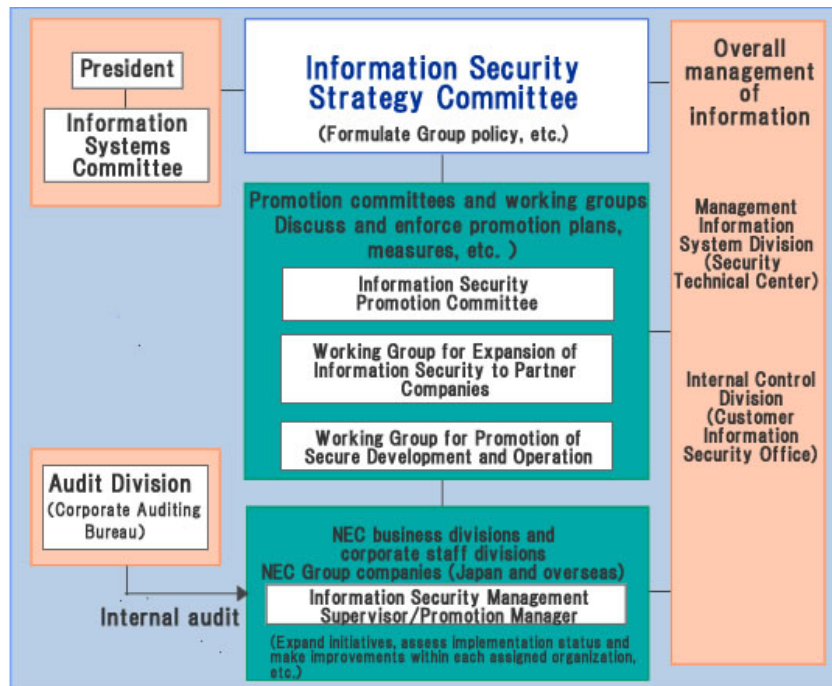
NEC's information security implementation framework consists of the Information Security Strategy Committee and its subcommittees, as well as the promotion systems of each organization. The Information Security Strategy Committee and its subcommittees determine the direction of the NEC Group's information security policies encompassing Japan and overseas, along with business partners. In addition, the efforts of the overall NEC Group are directed and managed by the Security Technical Center (STC) of the Management Information Systems Division and the Customer Information Security Office of the Internal Control Division. The STC and the Customer Information Security Office implement and manage activities at each organization through the Information Security Strategy Committee and its subcommittees, while working closely with Information Security Management Supervisors and Promotion Managers appointed to each business division, corporate staff division and Group company.

Information Security Strategy Committee

Aiming to decrease the number of information security incidents throughout the NEC Group, this committee deliberates important issues such as the decision, assessment, and improvement of information security reinforcement measures, the clarification of the causes of major incidents and decision on measures to prevent reoccurrence, and the formulation of strategies for transferring achieved results into NEC's own information security business.

Promotion Committees and Working Groups

There are three sub-committees of the Information Security Strategy Committee, promotion committees and working groups. These sub-committees perform various tasks to maintain and improve the information security of the NEC Group as a whole. Tasks include discussion and coordination of implementation plans and measures to be executed, as well as enforcing directives and monitoring progress on various measures. By sharing information about incidents and monitoring the situation and issues faced by each organization, the sub-committees strive to enhance the effectiveness, efficiency, and feasibility of various security measures.



Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Main Activities and Results (Fiscal 2014)

NEC attained an even higher level of information security management by drastically reducing the number of information security incidents through continuous, stringent enforcement of security measures. Other measures included putting in place global security infrastructure and a secure environment utilizing cutting-edge IT, and bolstering against the advance of cyber attacks. For customers, NEC has improved the quality of security with respect to products, services and systems through the promotion of secure development and operation.

NEC has issued an Information Security Report, which presents the NEC Group's measures in regard to information security. Please follow the link below for further details on information security activities [Information Security Report](#).

Principal Activities for Internal Security

- Maintained and improved recognition and awareness of information security
NEC sought to improve recognition and awareness of information security through activities including held holding web-based information security training for NEC Group officers and employees in Japan and domestic partners of NEC Group companies who have access to NEC's intranet. NEC also implemented an electronic pledge system for the "Basic Rules for Customer Related Work and Trade Secret." Another measure was to stream the video content of an awareness-raising DVD.
- Instituted a global service authentication platform
NEC worked to expand an integrated management platform that enables the visualization of the status of information security measures for PCs (including application of security patches malware countermeasures and PC encryption, etc.) at overseas subsidiaries. In fiscal 2014, NEC newly deployed the system in Hong Kong, Taiwan and the Asia-Pacific (Thailand, India, Malaysia and Vietnam).
In the China region, NEC took steps toward global integration by switching to a common infrastructure and implemented functions in advance of other regions. For example, to further enhance the global security infrastructure, a network quarantine function was released in addition to device control functions for USB memory and other devices.
- Develop external secure environments utilizing the latest IT
Seeking both to raise the convenience of outside work and reduce the risk of theft, loss, malware infections and other such incidents, NEC expanded the scope of trusted PCs, and in addition to conventional functions (for rendering PCs unusable or deleting data remotely, mitigating unknown vulnerabilities, encrypting data, etc.), considerations were given to strengthening security through URL filtering and other methods. Security measures for outside work were also reinforced by eliminating offsite-use PCs, which had been used for work performed outside the company (using encryption, etc.), and switching to thin clients or trusted PCs.
- Strengthening countermeasures against cyber attacks
In recent years cyber attacks directed at specific companies and organizations have become a significant threat. Cyber attacks occur in stages. After the initial infiltration, an infestation platform is established and the infestation is then expanded within the organization to extract confidential information. The multilayered measures implemented by the NEC Group address each of these stages. In addition to a detection system for unknown malware, better tools for detecting intranet attacks and encryption at the file level, training and drills were conducted that simulated a targeted attack email sent to employees. NEC intends to continue these measures next fiscal year and beyond, as well as further bolster systems for preventing the spread of infestations, visualizing and analyzing attacks, and integration management.

Principal Activities for Suppliers

- Reinforce information security at suppliers
Information security measures for suppliers included timely reminders and information sharing.
Specifically, NEC
 - 1) Provided training tools on the management of confidential information;
 - 2) Revised guidelines for meeting information security requirement standards;
 - 3) Provided an awareness-raising video;
 - 4) More fully enforced the Basic Rules for Customer Related Work for suppliers (full compliance through submission of a pledge, etc.); and
 - 5) Issued security newsletters.
- Strengthening information security measures for offshore partners
The Basic Rules for Customer Related Work and policies for confidential information management (measures include confidentiality labeling, offsite-use management, post-use destruction or return, etc.) were implemented for suppliers in India, after having already been implemented in China. In addition, an information security agreement was established for Indian suppliers and additional agreements concluded.

Initiatives Concerning Solutions for Customers

NEC strives to maximize the value of ICT technologies to people in general and society as a whole while minimizing their negative impact by conducting secure development and operation to provide safe and secure products, systems and services to customers. The company works to eliminate security incidents caused by design or system errors, and for high-security-risk products, systems and services that handle particularly important information, NEC performs safe and secure development and operation at even higher levels of robustness.

- Rigorously promote secure development and operation in crucial infrastructure
When critical infrastructure goes down, the impact on society and economic activity is enormous. NEC complies with critical infrastructure industry guidelines and, moreover, has established the Secure Development and Operation Implementation Standards specifically for systems and products used in critical infrastructure and has worked to apply them throughout the NEC Group.

Establish secure development and operation environments

- For the entire NEC Group, including overseas affiliates, to effectively provide customers with safe and secure products, systems and services at high levels of security quality, NEC has developed policies for promoting secure development and operation for suppliers and offshore development with an emphasis on supply chain security. Secure development and operation was further reinforced by establishing the new Secure Development and Operation Implementation Guidelines for Suppliers and revising offshore development guidelines for offshore partners in China. In addition, utilizing a visualization-based inspection system for secure development and operation, NEC strengthened assessments of security measures at the project level. The company also promoted improvements to problematic projects by expanding the scope through coordination with critical infrastructure and related internal systems. Moreover, training was held for Secure Development and Operation Promotion Managers, secure development content was enhanced, and a secure development library was provided to raise secure development quality, reduce man-hours and increase the added value of security.

Monitoring and Improvement

- Information security assessment activities

In fiscal 2014, we conducted information security assessments of 89 Group companies in Japan. In addition, we conducted assessments of individual roles (individual assessment), where general employees and the manager responsible for each information security measure verify the implementation status of each measure. Through this format, we endeavored to achieve more effective improvements by accurately gauging actual worksite conditions. In fiscal 2014, we conducted these individual assessments at 43 companies (around 73,000 people). In addition, systems were established and implemented for conducting individual assessments at the 33 companies that had conducted assessments on the status of measures at the organization level of companies not connected to the Intranet (organizational assessments) led by information security management promotion managers.

At overseas subsidiaries, individual assessments from the previous year were continued at 46 companies, in an effort to monitor the status of security measures at overseas subsidiaries in detail, while raising awareness and recognition. At overseas subsidiaries where we have yet to implement individual assessments, we continued to perform assessments centered on organizational assessments, where the information security management promotion managers of each organization verify the entire organization's status. By providing specific feedback to each overseas subsidiary, we worked to make detailed improvements.

- Assessment of suppliers

Based on the NEC Group Information Security Standards for Suppliers and the Basic Rules for Customer Related Work and other guidelines, we conducted assessments and evaluations of the implementation status of information security measures by suppliers (on-site assessments and written assessments). We provided suppliers with feedback in the form of the assessment and evaluation results, and thoroughly implemented improvements.

Related contents

- [Basic Policy,Policy,Framework](#)
- [Objectives and Achievements](#)

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objective	As a global company that provides ICT essential to the social infrastructure, NEC will contribute to society by protecting information assets entrusted to it by customers and suppliers and its own information assets, as well as by providing even more secure, reliable and trusted products and services, and information security solutions.
Fiscal 2014 Objective 1	Enhance and expand global information security infrastructure <ul style="list-style-type: none"> ▪ Upgrade and expand security services ▪ Expand security infrastructure in more regions
Achievements and Progress	<ul style="list-style-type: none"> ▪ Released network quarantine function* and started advance implementation in China region in the fourth quarter of fiscal 2014. <p>*Disallows intranet connections from computers not authorized by the company</p> <ul style="list-style-type: none"> ▪ For overseas subsidiaries, NEC worked to expand application of a common platform for visualizing the status of information security measures on PCs (security patches, malware measures, PC encryption, etc.). The China region has already switched over to this infrastructure, and it was further expanded to include Hong Kong and Taiwan and the Asia-Pacific region.
Degree of Completion	Achieved
Fiscal 2014 Objective 2	Reinforce secure external environments using the latest IT <ul style="list-style-type: none"> ▪ Expand the range of trusted PC models ▪ Enhance the security functions of trusted PCs
Achievements and Progress	<ul style="list-style-type: none"> ▪ The scope of devices made available for trusted PC status was expanded to include Ultrabook and others. ▪ Windows XP-based PCs for offsite use (with encryption, etc.) were switched to thin client terminals or trusted PCs to further bolster security measures for work performed outside the company.
Degree of Completion	Achieved
Fiscal 2014 Objective 3	Promote and entrench secure development and operation <ul style="list-style-type: none"> ▪ Expand projects subject to Secure Development and Operation Implementation Standards and projects subject to visualization ▪ Rigorously enforce secure development and operation at partner companies and in offshore development
Achievements and Progress	<ul style="list-style-type: none"> ▪ Secure Development and Operation Implementation Standards were formulated specifically for systems and products used in critical infrastructure and applied to the NEC Group. ▪ Assessments were strengthened through a secure development and operation assessment system (visualization system) and the scope was expanded globally through coordination with critical infrastructure and related internal systems. ▪ The Secure Development and Operation Implementation Guidelines for Suppliers were revised while considering supply chain security, and assessment was conducted on the status of secure development and operation. For offshore partners, the China offshore development guide was revised and secure development and operation reinforced.
Degree of Completion	Achieved

Fiscal 2015 Objectives

Fiscal 2015 Objectives 1	Strengthen global information security infrastructure <ul style="list-style-type: none">▪ Expand regional scope of security service functions (device control, network quarantine, etc.)▪ Achieve integrated management of security measures implemented in a global environment▪ Realize personal information usage management in connection with the EU Data Protection Regulation
Fiscal 2015 Objectives 2	Strengthen measures against cyber attacks <ul style="list-style-type: none">▪ Strengthen measures for preventing infestations from spreading, visualizing and analyzing attacks and integration management, etc.▪ Strengthen measures against cyber attacks for overseas affiliates
Fiscal 2015 Objectives 3	Promote and entrench secure development and operation <ul style="list-style-type: none">▪ Strengthen promotion of secure development and operation in critical infrastructure sectors▪ Expand scope of secure development and operation (supplier and offshore development)▪ Better establish secure development and operation (visualization of progress, reduction of problematic projects)

Related contents

- [Basic Policy,Policy,Framework](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Personal Information Protection

Policy

For NEC, appropriately protecting personal information received from customers, shareholders, investors, business partners, employees and others during the course of business constitutes one of its major responsibilities to society, and in July 2000 on the basis of this commitment the company formulated the NEC Privacy Policy.

NEC built a system for promoting privacy protection and in 2004 a privacy protection management system in conformance with the Personal Information Protection Law and JIS Q 15001. Privacy Mark certification was subsequently acquired in October 2005.

NEC has since worked to continually improve its management system while protecting personal information in coordination with its Group companies.



▶ [NEC Privacy Policy](#)

Framework

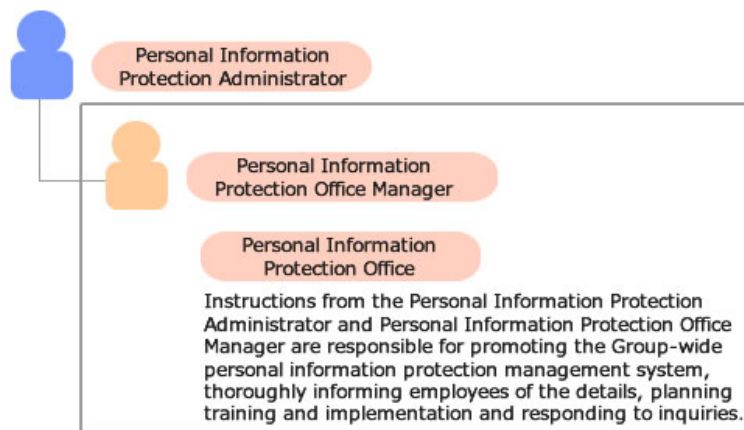
At NEC, the head of the managing division for protecting personal information serves as the Personal Information Protection Manager, the person with ultimate responsibility for implementation and operation of the privacy protection management system.

Personal information protection for the NEC Group as a whole is driven by the Customer Information Security Office in the Internal Control Division under the leadership of the Personal Information Office Manager, who is appointed by the Personal Information Protection Manager.

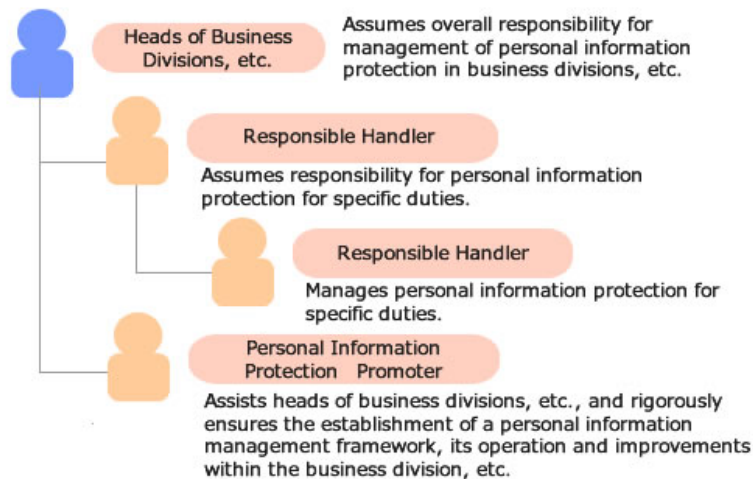
Internally, staff and managers have been assigned for each type of personal information handled, which is performed under the supervision of divisional managers to raise awareness at sites and offices that handle personal information. Staff in charge of promoting privacy protection are also appointed under management systems established and fully operated in each corporate division.

In addition, NEC conducts regular audits of privacy protection in conformance with JIS Q 15001, with the head of the Corporate Auditing Bureau serving as chief personal information protection auditor.

(1) Group-wide Management Framework



(2) Management Framework at Business Divisions, etc.



Emergency Response to Information Leaks

At domestic Group companies as well, equivalent systems have been established to ensure personal information is protected at each company in conjunction with full enforcement of the Personal Information Protection Law in April 2005.

Overseas Group companies are also engaged in personal information protection in accordance with the laws of their respective countries.

NEC maintains systems at domestic and overseas Group companies for responding quickly in the event an incident occurs involving the loss, outflow or leak, etc. of personal information, and for disclosing appropriate information about it. If an incident should occur, the response is coordinated based on procedures that have been standardized throughout the Group.

If an incident occurs that is related to personal information or an event takes place for which there is that risk, the employees involved at NEC or the employees who made the discovery contact their divisional supervisors and the Group contact point for information security incidents. The Group contact point that receives the report then coordinates a response with the related staff divisions at NEC that make up the Personal Information Protection Office in accordance with applicable laws, ordinances, ministry guidelines and other regulations and upon considering the potential for infringing on the rights and interests of the persons involved.

Related Contents

- [Main Activities and Results \(Fiscal 2014\), Monitoring and Improvement](#)
- [Objectives and Achievements](#)

Personal Information Protection

Main Activities and Results (Fiscal 2014)

Privacy policies and regulations have been formulated as a part of the NEC Group Management Policy out of recognition for the importance of protecting personal information domestically and overseas.

In addition, NEC divisions and Group companies execute PDCA cycles autonomously, which the company views as vital for appropriate management of personal information, customer information and trade secrets.

(1) Training for Personal Information Protection

The NEC Group conducts the following training for employees at different levels in the organization.

1. Training for all employees (for domestic NEC Group companies)

Training of personal information protection is held once a year using NEC's online training system in conjunction with information security training for all executives and employees of the 60 NEC Group companies in Japan. Every year, each applicable employee completes the training.

2. Training for promotional staff (for domestic NEC Group companies)

Group training is held twice a year for information security promotional staff involved in promoting personal information protection.

3. Training for new hires and transfers (for NEC)

A handbook on personal information protection has been created and is distributed every year to new hires and transfers as initial training material.

Also, when there is a request from a division where an incident has taken place, or when it is otherwise judged to be necessary by the Personal Information Protection Office, awareness training is conducted as appropriate at internal divisions or at the Group company level.

(2) Management of Personal Information (Initiatives for the NEC Group)

NEC and NEC Group companies have developed the Personal Identifiable Information Control System, which is managed and operated to conduct ledger-based management of various types of personal information and make its management more transparent. Company-wide management procedures have been documented and a personal information protection management system is operated by the NEC Group as a whole. Also, as necessary, operational rules are created and rigorously enforced at the division level and for different types of personal information.

In addition, to raise awareness of information security overall, which includes personal information protection, the Basic Rules for Customer Related Work and Trade Secret has been established, and electronic pledges are received every year from all NEC employees.

(3) Management of Personal Information (Initiatives for Business Partners)

The NEC Group requests that contractors handling personal information conduct privacy management with systems equivalent to those of the Group.

Moreover, employees of suppliers engaged in work for the NEC Group must also submit a pledge on the Basic Rules for Customer Related Work and take a regular online test to verify their knowledge. These steps help ensure rigorous management of personal information.

As a result of these efforts, there were no incidents involving the loss, outflow or leak, etc. of personal information in fiscal 2014.

Monitoring and Improvement

The NEC Group appropriately manages personal information, customer information and trade secrets by executing PDCA cycles on an autonomous basis through various inspection activities. Also, regular internal audits are conducted on the basis of internal audit items stipulated in JIS Q 15001.

1. Verification of the operation of information security measures

At the NEC Group, implementation of information security measures by employees are verified once a year, and if there are cases of non-compliance, activities are conducted to devise and execute improvement plans at the organization level.

2. Verification of personal information management

At the NEC Group, management of the various types of personal information handled by each organization is reviewed at least once a year.

At NEC, management slips registered in the Personal Identifiable Information Control System are reviewed in detail. Also, there are regular inspections (once every six months) by the system of personal information (management slips) at a high management level.

3. Verification of emergency operation

Operation of the above is re-verified as appropriate in the event of an incident involving the loss, outflow or leak, etc. of personal information.

Related Contents

- [Policy,Framework](#)
- [Objectives and Achievements](#)

Personal Information Protection

Objectives and Achievements

Fiscal 2015 Objectives

Medium-Term Objectives	Contribute to society by protecting personal information received from customers and business partners and information related to NEC employees, administering personal information protection measures and providing trusted, safer and more secure products, services and solutions.
Fiscal 2015 Objective 1	Rebuild the personal information protection management system to take into account the integration and dissolution of domestic Group companies <ul style="list-style-type: none">▪ Review standard rules and revise implementation standards▪ Fully operate systems at applicable group companies
Fiscal 2015 Objective 2	Review and fully operate NEC personal information protection management standards <ul style="list-style-type: none">▪ Review rules in conjunction with changes in the Personal Information Protection Law and related ministry and agency guidelines▪ Support full operation at NEC and domestic Group companies
Fiscal 2015 Objective 3	Globally develop and enhance privacy protection <ul style="list-style-type: none">▪ Conduct training related to personal information protection and strengthen related communications▪ Support full operation of personal information protection in each region

Related contents

- [Policy,Framework](#)
- [Main Activities and Results \(Fiscal 2014\), Monitoring and Improvement](#)

Respecting Human Rights

Why Human Rights matter

By providing a range of services accessible by anyone, anywhere and at any time, NEC is committed to create an information society where people around the world can enjoy a lifestyle that is more convenient and more secure. NEC has the vision that innovative and advanced IT-network solutions and communications products can help meet some of the most challenging social and environmental needs of global society.

However, the company also realises, that, as the evolution of technology can help progress society and the realisation of the human rights of some, that progress may not only destroy the environment, but also hinder or infringe the human rights of others.

NEC is fully aware of this paradox and recognises that it has the responsibility - as an international company with global operations – to manage the potential impacts of its business activities on the human rights of its stakeholders.

NEC's commitment to human rights

Policy statement

As a global company, NEC strives to uphold international standards for the protection of all human rights such as the International Bill of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, and the 10 principles of the UN Global Compact.

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

 [Global Compact](#)

Each NEC Group entity (NEC Corporation and its subsidiaries) must abide by the NEC Group Charter of Corporate Behavior and the NEC Group Code of Conduct. First established in 1997, the scope of the NEC Charter of Corporate Behavior was revised in 2004, becoming the NEC Group Charter of Corporate Behavior that expanded to encompass the entire Group and include human rights.

Through this formal commitment to the NEC Group Charter of Corporate Behavior and the NEC Group Code of Conduct, each NEC Group entity effectively agrees to take steps to respect human rights in all aspects of their corporate activities.

[NEC Group Charter of Corporate Behavior](#)

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

[NEC Group Code of Conduct](#)

NEC will respect the fundamental human rights of all people in every aspect of our corporate activities. Moreover, WE will not act in such a way that may offend the dignity of any individual or be prejudicial on the grounds of race, beliefs, gender, age, social position, family origin, nationality, ethnicity, religion, or physical or mental handicap.

Related Link

- [NEC Group Procurement Policy](#)

NEC's Commitment to Human Rights through Various Corporate Activities

To facilitate the sharing of best practices on human rights within the entire Group, NEC has implemented an internal network of cross functional and cross regional working groups (human resources, purchasing and CSR) that seek to establish new ways to increase the awareness of staff on this topic. NEC also shares best practices with its business partners through an active membership of several industry associations aiming to establish a society that respects human rights, engagement with experts and NGOs, and capacity building initiatives with suppliers.

Promoting awareness on human rights

Learning program

As the NEC Group develops its international business, it becomes more and more important to the company to increase the awareness of staff on global human rights issues and adopt common shared practices.

The awareness of the staff of the NEC Group on human rights issues was strengthened in fiscal 2012 by an education program that may be adapted locally to respond to specific needs and legal requirements but the core message remains the same.

In Japan, NEC launched a compulsory e-learning program for all its employees across every level and from recently recruited employees to long standing officers. Training for newly appointed officers and general managers incorporated a variety of international regulations and these officers and managers deepened their understanding of what is required for human rights on a global level. Face to face training sessions were also organised in different sites in Japan by the Human Resources team and headed by the General Manager.

More focused and detailed Human Rights courses were delivered to the members of the NEC Human Rights Awareness Committee. Human rights were also promoted through various initiatives including by using leaflets, collecting human rights awareness slogans that employee's family members could also submit, as well as through the company intranet and posters displayed throughout the offices.

Number of people that have attended a human rights awareness training session
[Scope: NEC Corporation]

FY 2012	FY 2013	FY 2014
27,666 (Number of participants without e-learning: 3,070)	1,426	28,000 (Number of participants without e-learning: 4,000)

* Includes the number of participants for NEC Web training (compulsory for all employees and must be attended every second year)

Subsidiaries of NEC in other regions of the world promote human rights in line with what are considered to be optimal methods

For example, in EMEA (Europe, the Middle East and Africa), human rights are promoted within online training that explains all the principles of the NEC Group Chapter of Corporate Behavior and the NEC Group Code of Conduct.

In Latin America and Greater China, training is given face to face and provides more details on freedom from discrimination, freedom from child labor and freedom from forced and compulsory labor).

The content of all these training modules has been developed through collaboration between CSR teams and local human resources teams to best adapt the material as required for each region. The training materials have also been translated into several languages including English, Spanish and Portuguese.

Human Rights Due Diligence Processes

NEC recognizes that the company is at the start of a long journey with regards to human rights due diligence. However, in fiscal 2014, progress has been made in several areas:

- Better understanding of human rights issues through country and region level research and stakeholder engagement
- Engaging with NGOs to train assessors when performing CSR audits of suppliers in China.
- Strengthening communication about human rights with a variety of stakeholders, including experts such as CSR Review Forum-Japan.
- Tracking progress in response to findings (in the supply chain and in the workplace)
- Clarifying and extending company grievance mechanism such as the development of existing human rights hotlines for staff and suppliers in Japan

Stakeholder Review with CRF

NEC emphasizes stakeholder engagement as well as stakeholder reviews. This is done through engagement with the CSR Review Forum-Japan based on the ISO 26000 international standard.

Due diligence process in the supply chain

NEC has established its due diligence process in the supply chain in accordance with the Japanese Electronics and Information Technology Industries Association (JEITA), the "Japanese ICT industrial group". JEITA published its "Supply-Chain CSR Deployment Guidebook (Tutorial of CSR Items)" in 2006. NEC uses this guidebook, in which it was instrumental in developing, for its own Supply Chain CSR Guidelines and Supply Chain CSR Checklist.

Assessing impacts

EMEA Risk Assessment Training

A joint NEC Group Risk Assessment Training conducted across the entire EMEA region in fiscal 2014 involved activities including self-assessment and assessor interviews of employees. Among the risks taken up were human rights.

Assessing impacts in the supply chain

• CSR Self-Checking

NEC cannot directly improve the business activities of its suppliers, but is aware that it has a significant influence through its procurement transactions. NEC has since 2007 been carrying out assessments using the Supply Chain CSR Checklist based on JEITA to evaluate suppliers' CSR. This checklist contains assessment items related to human rights and is used to gauge the impact of suppliers' human rights risk.

• CSR Assessment Program: CSR Program Management Review (CSR-PMR)

NEC Process Management Review (PRM) creates a dialogue opportunity with suppliers. This helps ensure that they understand all NEC's expectations and that our own procurement practices are not putting an indirect detrimental pressure on the supplier's workforce (for example working additional hours to meet NEC's requirements).

Integrating impact assessment results into the organization

Human Rights Awareness Committee

A company-wide Human Rights Awareness Committee, chaired by the executive vice president and a Business Unit Human Rights Awareness Committee, chaired by the head of the corporate planning department of each business unit, were established in 1997 to prepare a human rights framework for deliberating and deciding on basic initiatives related to human rights and promoting internal training. Similar frameworks have been established at Group companies.

Risk Management Survey

NEC carries out a questionnaire-style risk management survey every year. Based on the results of these surveys, NEC will extract items to be regarded Companywide as priority risks. Human rights risk has been designated as a priority risk and measures are discussed, centering on the human resources, materials and CSR divisions.

EMEA Risk Assessment Training

Based on the results of joint training carried out in all areas of the EMEA region in fiscal 2014, highest priority risks shared by all companies were designated and the president of NEC Europe Ltd. asked all Group companies in EMEA to engage in risk management activities toward these risks and requested a report on progress with these measures to be made to management meetings at each company. For the employees of NEC Group companies in the EMEA region, this training renewed awareness of how regular business activities are connected to human rights.

Integrating supply chain assessment results into the organization

NEC has formulated an action plan for risk improvements when it is clear there is an impact on human rights in the workplace or supply chain. Personnel and procurement divisions are always sharing information about human rights issues at suppliers and promoting CSR in the supply chain. NEC also confirms the progress of suppliers in preparing policies, guidelines and checklists for overall CSR, including human rights. In addition, NEC provides training material on its approach to responsible business, including human rights to its suppliers.

* Please follow [this link](#) for details about cooperation with suppliers.

On-site CSR Assessment Program (CSR-PMR: CSR Process Management Review)

An NEC CSR PMR team can identify social and environmental problems and present an improvement plan to suppliers after following a CSR-PMR process. In fiscal 2014, NEC's procurement and CSR divisions formed a team to train assessors for the Greater China region.

Tracking Performance

Confirming progress through stakeholder review with the CRF

The Japanese CSR Review Forum-Japan reviews NEC's management approach and operations based on the seven core subjects of ISO 26000 annually – including human rights. NEC received confirmation about initiatives and progress related to human rights and hints about improvements in these areas.

Personnel and Labor Management Audit

NEC regularly checks that human rights awareness initiatives to a similar level as NEC Corporation are being conducted throughout the Group through personnel and labor management audits and other methods.

Tracking performance in the supply chain

• On-site CSR Assessment Program (CSR-PMR: CSR Process Management Review)

During dialogue implemented as part of CSR-PMR, NEC confirms whether suppliers are implementing improvement plans.

• CSR audits by customers

The human rights performance of NEC interests our customers. In fiscal 2014, NEC was audited by one of its major customers with regards to monitoring the business practices such as human rights and labor practices in a Japanese factory belonging to the NEC Group. NEC was able to provide its customer with a solution plan on the issues identified. NEC is now working closely with this important customer for the improvement of business practices in its supply chain.

Communicating how impacts are addressed

EMEA's best practices

NEC EMEA aims to enhance its knowledge and approach to corporate responsibility through its membership of several organisations for example:

- Exchanging best practices on CSR (including human rights) with other member of the Japanese Business Council in Europe (JBCE)
- Participating in COP peer reviews as a member of the UN Global Compact UK network

In addition, NEC EMEA engages with experts on CSR by participating in high profile missions, seminars and roundtables. For example, in fiscal 2014, NEC EMEA participated in:

2014, NEC EMEA participated in:

- A joint meeting organised by CSR Europe and JBCE to discuss the European and global agenda of CSR
- The UNCTAD CSR Retreat in Geneva (March 2013)
- The UN Forum on Business and Human Rights in Geneva.

Activities in the Global Compact Japan Network (GC-JN)

NEC is one of the main corporate members of the working group on human rights due diligence run by the United Nations Global Compact Japan Network. In this context, NEC has committed to plan and carry out programs that assist Japanese companies to understand and seek remedies for breaches of global human rights. NEC participates in various lectures and workshops, gaining knowledge of such matters as the international trends related to human rights, including UN Guiding Principle for Business and Human Rights, and issues particular for Japanese companies, which it can utilize with participating companies to gain hints or knowledge useful for promoting their own initiatives.

Reporting in CSR Reports

NEC reports annually on its Website about its various human rights initiatives and progress made on them.

Initiatives to reduce human rights breaches in business (Data protection and information security)

In addition to strengthening data protection and information security, NEC is currently assessing its impact in each business on other typical human rights issues in the ICT industry, such as privacy protection, consideration for the environment, product safety, and quality assurance.

Initiatives contributing to respect for human rights through business (Eliminating the digital divide)

NEC recognizes as an important CSR theme for promotion the elimination of the digital divide, which is now said to be a basic human right, and is now working on this as an ICT company aiming to create a safe and secure society.

Examples of Initiatives

- [Include Everyone in the Digital Society](#)
- [Establish a Safe and Secure Society](#)

Developing human rights awareness through social contribution programs

For NEC, aiming to realize a society where everybody can live a rich life, social contribution activities are important from the viewpoint of human rights awareness. As part of this, NEC sponsors wheelchair tennis, in which employees can participate as volunteers, and also offers the NEC IT Communication Support Course for People with Severe

Disabilities, whose goal is to enable people with severe disabilities to communicate using computers with minimal movement.

NEC holds the NEC Internet Safety Classes for pupils in elementary schools to teach them ways to use the Internet safely based on the Children's Rights and Business Principles developed by UNICEF, the UN Global Compact and Save the Children in 2012.

Related Link

- [Activities for Contributing to Society](#)

Operational grievance mechanisms

Human Rights Hotline Desk

NEC has established a hotline in which a variety of stakeholders can engage in consultations regarding human rights as part of a process to improve adverse impact on human rights.

For example, NEC has a Human Rights Hotline Desk, which is a consultation contact point for employees, including temporary employees, for the purpose of clarifying the nature of consultations and expediting responses. This hotline led by the Personnel Affairs Division of NEC Corporation and staff appointed in each business unit, offers consultation and advice. A system has been set in place to ensure that those seeking consultation are guaranteed protection of their privacy and are shielded from retaliation. Newly-appointed staff in charge of the hotline are trained on these new responsibilities, and the content of their training covers their role, consulting methods and approach. Other practical training, such as role-playing, is also implemented. Anti-harassment posters created based on details of the consultation desk are also posted throughout the Company to raise employee awareness. Overseas, Compliance Hotlines that also deal with human rights, have been established and respond to employee consultations. Suppliers have access to a Compliance Hotline. Residents of local communities can pass on their opinions through Customer Communications Centres.

Related Contents

- [Objectives and Achievements](#)

Respecting Human Rights

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objectives	<ul style="list-style-type: none">▪ Monitor human rights risks in corporate activities worldwide and gain an understanding of issues.▪ Implement promotion of a shared understanding of actions in regard to human rights across the entire supply chain and value chain.
Fiscal 2014 Objectives	<ul style="list-style-type: none">▪ Conduct human rights awareness-raising activities (training courses, etc.) in Latin America and Greater China.▪ Monitor compliance and respect for human rights globally.
Achievements and Progress	<ul style="list-style-type: none">▪ Conducted human rights awareness-raising training in Latin America and Greater China.▪ NEC gave briefings and held meetings about global human rights understanding with people in charge of personnel in each region around the world.▪ NEC and Group companies in Japan conducted human rights training for people in charge of promoting human rights (the theme in fiscal 2014 was on promoting diversity).
Degree of Completion	Achieved

Fiscal 2015 Objective

Fiscal 2015 Objective	Formulate a human rights policy as part of human rights due diligence
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Related contents

- [Why Human Rights matter](#)

Stakeholder Engagement

The NEC Group aims to transform into a “Social Value Innovator” in its ongoing efforts serve society. We think that doing that requires being sensitive to society's movements and expectations. For the NEC Group, communication with our diversity of stakeholders gives us a strong feel for movements occurring within society, as well as enables us to solve social issues together, making this an indispensable and vital initiative.



Dialogue with Stakeholders

Through communication with NPOs, NGOs and a variety of other stakeholders, NEC works to gain an accurate understanding of social issues and to promote CSR activities that lead to their resolution.

IR Activities

Shareholders and other investors constitute one of NEC's most important stakeholder groups. By raising the transparency of management through timely, appropriate, and fair disclosure, NEC aims to deepen the investment community's understanding of its corporate value.

- ▶ [Investor Relations](#)

Stakeholder Review Based on ISO 26000 Standards

Continuing on from 2011, NEC continued to implement a dialogue session and a review with the CSR Review Forum in 2014. NEC Group will continue to promote CSR management based on the ISO 26000 standard going forward.

External Ratings and Evaluation

NEC undergoes evaluations by external organizations and has been on socially responsible investment indexes.

Dialogue with Stakeholders

Through communication with NPOs, NGOs and a variety of other stakeholders, NEC works to gain an accurate understanding of social issues and to promote CSR activities that lead to their resolution.

Communication with Individual Stakeholders



Customers

Response to customer requests (corporate customers) to address CSR-related issues

With the issue of ISO 26000, the international standard for social responsibility, moves to strengthen supply chain CSR are accelerating globally. Demands for suppliers to incorporate CSR are growing yearly as procurement conditions include items such as the environment, information security, OH&S, human rights and labor in addition to conventional priorities like quality, price and delivery.

NEC responds sincerely to these customer requirements to build a sustainable relationship of trust with customers and for society and the NEC Group to achieve sustainable development.

Employees

(1) CSR Convention 2013

This convention was held in fiscal 2014 under the theme of transforming NEC into a "Social Value Innovator," as part of the "Mid-term Management Plan 2015." Toshio Arima, former president of Fuji Xerox Co., Ltd. and a United Nations Global Compact (UNGC) board member, gave a keynote speech titled, "Integrating Society into Corporate Management," and NEC CSR awards were presented by the president to outstanding initiatives from each field, such as customer satisfaction, the environment and social contributions.



NEC Group CSR Convention 2013
The audience at the presentation
of the 2013 NEC CSR AWARDS Grand Awards



Scenes from the award ceremony

(2) CSR Awareness-Raising Seminar—Converting social issues and needs into sustainable businesses

NEC and the Institute for International Socio-Economic Studies (IISE)* are cooperating to conduct in-house CSR awareness-raising seminars designed to convert the solution of social issues into customer and market needs and thereby develop new sustainable businesses. In fiscal 2014, a seminar was held at the NEC Head Office on November 17 under the theme of "ICT Business Possibilities in an Aging Society (The Case in China)."

* IISE is an NEC Group think tank that conducts surveys and research from the socioeconomic cultural and ICT viewpoints and focused on issues and future trends brought about by advancement in IT, and makes recommendations to society based on its findings.

"NEC LIFE," an In-house Magazine

"NEC LIFE," a magazine published monthly (in Japanese and English), provides seasonal topics about CSR. In fiscal 2014, its coverage of CSR included articles such as "Human Rights Trends in Europe," "Thinking about Social Value" and "NEC's Pro Bono." Employees who read the articles sent in many messages with comments including "This made me feel great," and "My understanding of issues has deepened."

United Nations and International Organizations

NEC communicates with the United Nations and international organizations as part of its aim for sustainable development for society and the NEC Group.

(1) United Nations Global Compact

In 2005, NEC became a signatory to the United Nations Global Compact. The Global Compact commits enterprises to upholding ten principles of business activities relating to human rights, labor, the environment and anti-corruption, and the NEC Group abides by these while also strengthening initiatives to promote them among the suppliers comprising its supply chain.

NEC is actively involved in local network activities in Japan, the U.K. and China.

In Japan, as a member of the Global Compact Network Japan (GC-JN), NEC is active in working groups under themes such as reporting, human rights, BOP business, ISO 26000, SRI and CSV while supporting the operation of the GC-JN. In fiscal 2014, NEC was also involved in consultations that led to the UNGC's formulation of the "Food and Agriculture Business Principles."

(2) Participation in the UN CEO Study on Sustainability 2013

Once every three years, coinciding with the United Nations Global Compact Leaders' Summit, the UNGC conducts a CEO Survey about corporate activities through an interview with the CEO of a signatory company and promoting development of sustainable societies and proposals that can be made to the international community.

In June 2013, NEC President Nobuhiro Endo took part in this CEO Survey, declared his feelings about contributing through business to the development of a sustainable society, explaining actual examples of NEC's "Solutions for Society" and more in comments to contribute to the UN initiative. The results of the survey were published in the CEO Study on Sustainability 2013, issued in September 2013, and introduced at the Leaders' Summit held the same month.

In addition, the UNGC website cites NEC's "Mid-term Management Plan 2015," containing the expansion of the "Solutions for Society" business seeking long-term growth and enhanced profitability, as one of the sample case studies given as a Value Driver Framework, a new management model for corporate value creation.

NEC is sending its message to the international community through the UNGC and contributes to the development of a sustainable society.



President Endo responding in an interview

(3) Dialogue in China about Human Rights and Labor



Dialogue with the ILO Beijing Office

On June 4, 2013, representatives of NEC visited the Beijing Office of the ILO to explain its initiatives related to human rights and labor, after which there was a discussion about human rights and labor issues in China.

(4) Participation in International Conferences in China

NEC participated in international conferences in China, namely the 8th International CSR Forum in China held in Beijing on June 5, 2013, and the 5th Global Compact China-Japan-Korea Network Roundtable Conference held from July 29 to 31, 2013.

At the 8th International CSR Forum in China, held jointly by the China WTO Tribune and Chinese and German CSR projects, participants from governments, corporations, academia, CSR-specialist organizations, NGOs and more discussed global CSR issues and initiatives. NEC was a representative of Japan's Council for Better Corporate Citizenship (CBCC) and introduced CSR case studies from Japanese companies, as well as from NEC. Moreover, during the session on "Energy Efficiency and Sustainable Urban Development," NEC (China) Co., Ltd. gave a presentation on NEC's smart city initiatives.

At the China-Japan-Korea Network Roundtable Conference, a UNGC local network gathering for Japan, China and South Korea to discuss CSR promotion in East Asia, a panel discussion on company roles in climate change saw NEC (China) Co., Ltd. give a presentation, speaking about NEC's environmental management philosophy and introducing an energy reduction solution, and discussed issues with representatives from Japan, China and South Korea.



The 8th International CSR Forum in China



5th Global Compact China-Japan-Korea Network Roundtable Conference

Industry Organization

To make a significant contribution toward solving social issues and social issues particular to the industry, NEC is actively involved in initiatives by industry organizations.

JEITA Responsible Minerals Trade Working Group

NEC has participated as a leading corporate member in the Responsible Minerals Trade Working Group organized by the Japan Electronics and Information Technology Industries Association (JEITA), and is promoting activities to address the conflict minerals issue in concert with the industry. For details about specific initiatives, please follow [this link](#).

Dialogue with NPOs and NGOs

In May 2014, NEC Group employees met for dialogue with representatives from the Asaza Fund, a certified NPO involved in initiatives to restore natural surroundings in the Kasumigaura region and partner in the NEC Paddy Making Project.

This dialogue involved 16 participants, including representatives of Asaza Fund, NEC Group business divisions and corporate departments. Under the theme of "Contribution Possibilities for IT in Environmental Protection," there was a lively exchange of opinions about matters such as the use of past data collected from the project's network sensors and production of an ideal agricultural robot.

Ten years have passed since the start of the NEC Paddy Making Project undertaken together with the Asaza Fund. Going forward, NEC will actively focus on this project through greater participation from employees and their families to contribute to environmental preservation, including the preservation of biodiversity.



· Other dialogues

- ▶ [Dialogue on anti-corruption initiatives](#)

Communication Tools

From fiscal 2005 onward, NEC has issued a CSR Report annually to ensure it fulfills its accountability to stakeholders by explaining activities and showing transparency. Since fiscal 2008, NEC has produced two types of reports, one Web-based and the other a printed/PDF version with the aim of disclosing information depending on objective and the targeted readership.

Since fiscal 2013, the printed/PDF version has been published together with the Annual Report as an integrated report.

Integrated Report (Printed Version, PDF Version)

- Main target: Medium- to long-term investors
- Simple explanations through financial and non-financial information telling the story of the Company's short-, medium- and long-term value creation

CSR Report (Web Version)

- Main targets: Include SRI investors, NGOs, employees and students
- Supplementing and strengthening an integrated report from the aspect of non-financial information (including society, environment, governance and human resources)

Related Contents

- [Annual Reports](#)
- [CSR Information Disclosure Policy](#)

Policy

Shareholders and other investors constitute one of NEC's most important stakeholder groups. By raising the transparency of management through timely, appropriate, and fair disclosure, NEC aims to deepen the investment community's understanding of its corporate value.

Related Contents

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Main Activities and Results (Fiscal 2014)

Shareholder Meetings

We regard shareholder meetings as an important forum for communication with shareholders. To make it easier for more shareholders to participate, we avoid scheduling meetings on peak days when the shareholder meetings of other companies are concentrated.

When voting rights are to be exercised, we make efforts to ensure that all shareholders fully understand matters on the agenda through steps including mailing notices of shareholder meetings as early as possible while posting these notices on our website.

In fiscal 2014, we continued to provide information to shareholders who could not attend the shareholder meeting. For example, we posted the voting agenda and other materials on our website on the day of the shareholder meeting. Voting results were announced on our website the day after the shareholder meeting. We also made a webcast of the shareholder meeting and presentation materials available for a certain period.

Direct Dialogue with Investors and Securities Analysts

In order to facilitate greater understanding of our business operations, financial trends, and strategies, we hold management-led earnings briefings, as well as briefings on specific business operations and other presentations.

- In fiscal 2014, NEC held management-led earnings presentations (4 presentations a year; including presentations in April and October 2013 by Nobuhiro Endo, the president of NEC), a SDN Briefing (July), a Telecom Carrier Briefing (October), a presentation on Research & Development at NEC (December) and a Public Business Briefing (March 2014).
- With emphasis on direct dialogue with securities analysts and institutional investors, NEC management and IR staff actively visited investors in Japan and overseas.

IR Website

NEC provides shareholders and other investors with a variety of information through its IR website, in order to deepen their understanding of its business operations. In fiscal 2014, we continuously upgraded our IR website with the aim of making it easier for visitors to use and understand. The IR website is outlined as follows:

- We have reorganized a diverse array of content, including Financial documents, historical data, Stocks and Bonds and other sections of our website by category and posted this information on the website. In this way, we have structured the website to allow users to easily find needed information.
- We strive to provide the latest financial data, press releases and other information in a timely manner. There is also an IR E-mail distribution service that provides updated information on a timely basis to subscribers via email. Schedules for planned earnings presentations and various other events, as well as plans to post publications on the website including the Annual Report and investor's magazine "NEC Today" are announced on the IR Calendar of Events as soon as details are determined.
- In order to ensure fair disclosure of information disclosed at presentations for institutional investors and securities analysts to the general public, we post presentation materials and Q&A details on the website in a timely manner. Audio streaming of presentation details is also provided promptly. In addition, we post summary versions of certain presentation materials, as part of efforts to develop website content that is easier to understand.
- There is also a FAQ section that helps to immediately answer questions or clear up uncertainties about NEC. We also have an Inquiry Form, which makes it easy to ask questions. We also provide a Website Questionnaire form on our site to gather opinions from visitors that helps us to develop an IR website that is easier to use and understand.
- Please follow [this link](#) for information for shareholders and other investors.

Annual Report

The Annual Report contains a President's Message, NEC's business strategy, trends in each segment and financial highlights. Interest is growing in medium- to long-term value creation as non-financial corporate activities. From fiscal 2014, NEC has integrated the conventional Annual Report and CSR Report Digest to enrich contents about non-financial highlights with greater awareness of sustainable development through enhanced corporate value from the medium- and long-term perspective.

Please follow [this link](#) to view our annual reports.

External Ratings and Evaluation

Socially Responsible Investment (SRI)

NEC holds discussions with SRI research companies and investment firms who manage SRI funds, and otherwise strive to facilitate greater understanding of our CSR activities.

As a result of these efforts, NEC stock has been included in the following SRI indices and SRI funds:

Major SRI indices

- Dow Jones Sustainability Asia Pacific Index
- FTSE4Good Global Index
- Ethibel Pioneer & Excellence (universe)
- MS-SRI Morningstar Socially Responsible Investment Index



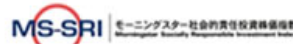
Dow Jones Sustainability World Index



FTSE4 Good Global Index



Ethibel Pioneer & Excellence (universe)



MS-SRI Morningstar Socially Responsible Investment Index

Major SRI funds in Japan

▪ Daiwa SRI Fund	As of January 2013
▪ Nikko Eco Fund	As of January 2013
▪ Sompo Japan SRI Open (Nicknamed Mirai no Chikara)	As of December 2013

Others

NEC's investor relations (IR) website has earned acclaim, receiving the 2013 Grand Prize Award for Best Corporate Internet IR (7 companies) from Daiwa Investor Relations Co., Ltd. for the third consecutive year in November 2013. In addition, NEC's IR website ranked 14th overall (previously 11th) in the 2013 Excellent Corporate Website Ranking for all listed companies by Nikko Investor Relations Co., Ltd. Furthermore, NEC's IR website was also selected for a Silver Award in the Gomez IR Website Ranking 2014 by Morningstar Japan K.K., as announced in June 2014.

Related Contents

- [Policies](#)
- [Objectives and Achievements](#)

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Achievements and Progress, and Degree of Completion

(Degree of completion: achieved/mostly achieved/some progress/no progress)

Medium-Term Objective	Proactively provide information to shareholders and investors based on "Mid-term Management Plan 2015"
Fiscal 2014 Objective 1	NEC will continually transmit information related to the mid-term management policies "Focus on 'Solutions for Society,'" "Focus on Asia, Promotion of 'Locally-Led' Businesses," and "Stabilize the Financial Foundation," which are outlined in the "Mid-term Management Plan 2015."
Achievements and Progress	NEC endeavored to enhance direct dialogue with investors and securities analysts by continually transmitting information related to focusing the mid-term management policies "Focus on 'Solutions for Society,'" "Focus on Asia, Promotion of 'Locally-Led' Businesses," and "Stabilize the Financial Foundation" that are outlined in the "Mid-term Management Plan 2015."
Degree of Completion	Mostly achieved
Fiscal 2014 Objective 2	Enhance IR activities for individual investors
Achievements and Progress	NEC continued to hold briefings for individual investors on the company and step up disclosure of information through the IR website. At the same time, NEC rapidly responded to inquiries from individual investors.
Degree of Completion	Mostly achieved

Fiscal 2015 Objectives

Fiscal 2015 Objective	Step up disclosure of information centered on the Mid-term Management Plan 2015
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Related Contents

- [Policies](#)
- [Main Activities and Results \(Fiscal 2014\)](#)

Stakeholder Review Based on ISO 26000 Standards

As it endeavors to transform itself into a "Social Value Innovator," NEC is working to improve its CSR activities based on stakeholder engagement, as emphasized in the ISO 26000 international standard for social responsibility.



In May 2014, NEC held a dialogue with CSR Review Forum-Japan (CRF), an alliance of NGOs, NPOs, consumer groups and labor groups.

CRF and various NEC individual divisions had dialogue about core issues based on ISO 26000, international guidance for social responsibility, reviewing their activities. This review process has continued on an ongoing basis since 2011.

This dialogue, held for the fourth year, saw the participation of Takashi Niino, Senior Executive Vice President and responsible for overseeing management planning, who spoke about the transformation to a "Social Value Innovator" as outlined in the "Mid-term Management Plan 2015," the background behind this and the state of current progress.

Furthermore, based on this dialogue with CRF, a review by the management planning and IR divisions some days later discussed an assessment index related to social value innovation.



Senior Executive Vice President
Takashi Niino



At the Stakeholder Review



Discussion on an assessment index
related to social value innovation



Stakeholder Review on Human rights

About the CSR Review Forum-Japan

The CSR Review Forum-Japan (CRF) is a private, non-profit organization established through an alliance of civil society organizations (NGOs, consumer organizations, etc.) and individuals affiliated with those groups working to solve social issues and help bring about a sustainable society. CRF provides the CSR Review Program for independent reviews of corporate activities based on ISO 26000, the international standard for social responsibility.

Review Panel



Chief Reviewer
Tomohiko YAMAGUCHI
CSR Review
Forum-Japan



Chief Reviewer
Sachiko KISHIMOTO
CSR Review
Forum-Japan



Reviewer
Kenichi KUMAGAI
The Japan Association for Advancement of
ILO Activities



Reviewer
Yuka IWATSUKI
Action against Child Exploitation



Reviewer
LI YanYan
Japan-China Civil Society Network



Reviewer
Kaori KURODA
CSO Network Japan



Reviewer
Konoe FUJIMURA
Japan Association of
Environment and Society
for the 21st Century

NEC Stakeholder Review 2014

I. 3-Year Review Summary and 2014 Review Framework

The CSR Review Forum, an alliance of non-profit and non-governmental organizations, has engaged with NEC in ongoing dialogue and review over the three years from 2011 to 2013.

Its reviews are based on the general principles and seven core themes of ISO26000 and involve debate and discussion on all areas.

The three-year review cycle is now complete, and the overall results are summarized below.

1. Through direct dialogue with stakeholders, procurement, human resources, safety and other divisions raised their awareness as interested parties with respect to the issues in which they are involved.
Design and implementation of policies at various levels is starting to reflect this awareness.
2. A process was established in which each division would conduct dialogue with stakeholders and then create policies based on those discussions, with the CSR division coordinating the overall process, which gave the division a clear role within the company as coordinator. This resulted in effective and dynamic coordination between the divisions and the CSR division.

In the midst of this, in April 2013 NEC announced its new Mid-term Management Plan 2015 with a pivot focusing on "Solutions for Society" businesses.

The plan calls for investing management resources in the Social Infrastructure business, which has been NEC's backbone since its founding, and for establishing "Solutions for Society" businesses. If NEC focuses its business on this area and can grasp the essential aspects of social issues, it can be expected that stakeholders directly affected by such issues will benefit significantly.

With the Mid-term Management Plan 2015 now in effect, the fiscal 2015 review covers the direction and progress of commercialization of "Solutions for Society" businesses. At the same time, this year's review has omitted core themes among those included in ISO26000 for which both parties judged that steady progress had been made in related policies over the past three years.

(CSR promotion based on ISO26000 has been in place for a number of years, so separate recommendations are made again in the table below regarding progress, analysis and the formation of required indicators for all areas.)

The following presents recommendations, based on the results of discussions, on the four themes of this year's review.

II. Specific proposals

1. Mid-term Management Plan 2015

1-1. "Solutions for Society"

1-1-1. Initiatives for the World's Main Social Issues

NEC was in the process of broadly searching for areas in which the company's own strengths would match up with the major social issues in which the company should be involved.

The population explosion and climate change are two major social issues occurring at the global level, and NEC should be involved in working toward solutions utilizing C&C. Specifically, the company should develop solutions related to both these issues, commercialize them and publicize them inside and outside the company.

1-1-2. Clarifying the Path to Social Issue Solutions in the BtoB Business

In NEC's case, society and social issues lie beyond its customers.

NEC should present to society its understanding of how its customers are approaching social issues, the social issues its customers are attempting to solve, and what NEC plans to do to help.

[The e-government system in Argentina that NEC](#) has given as an example is a good one because it details the company's grasp of social issues and the respective roles of NEC and the customer

1-1-3. Self-Assessment of Existing Businesses from a Social Issue Solution Standpoint

There are two methods for solving social issues (or creating social value). The first is to create new businesses; in particular to develop new businesses by identifying social issues in emerging countries. The second is to assess one's own existing businesses from the standpoint of social solutions. Specifically, the self-assessment should involve reexamining upstream and downstream value chains as well as business processes. The first should not be done exclusively; it should also be done in combination with the second.

Assessments may require the participation of stakeholders affected by the business, particularly those closely associated with bases and offices.

1-1-4. Direct Dialogue with Parties Involved in Social Issues

Social issues that should be addressed cannot be discovered by the company asking questions internally. NEC should engage in direct dialogue with various stakeholders, primarily the interested parties affected by the issues, and incorporate the results of this dialogue by each business into an indicator for business assessment.

1-2. Business Assessment

1-2-1. Deciding on an Indicator of Business Assessments

In "Solutions for Society" businesses, it is not possible to measure contribution to society and the environment with a focus on profit and loss. In addition to profit and loss, a simple basic indicator should be established that is based on how much a given problem has actually been solved or on how much people's lives have actually been improved. Trial assessments should then be conducted using the indicator.

NEC needs to assess its own businesses using this indicator and ask that shareholders and the general public also assess NEC on the basis of this indicator to earn their support.

The principles and seven core themes of ISO26000 offer a solid foundation for creating a balanced indicator. A framework should also be created for doing final assessments of businesses from a long-term standpoint of five or ten years later.

A symbolic business should first be selected and an indicator created on a trial basis.

2. Supply Chain CSR

2-1. Supplier Onsite Assessment

2-1-1. Conduct Onsite Assessments at Multiple Suppliers

For the supplier onsite CSR assessment program (CSR-PMR), peer reviews have been conducted at two companies in China and a system is being put into place.

This fiscal year, NEC should conduct risk mapping and select suppliers for which there is a relatively high degree of concern, and then conduct the assessments for as many suppliers as possible.

2-1-2. Extending Onsite Assessments to Secondary and Tertiary Suppliers

Society expects customer companies to use their influence to make improvements in environmental, human rights and labor issues along the supply chain while closely communicating with their suppliers.

When companies likely to have issues are found on the supply chain, onsite assessments should be conducted not only on the primary supplier, but should include secondary and tertiary suppliers. When conducting onsite assessments, interviews should be implemented with the supplier's surrounding stakeholders to the extent possible, not just with management, supervisors and employees.

2-1-3. Participation of Local Third Parties in Supplier Communities in Onsite Assessments

Participation of Local Third Parties in Supplier Communities in Onsite Assessments

2-2. Conflict Minerals
2-2-1. Response to Conflict Minerals
NEC is addressing the conflict minerals issue to the extent that it can, through participation in the JEITA working group for example, for those minerals that are closely related to the company's current businesses.
3. Environment
3-1. Climate Change
3-1-1. Statements from Management
Climate change is progressing and the damage will only increase, so there will be a need to urgently adapt to the damage that will be caused. In adapting to climate change, big data and other forms of IT have an important role to play and this is an area where NEC's C&C can be leveraged. President Endo and the management team should have a clear understanding of the progression of climate change, clearly express the company's intention to contribute to both mitigation and adaptation, and publicize to employees and the public the mission and roles of NEC and its policies on commercialization.
3-1-2. Breakdown of Reducing Society's CO2 Emissions (of 2.29 million tons annually) and Future Directions
NEC is reducing society's CO2 emissions by 2.29 million tons per year. This represents an extremely large contribution compared to its own emissions of 350,000 tons. In more detailed terms, the largest contribution involved customers in the logistics services and information and communications sectors. This accomplishment is extremely significant, so NEC should report a detailed breakdown of the 2.29 million tons and the major factors behind the reductions so that the knowledge can be of use to society. This would enable people to know precisely the strengths NEC is leveraging and the fields in which it is doing so for the end goal of reducing the CO2 emissions of society as a whole. Moreover, we expect that NEC will present a strategy (or a roadmap) for reducing society's CO2 emissions going forward while indicating the fields and business models it is focused on.
3-1-3. Estimating Contributions to Other Reductions of CO2 Emissions
In the case of large projects like infrastructure development in which participation is only partial, it is difficult to ascertain a single company's contribution to the total amount of CO2 emissions reduced by the project. In NEC's case, if it were to calculate its contributions to projects in which its participation is only partial, its total contribution to CO2 reduction would likely far exceed the above 2.29 million tons. If NEC could determine its relative contribution to larger projects (or its relative burden on them), this would likely alter the lens through which society views NEC as a corporation. NEC has been a forerunner in applying the concept of reducing the overall CO2 emissions of society. We expect the company to continue blazing a trail with respect to infrastructure project estimates as well.
4. Human Rights Due Diligence and Diversity
4-1. Human Rights Due Diligence
4-1-1. Dialogue with Stakeholders and Reporting
To meet the expectations of society with regard to due diligence on human rights, dialogue should be conducted with stakeholders on system construction, main targets, results and issues, etc. as a part of the construction process. The content of such dialogue should be reported in the CSR report, etc., including progress made. Specifically, we recommend that instead of reporting on the final result in next year's report, this year's report should include progress made as of that point.
4-1-2. Start Human Rights Monitoring and Ascertaining Stakeholders
At NEC, CSR, human resources and procurement divisions are building a due diligence system. Now, the initial stage, sees training is being expanded out from Japan to countries and regions where business activities are conducted. We recommend that this fiscal year NEC begin monitoring each site and facility and ascertaining stakeholders who are affected by its business activities.
4-1-3. Identify the State of Human Rights Issues in All Areas
Human rights issues at the country and regional levels often differ greatly depending on prevailing social conditions and other background factors, so in order to promote due diligence based on these differing conditions, we recommend the following. -Identify the principal issues and their background in each region and country by the end of this fiscal year. -Organize how NEC business activities potentially have an impact on these issues based in part on local feedback. -Identify initiatives conducted by local NGO/NPOs, citizen groups, labor organizations, etc. as well as the issues they face.
4-2. Diversity
4-2-1. Invest Management Resources to Diversify the Company and Society
In addition to promoting diversity in terms of gender, nationality, age and ability/disability, etc., NEC should accelerate the hiring and employment of people with the ability to craft solutions to social issues. NEC should also take the lead in promoting diversity through IT technologies like telecommuting and disseminate this within the broader society. Such efforts could be included in indicators for "Solutions for Society" businesses.

2014 NEC Stakeholder Review Proposal Received



Hiromi Fujii,

Assistant General Manager of Corporate
Communications Division and Department
Manager of CSR Promotion and Social
Contributions Office

Since fiscal 2012, NEC has been conducting periodical stakeholder reviews centered on seven priority issues shaped by ISO 26000, the international standard clarifying what social responsibility is. NEC does this through engagement with CSR Review Forum (CRF), an NPO made up of experts on various social issues. The results of assessed items are disclosed in the CSR Report as a Stakeholder Proposal and serve as a road sign for improving sustainable management.

During fiscal 2014, NEC focused on transforming NEC into a "Social Value Innovator," an idea spelled out in the "Mid-term Management Plan 2015" announced in April 2013, and sought a new review on the direction and progress of commercializing "Solutions for Society." Continued reviews were also requested for Business and Human Rights, CSR in the Supply Chain and Environmental Initiatives, which have been clarified in previous reviews to be priority CSR management issues.

During fiscal 2014, NEC focused on transforming NEC into a "Social Value Innovator," an idea spelled out in the "Mid-term Management Plan 2015" announced in April 2013, and sought a new review on the direction and progress of commercializing "Solutions for Society." Continued reviews were also requested for Business and Human Rights, CSR in the Supply Chain and Environmental Initiatives, which have been clarified in previous reviews to be priority CSR management issues.

NEC will move ahead with improvement initiatives for proposals received for each field, such as human rights, due diligence, enhancement of onsite assessments of suppliers and the clarification of the rationale of contributing to the reduction of CO₂ for all of society, while coordinating with associated divisions and the CSR Promotion and Social Contributions Office.

External Ratings and Evaluation

CSR Overall

STOXX Global ESG Leaders Index

NEC has been included in STOXX Global ESG Leaders Index since 2014.



 [STOXX Global ESG Leaders Index](#)

Euronext Vigeo World 120 Index

NEC has been included in Euronext Vigeo World 120 index formulated jointly by NYSE Euronext and Vigeo since 2013.



 [Euronext Vigeo World 120 Index](#)

FTSE4Good Global Index

The FTSE4Good Global Index has been designed by FTSE, which is an independent company owned by the London Stock Exchange. Companies on the FTSE4Good Global Index have met stringent social and environmental criteria, and are positioned to capitalize on the benefits of responsible business practices. NEC Corporation has been on the FTSE4Good Global Index every year since 2002.



 [FTSE4Good Global Index](#)

Ethibel Pioneer & Excellence

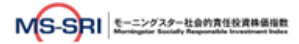
Forum Ethibel, which maintains Ethibel Investment Registers, is an independent consultancy agency for socially responsible investments that advises banks and brokers offering ethical savings accounts and investment funds. Ethibel Excellence Investment Registers is a universe for the investment composed by highly scored companies from a social responsibility perspective. This universe is continuously updated and monitored. NEC Corporation, which has been on the Ethibel Excellence Investment Registers every year since 2009, was awarded Ethibel Pioneer Investment Registers for the first time in 2013 as a result of higher recognitions of its performance.



 [Ethibel Pioneer & Excellence](#)

Morningstar Socially Responsible Investment Index

The Morningstar Socially Responsible Investment Index was created jointly by Morningstar Japan K.K. and the Center for Public Resources Development, a non-profit organization. Companies are reviewed based on a thorough analysis of their performance on governance/accountability, market (consumers/customers, suppliers), employment, social contribution, and the environment. NEC Corporation has been on the Morningstar Socially Responsible Investment Index each year since 2003.



[Morningstar Socially Responsible Investment Index](#)

Receives "Bronze Class" CSR Rating from RobecoSAM

NEC Corporation was named "Sustainability Award Bronze Class 2013" CSR rating for its "computer and office equipment" from RobecoSAM in 2013. RobecoSAM evaluates approximately 2,500 companies every year based on the sustainability of each company's "economic", "environmental" and "social" performance. Companies whose CSR activities are evaluated within the top 10% are awarded with "Gold Class," "Silver Class" and "Bronze Class" recognition.



EcoVadis

NEC discloses details of its CSR practices proactively to its customers with the purpose of helping them to better manage their own environmental and social practices. NEC is proud to have its CSR performance rated "Gold" by EcoVadis.



[Click here for the Certificate](#)

Related link

- [Recognition and awards on the environment](#)

Diversity and Inclusion

Promoting Diversity

To meet the demands of society and to create the platform for growth that will allow us to compete globally that we have set forth in our Mid-term Management Plan, allowing a diverse range of people to work in our various organizations and departments so that they can foster environments that allow for many different points of view and help develop different ideas is an important part of our management strategy. In addition to race, gender, age, nationality, ethnicity, religion and with or without disabilities, NEC also considers work styles, careers, points of view and values to be a part of diversity. We are committed to developing a society in which "diversity and inclusion" are the norm, so that people with many different characteristics can be respected and be given the chance to demonstrate their abilities.

"Think About Your Career, Your Dreams"

On December 8, 2014, NEC held an event for its young and mid-career female employees who wished to resolve workplace issues such as a lack of appropriate role models, or to take on new challenges and become catalysts for change. This event allowed women from many different divisions to meet and work together to find their own answers. At the social gathering after this event, the president Nobuhiro Endo also voiced his support for the efforts of the participants.



Related link

- [Promoting Diversity\(Objectives and Achievements\)](#)

Viewing Diversity More Positively

Founder and CEO Mika Yakushi, of ReBit (an NPO that is involved in LGBT issues) and graduate of the 2014 NEC Social Entrepreneurship School (the 13th year), met with members of the Diversity Promotion Group in the NEC's Human Resources Development Division to discuss the situation of LGBT in companies and how to promote an understanding of diversity.



Related link

- [NEC Social Entrepreneurship School](#)

Diversity and Inclusion

“Think About Your Career, Your Dreams”

An interactive event for young and mid-career female employees held by female managers

On December 8, 2014 NEC held a diversity promotion event, "Think About Your Career, Your Dreams." This was an interactive event for female employees held by "SELENE" (Scarlet Elegance in NEC), a volunteer group of NEC female managers. About 80 young and mid-career female employees took part in this event.

Two Goals

The SELENE members planned this event because of their desire to help women working at NEC to succeed. We had two goals that we wanted to achieve through this event.

1. Have participants realize that there are many options for their career plans, life plans, and work styles.
2. Have participants meet many different people from within the company with whom they can discuss their work and private matters.



Makiko Yoshida
SELENE chairwoman
Research Project Department,
NEC Central Research Laboratories

Learning from a former employee

Fusako Utsumi, chairwoman of the NWECC of Japan and a former NEC employee, was asked to give the keynote speech about women and their careers.

After entering NEC in 1971, Ms. Utsumi worked in the Basic Software Development Division and the Human Resources Development Division. She became a director at NEC Software (now NEC Solution Innovators, Ltd.) in 2001, and president of NEC Learning, Ltd. (now NEC Management Partner) in 2005.

At the time Ms. Utsumi entered NEC, it was generally difficult for women to continue working at a regular company, and there were limited options for women who wished to do so. However, because she had studied computers in college, Ms. Utsumi was determined to enter a regular company and utilize her skills.

Ms. Utsumi used her own experiences to convey a strong message to the participants.



Fusako Utsumi
Chairwoman
National Women's Education
Center of Japan (an incorporated
administrative agency)

“Put forth your best in your current job”

It is important that you put forth your best in your current job. It is a great thing to have a job. If there is anyone who cannot do their best in the job they are currently doing, maybe they should change how they are working?

Some of you might be thinking that it is difficult to work both inside and outside the home, and that you are failing in both these roles. I, too, was troubled by this question. But, maybe you are questioning yourself because you think that raising children is women's work.

Compared with other developed countries, Japan is lagging behind when it comes to gender equality. But things are gradually changing. The number of women and men who think it is better for women to have careers is increasing, and the number of men who take leave to help with childcare is also increasing.

“Don't rush, and take on challenges with confidence.”

I am also sure that there are some of you who feel that you have been left behind by your peers because you had to take maternity leave and childcare leave. But life is long and there is no need to rush.

For example, even if you are 40, you still have another 20 years before you reach retirement age. You can do many things in 20 years. It is not too late to start from scratch at that age. This is the type of thinking that you must adopt: you must look at your career from a long-term perspective. I hope that female employees will be confident and challenge the unknown.

Exciting discussions between people from different organizations

After the speech, the participants were divided into teams and assigned themes to discuss. Afterwards, the teams presented a summary of their discussions.

An event organized in-house that energized the participants and the company

President Nobuhiro Endo attended the social gathering after the event, and the SELENE members said that they would like to hold events such as this regularly because they energize both participants and the organizers.



"NEC will promote opportunities for women" Message from President Nobuhiro Endo at the social gathering

I believe that a woman's perspective is necessary for NEC to build an effective social infrastructure. There are limitless areas in which women can excel.

NEC will continue to create an environment in which women can fully utilize their abilities and talents.

I would like to hear your ideas about how the company can support your activities.

I truly hope that women will shine within the NEC Group.



Related Contents

- [Promoting Diversity](#)
- [Viewing Diversity More Positively](#)

Viewing Diversity More Positively

To create new innovations, corporations must create a culture in which diverse ideas and opinions can be proposed by a wide variety of people and that maximizes the personalities and characteristics of those people. NEC believes that it is important for each individual employee to be aware of every form of harassment and ensure that harassment does not occur in the work place.

Founder and CEO Mika Yakushi, ReBit, an NPO whose mission is to engage in "education promotion projects that will allow LGBT* children to become the adults they want to be," and graduate of the 2014 NEC Social Entrepreneurship School (the 13th year), met with members of the Diversity Promotion Group in the NEC Human Resources Development Division to discuss how to improve mutual understanding.

“Start by learning about LGBT”

To date, Mr. Yakushi has held about 150 lectures about LGBT at junior high schools, senior high schools, universities and boards of education. Over 15,000 participants have attended these lectures. She has also held "LGBT Coming of Age Ceremonies" at seven locations around Japan, and has helped young LGBTs find employment.

Referring to her own experience as a child who did not have any hope for the future because there were no LGBT adults around her, Mr. Yakushi asserts that companies must get involved with LGBT rights right now.

NEC agreed, and decided to start by learning more about LGBT. The Human Resources Development Division held discussions and also conducted in-house training called "Companies and Human Rights" for all employees.

The HRD Division and CSR Division plan to work together and organize more opportunities to meet with Mr. Yakushi.



First discussion



Second discussion

* LGBT stands for lesbian, gay, bisexual and transgender.
It is meant to refer to all sexual minorities.

Related link

- [NEC Social Entrepreneurship School](#)

Related Contents

- [Promoting Diversity](#)
- [“Think About Your Career, Your Dreams”](#)

CSR Activity Report 2014

NEC discloses Activity Reports for each fiscal year on its website.
Detailed reports on each activity and results for fiscal 2014 are presented here.

[Message from the President](#)

Management Approach to Sustainable Development

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

[NEC's Seven CSR Initiatives](#)

[Build Reliable Information and Communications Infrastructure](#)

- Contributing to Sustainable Growth in Myanmar through Communications Infrastructure

[Address Climate Change and Environmental Preservation](#)

- Annual Environmental Report 2014
- Doing our part to address climate change at NEC

[Establish a Safe and Secure Society](#)

- Utilizing ICT to Enhance Disaster Response Capabilities in the ASEAN Region
- Realizing Safer Bus Operations in Hong Kong

[Include Everyone in the Digital Society](#)

- Improve Customer Services at Railway Stations

Earning Customer Trust

For Customers

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Design Friendly to Humans and the Earth

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Empowering our people

Promoting Diversity

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Human Resources Development

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

[Ensuring Quality and Safety](#)

For Communities

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Health & Safety

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Communication with Employees

- [Main Activities and Results \(Fiscal 2014\)](#)

Strengthening risk management and enforcing compliance

Internal Control (Compliance and Risk Management)

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Fair Trading

- [Main Activities and Results \(Fiscal 2014\)](#)

Partnering with Suppliers

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Business Continuity

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Information Security

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Personal Information Protection

- [Main Activities and Results \(Fiscal 2014\)](#)
- [Objectives and Achievements](#)

Respecting Human Rights

- [Objectives and Achievements](#)

Stakeholder Engagement

- [Dialogue with Stakeholders](#)
- [IR Activities](#)
 - [Main Activities and Results \(Fiscal 2014\)](#)
 - [Objectives and Achievements](#)
- [Stakeholder Review Based on ISO 26000 Standards](#)
- [External Ratings and Evaluation](#)

Consistency with International Initiatives

- [Global Reporting Initiative](#)
- [Global Compact](#)
- [ISO26000](#)

Related Contents

- [CSR Activity Report 2013](#)

Consistency with International Initiatives

In the course of preparing this report, NEC referred to the following international reporting initiatives:

Global Reporting Initiative

This table compares NEC's CSR activities with the international guidelines for sustainability reports issued by the Global Reporting Initiative (GRI). NEC self-declares this report to GRI Application Level B.

Global Compact

This table compares NEC's CSR activities with the Ten Principles of the United Nations Global Compact advocated by the United Nations. NEC Corporation became a signatory to the United Nations Global Compact in May 2005. NEC supports the Global Compact's Ten Principles in the areas of human rights, labor, the environment and anti-corruption, and implements these principles through its business activities.

ISO 26000







The ISO 26000 standard sets forth seven core subjects that all organizations should practice. Each core subject comprises 36 issues related to social responsibility. NEC has classified its CSR activities based on the core subjects of ISO 26000, and has created a table comparing these activities with each of the seven core subjects.


Global Reporting Initiative



We considered the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G3.1) when preparing this report. NEC self-declares this report to GRI Application Level B, as stated in the table below.



 [GRI=Global Reporting Initiative](#)


Please follow [this link](#) on the Environmental Performance.

GRI no.	GRI indicator	Corresponding page on NEC website
1. Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	▶ Top message
1.2	Description of key impacts, risks, and opportunities.	 Annual Securities Report (Japanese) ▶ Management Approach to Sustainable Development ▶ Risk management ▶ Corporate governance
2. Organizational Profile		
2.1	Name of the organization.	▶ Corporate profile
2.2	Primary brands, products, and/or services.	▶ Business outline
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	▶ NEC organization ▶ Corporate profile
2.4	Location of organization's headquarters.	▶ Corporate profile
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	▶ NEC worldwide
2.6	Nature of ownership and legal form.	 Annual Securities Report (Japanese)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	 Annual Securities Report (Japanese)
2.8	Scale of the reporting organization, including <ul style="list-style-type: none"> ▪ Number of employees; ▪ 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); and ▪ Quantity of products or services provided. 	 Performance Highlights  At a Glance
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"> ▪ The location of, or changes in operations, including facility openings, closings, and expansions; and ▪ Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations). 	 Annual Securities Report (Japanese)
2.10	Awards received in the reporting period.	▶ SRI evaluations ▶ Recognition and awards on the environmental issues
3. Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	▶ CSR Information Disclosure Policy

GRI no.	GRI indicator	Corresponding page on NEC website
3.2	Date of most recent previous report (if any).	▶ CSR Information Disclosure Policy
3.3	Reporting cycle (annual, biennial, etc.)	▶ CSR Information Disclosure Policy
3.4	Contact point for questions regarding the report or its contents.	▶ Contact Us
Report Scope and Boundary		
3.5	Process for defining report content, including: <ul style="list-style-type: none"> ▪ Determining materiality; ▪ Prioritizing topics within the report; and ▪ Identifying stakeholders the organization expects to use the report. 	▶ Management Approach to Sustainable Development
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	▶ CSR Information Disclosure Policy ▶ Scope of Environmental Report
3.7	State any specific limitations on the scope or boundary of the report.	▶ CSR Information Disclosure Policy ▶ Scope of Environmental Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	 Annual Securities Report (Japanese)
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	▶ Environmental management information systems
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	No re-states of information
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	▶ NEC Group Environmental Management Action Plan 2017/2030
3.12	Table identifying the location of the Standard Disclosures in the report.	This page
Assurance		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	▶ CSR Information Disclosure Policy ▶ Stakeholder review ▶ Independent review on Environmental Report
4. Governance, Commitments, and Engagement		
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	▶ Corporate governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	▶ Corporate governance
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	▶ Corporate governance
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	▶ Corporate governance

GRI no.	GRI indicator	Corresponding page on NEC website
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	▶ Corporate governance
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	▶ Corporate governance
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	 Corporate Governance Report (Japanese)
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	▶ The NEC Way ▶ Management Approach to Sustainable Development
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	▶ Corporate governance ▶ Management Approach to Sustainable Development
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	 Corporate Governance Report (Japanese)
Commitments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	▶ Tackling environmental problems ▶ Compliance with REACH and RoHS
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	▶ United Nations Global Compact ▶ JEITA ▶ ISO26000 ▶ Challenge 25% Campaign
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> ▪ Has positions in governance bodies; ▪ Participates in projects or committees; ▪ Provides substantive funding beyond routine membership dues; or ▪ Views membership as strategic. 	▶ United Nations Global Compact ▶ JEITA
Stakeholder Engagement		
4.14	List of stakeholder groups engaged by the organization.	▶ Stakeholder engagement
4.15	Basis for identification and selection of stakeholders with whom to engage.	▶ Management Approach to Sustainable Development ▶ Stakeholder engagement ▶ Guidelines for coordination with NPOs(social contributions)
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	▶ Stakeholder engagement
4.17	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.	▶ Stakeholder review ▶ Independent review on Environment Report

GRI no.	GRI indicator	Corresponding page on NEC website
Management Approach and Performance Indicators		
GRI no.	Performance Indicators: Core (C) / Add (A)	
Economic		
Management Approach		 Annual Securities Report (Japanese)
Economic Performance		
(C) EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	 Annual Securities Report (Japanese) ▶ Community contributions ▶ Environmental accounting
(C) EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	▶ Prevention of Global Warming
(C) EC3	Coverage of the organization's defined benefit plan obligations.	No Coverage
(C) EC4	Significant financial assistance received from government.	No Coverage
Market Presence		
(A) EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	No Coverage
(C)EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	▶ Partnering with Suppliers
(C)EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	No Coverage
Indirect Economic Impacts		
(C)EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	▶ Initiatives for Solving Issues Faced by Society and Addressing People's Needs through Business Activities ▶ Activities for contributing to society
(A)EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	▶ Initiatives for Solving Issues Faced by Society and Addressing People's Needs through Business Activities ▶ Activities for contributing to society
Labor Practices and Decent Work		
Management Approach		▶ Empowering Our People
Employment		
(C)LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	▶ Promoting diversity
(C)LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	No Coverage
(A)LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	No Coverage
(C)LA15	Return to work and retention rates after parental leave, by gender.	No Coverage

GRI no.	GRI indicator	Corresponding page on NEC website
Labor/Management Relations		
(C)LA4	Percentage of employees covered by collective bargaining agreements.	 Annual Securities Report (Japanese)
(C)LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	No Coverage
Occupational Health and Safety		
(A)LA6	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
(C)LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender.	▶ Health and safety
(C)LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	▶ Health and safety
(C)LA9	Health and safety topics covered in formal agreements with trade unions.	▶ Health and safety
Training and Education		
(C)LA10	Average hours of training per year per employee by gender, and by employee category.	▶ Human resources development
(A)LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	▶ Human resources development
(A)LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	▶ Human resources development
Diversity and Equal Opportunity		
(C)LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	▶ Corporate governance ▶ Number and ratio of female managers
Equal Remuneration for Women and Men		
(C)LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	No Coverage
Human Rights		
Management Approach		▶ Respecting human rights
Investment and Procurement Practices		
(C)HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	No Coverage
(C)HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	▶ Partnering with suppliers
(A)HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	▶ Respecting human rights
Non-Discrimination		
(C)HR4	Total number of incidents of discrimination and corrective actions taken.	No Coverage
Freedom of Association and Collective Bargaining		
(C)HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated at significant risk, and actions taken to support these rights.	No Coverage

GRI no.	GRI indicator	Corresponding page on NEC website
Child Labor		
(C)HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	<ul style="list-style-type: none"> ▶ Respecting human rights ▶ Partnering With Suppliers
Forced and Compulsory Labor		
(C)HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	<ul style="list-style-type: none"> ▶ Respecting human rights ▶ Partnering With Suppliers
Security Practices		
(A)HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	No Coverage
Indigenous Rights		
(A)HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	No Coverage
Assessment		
(C)HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	No Coverage
Remediation		
(C)HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	No Coverage
Society		
Management Approach		<ul style="list-style-type: none"> ▶ Management Approach to Sustainable Development ▶ Internal Control (Compliance and Risk Management) ▶ For communities
Community		
(C)SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	<ul style="list-style-type: none"> ▶ Initiatives for Solving Issues Faced by Society and Addressing People's Needs through Business Activities ▶ Activities within Business Operations
(C)SO9	Operations with significant potential or actual negative impacts on local communities.	▶ Handling of Accidents and Complaints
(C)S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	▶ Handling of Accidents and Complaints
Corruption		
(C)SO2	Percentage and total number of business units analyzed for risks related to corruption.	▶ Risk management
(C)SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	▶ Training on NEC Group Code of Conduct
(C)SO4	Actions taken in response to incidents of corruption.	▶ Compliance

GRI no.	GRI indicator	Corresponding page on NEC website
Public Policy		
(C)SO5	Public policy positions and participation in public policy development and lobbying.	<ul style="list-style-type: none"> ▶ Challenge 25% Campaign ▶ Complying with the REACH Regulations ▶ Addressing the Issue of Mineral Resources that Fuel Conflict
(A)SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	No Coverage
Anti-Competitive Behavior		
(C)SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	No Coverage
Compliance		
(C)SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	No Coverage
Product Responsibility		
Management Approach		▶ Ensuring quality and safety
Customer Health and Safety		
(C)PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	▶ Ensuring quality and safety
(A)PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning 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		
(C)PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	▶ Environmentally friendly products and services
(A)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
(A)PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	▶ Customer satisfaction survey
Marketing Communications		
(C)PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	▶ NEC Group Code of Conduct
(A)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		
(A)PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	No Coverage
Compliance		
(C)PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	No Coverage

Related contents

- [Global Compact](#)
- [ISO26000](#)

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.	<ul style="list-style-type: none"> ▶ Respecting Human Rights ▶ Promoting Diversity ▶ Partnering with Suppliers
	Principle 2 Businesses should make sure that they are not complicit in human rights abuses.	
Labour	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> ▶ Communication with Employees ▶ Health & Safety ▶ Promoting Diversity ▶ Respecting Human Rights
	Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labour.	
	Principle 5 Businesses should uphold the effective abolition of child labour.	
	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.	<ul style="list-style-type: none"> ▶ Annual Environmental Report ▶ Environmental Activities
	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.	<ul style="list-style-type: none"> ▶ Internal Control (Compliance and Risk Management) ▶ Fair Trading

Related contents

- [Global Reporting Initiative](#)
- [ISO26000](#)

This is the comparison table of seven core subjects and 36 issues of ISO 26000 and CSR activities of NEC.

ISO 26000 Core Subjects	Issues	Corresponding Page on NEC website
Organizational Governance	Organizational Governance	<ul style="list-style-type: none"> ▶ Corporate Governance ▶ Management Approach to Sustainable Development ▶ Internal Control (Compliance and Risk Management) ▶ Business Continuity ▶ Information Security ▶ IR Activities
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"> ▶ Respecting Human Rights ▶ Internal Control (Compliance and Risk Management) ▶ Partnering with Suppliers
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"> ▶ Promoting Diversity ▶ Health & Safety ▶ Human Resources Development ▶ Communication with Employees
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"> ▶ Environmental Management ▶ Environmentally Friendly Products and Services ▶ Environmental Risk Management ▶ Activities toward Ecosystem and Biodiversity Preservation ▶ Environmental Communications
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"> ▶ Internal Control (Compliance and Risk Management) ▶ Partnering with Suppliers ▶ Fair Trading
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"> ▶ For Customers ▶ Ensuring Quality and Safety ▶ Design Friendly to Humans and the Earth
Community Involvement and Development	<ol style="list-style-type: none"> 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 	<ul style="list-style-type: none"> ▶ Help to Solve Social Issues Through Business Activities ▶ For Communities

Related contents

- [Global Reporting Initiative](#)
- [Global Compact](#)

Information Security Report

Today's advanced information communication technologies are making our society more sophisticated by enabling us to use information and IT systems in many ways. The information security problems such as information leakages and system failures caused by cyber attacks are increasing, however which may affect our daily lives. In the meantime, businesses need to be able to communicate information both internally and externally and therefore, information security is becoming one of the most critical business challenges today.

In the NEC Group, we are committed to protecting the information assets entrusted to us by our customers and trading partners, and pledge to provide reliable products, services, and information security solutions that will help realize a secure information society while delivering value to our customers.

We invite you to read this report to find out the measures the NEC Group is implementing to maintain information security, as well as the actions we are taking to improve our corporate activities by communicating thoroughly and openly with all our stakeholders, with the goal of maintaining our position as a company trusted by society.

Information Security Report 2014



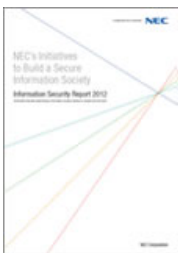
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< Contents >

- NEC's Approach to Information Security
- Information Security Promotion Framework
- Information Security Governance
- Information Security Management
- Information Security Platform
- Information Security Staff
- Information Security at Overseas Subsidiaries
- Information Security Coordinated with Business Partners
- Providing Secure Products and Services
- Examples of Information Security Activities
- Third-party Evaluations and Certifications
- Corporate Data

Archives

Information Security Report 2011



 [Download PDF file \(4.92MB\)](#)

Information Security Report 2010



 [Download PDF file \(1.96MB\)](#)

CSR Information Disclosure Policy

NEC aims to transform itself into a "Social Value Innovator" that uses ICT to support the infrastructure necessary for people to lead enriched lives. Accordingly, NEC considers communication with stakeholders, which provides the starting point for this transformation, to be a crucial responsibility.

NEC views the disclosure of CSR-related information through its website and PDF documents as important communication that is essential for earning the trust of all stakeholders, including shareholders and other investors, suppliers, local communities and employees.

NEC discloses CSR-related information by presenting relevant activities and achievements according to its seven priority initiatives.

The seven priority initiatives have been selected with emphasis on the results of stakeholder engagement from both standpoints of "Stakeholder Interests and Social Concerns" and "NEC's Perspective." The initiatives comprise four "Initiatives for Solving Issues Faced by Society and Addressing People's Needs through Business Activities" and three "Initiatives for Internal Management in Support of Business Activities."



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 noted otherwise.

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.

Furthermore, NEC includes details of CSR activity achievements every fiscal year in its [CSR Activity Report](#). Please use this as the traditional CSR Annual report.

Annual Report

Annual Report 2013 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 2013, 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 3.1(*)
- United Nations Global Compact
- ISO 26000

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

Please follow [this link](#) for information on conformance with International Reporting Initiatives.

Update of CSR Activity Report for Each Fiscal Year Issued:

September 2014 (previous: August 2013)

Other CSR-Related Reports

- [NEC Annual Environmental Report 2014](#)
- [NEC Information Security Report](#)
- [Social Contribution Activities](#)